

BATSON AND WEBSTER LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Registered number 00168494

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BATSON AND WEBSTER

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity during the year was making investments.

Principal risks and uncertainties

The directors of Pentland Group plc (the ultimate parent company) manage the group's risk at a group level, rather than at an individual entity level, including financial risk management. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of Batson and Webster Limited business.

The principal risks and uncertainties of Pentland Group plc, which include those of the company, are discussed in the group's annual report which does not form part of this report. Copies of the Pentland Group plc consolidated financial statements are available from the company secretary at 8 Manchester Square, London, W1U 3PH.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that an analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

By order of the board



P J Campbell
Company secretary
27 March 2015

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The company's profit for the financial year is £10,806 (2013: loss £10,000) and is shown in the profit and loss account on page 6. The directors do not recommend the payment of a final dividend (2013: £nil).

DIRECTORS

The following directors who held office during the year and up to the date of signing the financial statements were:

P J Campbell

R S Rubin

QUALIFYING THIRD PARTY AND PENSION SCHEME LIABILITY PROVISIONS

The Company has made qualifying third party indemnity provisions for the benefit of its directors and the secretary which were made during the year and remain in force at the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BATSON AND WEBSTER

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information, being information required by the auditors in connection with the preparation of the auditors' report, of which the auditors are unaware. Having made enquiries of fellow directors and the group auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

INDEPENDENT AUDITORS

Pursuant to sections 485-488 of the Companies Act 2006, PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an annual general meeting.

By order of the board



P J Campbell

Company secretary

27 March 2015

BATSON AND WEBSTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATSON AND WEBSTER LTD

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Batson and Webster Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Batson and Webster Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATSON AND WEBSTER LTD (continued)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Alison Lees (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 March 2015

BATSON AND WEBSTER

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Operating profit/(loss)	4	10,806	(10,000)
Profit/(loss) on ordinary activities before tax		10,806	(10,000)
Tax on profit / loss on ordinary activities	5	-	-
Profit / (loss) for the financial year	10	10,806	(10,000)

The company has no recognised gains and losses for the year ended 31 December 2014, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents.

BATSON AND WEBSTER**BALANCE SHEET AS AT 31 DECEMBER 2014**

	Note	2014 £	2013 £
Fixed assets			
Fixed asset investments	6	4,000	4,000
Current assets			
Debtors	7	10,806	-
		<u>10,806</u>	<u>-</u>
Creditors: amounts falling due after more than one year	8	(2,102)	(2,102)
Net current assets/(liabilities)		<u>8,704</u>	<u>(2,102)</u>
Net assets		<u>12,704</u>	<u>1,898</u>
Capital and reserves			
Called up equity share capital	9	1	1
Profit and loss account	10	12,703	1,897
Total shareholders' funds		<u>12,704</u>	<u>1,898</u>

The financial statements on pages 6 to 11 were approved by the board of directors on 27 March 2015 and signed on its behalf by:



P J Campbell
Director

Registered number 00168494

1 ACCOUNTING POLICIES

Basis of preparation These financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently with the prior year, is given in the following paragraphs.

Fixed asset investments Fixed asset investments are stated at cost, less provision for any diminution in value if appropriate.

Current and deferred income tax The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 CASH FLOW STATEMENT

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated financial statements a group cash flow statement drawn up under the provisions of Financial Reporting Standard 1 (Revised 1996): Cash Flow Statements (FRS 1). Accordingly, the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

3 DIRECTORS AND EMPLOYEES

The directors, who were the only employees of the company, did not receive any emoluments in respect of their services to the company during the year (2013: £nil). The directors who are also directors of another company within the group, have their emoluments disclosed in the financial statements of one company only and have not been recharged to this entity.

BATSON AND WEBSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

4 OPERATING PROFIT

	2014 £	2013 £
Other Income	10,806	-
Operating Profit	10,806	-

5 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

Based upon the results, for the current and prior year there was no tax payable. The tax assessed for the year is lower (2013: higher) than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit/(Loss) on ordinary activities before taxation	10,806	(10,000)
Profit/(loss) on ordinary activities multiplied by the average rate in the UK of 21.49% (2013: 23.25%)	2,323	(2,325)
Effects of:		
Group relief claimed for £nil consideration	(2,323)	-
Income not taxable	-	2,325
Current tax charge for the year	-	-

The main rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for the accounting period to 31 December 2014 were taxed at an effective rate of 21.49%. A further rate reduction to 20% effective from 1 April 2015 was substantively enacted on 2 July 2013 and therefore any relevant deferred tax balances have been measured at this rate.

6 FIXED ASSET INVESTMENTS

	2014 £	2013 £
Cost	4,000	4,000

BATSON AND WEBSTER LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
(CONTINUED)****7 DEBTORS**

	2014 £	2013 £
Other debtors	10,806	-
	<u>10,806</u>	<u>-</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Other creditors	2,102	2,102
	<u>2,102</u>	<u>2,102</u>

9 CALLED UP SHARE CAPITAL

	2014 £	2013 £
Authorised		
30,000 ordinary shares of £1 each	30,000	30,000
	<u> </u>	<u> </u>
		£
Allotted, issued and fully paid		
At 1 January 2014 and 31 December 2014		1
		<u> </u>

10 PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
At 1 January	1,897	11,897
Profit/(loss) for the financial year	10,806	(10,000)
	<u>12,703</u>	<u>1,897</u>

11 RELATED PARTIES

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated financial statements, which are publicly available, a related parties disclosure note under the provisions of Financial Reporting Standard 8: Related Party Disclosures (FRS 8). Accordingly, the company has taken advantage of the exemption available under FRS 8 to dispense with disclosing related party transactions with entities within the group, or investees of the group, qualifying as related parties.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
(CONTINUED)**

12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Pentland Industries Limited, a company registered in England, which has prepared financial statements for the year ended 31 December 2014 and these can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH. The ultimate parent undertaking is Pentland Group plc, a company registered in England. R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group plc. Consolidated financial statements have been prepared by Pentland Group plc, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 31 December 2014. The consolidated financial statements of Pentland Group plc can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH.