

Registered Number 4573036

Cash Flow Services Limited  
Annual Report and Financial Statements  
for the year ended 31 December 2011

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# **Cash Flow Services Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2011**

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# **Cash Flow Services Limited**

## **Directors and advisers**

### **Directors**

R D East

J M Briggs

### **Company Secretary**

R C W Todd

### **Registered Office**

Kingston House

Centre 27 Business Park

Woodhead Road

Birstall

Batley

West Yorkshire

WF17 9TD

Registered in England

Registered Number 4573036

### **Independent Auditor**

Grant Thornton UK LLP

Grant Thornton House

Melton Street

London

NW1 2EP

# Cash Flow Services Limited

## Directors' report for the year ended 31 December 2011

The directors present their Annual Report together with the audited financial statements of the Company for the year ended 31 December 2011. The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

### Principal activity

The Company did not trade during the year and there is no intention for the Company to trade in the foreseeable future.

### Results and dividends

The profit/loss for the year was £nil (2010: loss of £1). The directors do not propose a dividend (2010: £nil) in respect of the year.

### Restructuring of the Cattles Group

As previously reported, on 25 November 2009, Cattles Limited (formerly Cattles plc) (Cattles), the Company's ultimate parent company until 2 March 2011, announced that it had agreed a formal Standstill and Equalisation Agreement (SEA) with certain of its key financial creditors.

The signing of the SEA allowed the Cattles Group to continue its negotiations with a view to achieving a consensual restructuring of the Cattles Group. On 29 November 2010, it was announced that Cattles had received sufficient support from its key financial creditors to enable it to launch a restructuring of the Cattles Group by way of four schemes of arrangement.

On 2 March 2011 (Scheme Effective Date), following hearings at the High Court of Justice in England and Wales, Cattles announced that all such schemes had become effective.

The schemes are not expected to have any material impact on the Company, other than the change of control which is disclosed in note 6.

### Going concern

On 2 March 2011, Cattles announced that the scheme of arrangement to effect the restructuring of the Cattles Group had become effective.

After making enquiries regarding the circumstances outlined above, the directors have concluded that there is a reasonable expectation that the Company can continue to pay its debts as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

### Directors

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

R D East

J M Briggs (appointed 9 May 2011)

J R Drummond Smith (resigned 1 December 2011)

# Cash Flow Services Limited

## Directors' report for the year ended 31 December 2011 (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the 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 elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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.

### Financial risk management

Detail of the Company's financial risk management policies are set out in note 5 to the financial statements

### Directors' indemnities

Directors serving as directors of the Company's ultimate parent until 2 March 2011, Cattles, were indemnified by the provisions made by Cattles.

### Auditor

Each of the persons who is a director at the date of approval of this Annual Report confirms that

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

By Order of the Board



R C W Todd  
Company Secretary

19 September 2012

Registered Number 4573036

## **Independent Auditor's report to the members of Cash Flow Services Limited**

We have audited the financial statements of Cash Flow Services Limited for the year ended 31 December 2011 which comprise the income statement, the statement of comprehensive income, the statement of changes in equity, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its result for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Cardiff  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants  
London, United Kingdom

26 September 2012

## Cash Flow Services Limited

### Income statement for the year ended 31 December 2011

	Notes	2011 £	2010 £
Impairment of loans and receivables	3	-	(1)
<b>Loss before taxation</b>		-	(1)
Taxation		-	-
<b>Loss for the year attributable to equity holders of the Company</b>		-	(1)

### Statement of comprehensive income for the year ended 31 December 2011

There were no items of other comprehensive income in either of the above years and therefore total comprehensive loss for the year attributable to the equity holders of the Company amounted to £nil (2010 £1)

## Cash Flow Services Limited

### Statement of changes in equity for the year ended 31 December 2011

	Share capital £	Retained earnings £	Total equity £
At 1 January 2010	1	-	1
Total comprehensive loss for the year	-	(1)	(1)
At 1 January 2011	1	(1)	-
Total comprehensive income for the year	-	-	-
At 31 December 2011	1	(1)	-

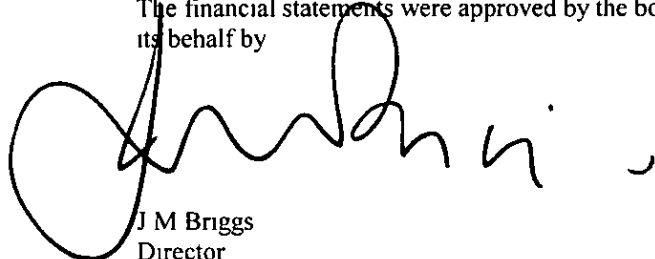


# Cash Flow Services Limited

## Balance sheet as at 31 December 2011

	Notes	2011 £	2010 £
<b>ASSETS</b>			
<b>Current assets</b>			
Intra-group receivables	3	-	-
<b>Net assets</b>		-	-
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	4	1	1
Retained earnings		(1)	(1)
<b>Total shareholders' equity</b>		-	-

The financial statements were approved by the board of Directors on 19 September 2012 and were signed on its behalf by



J M Briggs  
Director

Registered Number 4573036

# Cash Flow Services Limited

## Statement of accounting policies

### General information

Cash Flow Services Limited (the Company) is a company incorporated in the United Kingdom. The address of the registered office is given on page 2.

### Statement of compliance

These financial statements have been prepared in accordance with EU endorsed IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations issued by the International Accounting Standards Board effective for accounting periods commencing on or after 1 January 2011. These financial statements have also been prepared in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS.

### Basis of preparation

The financial statements are prepared under the historical cost convention except for the use of fair values as required by certain accounting standards, and are presented in Pounds Sterling, the Company's functional and presentational currency.

The following accounting policies have been applied consistently by the Company to all periods presented in these financial statements.

### Going concern

On 2 March 2011, Cattles announced that the scheme of arrangement to effect the restructuring of the Cattles Group had become effective.

After making enquiries regarding the circumstances outlined above, the directors have concluded that there is a reasonable expectation that the Company can continue to pay its debts as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

### Accounting developments

#### Standards and interpretations which have been adopted by the Company in 2011

The following standards and amendments to existing standards, which are relevant to the Company's operations, have been published and were mandatory for accounting periods beginning on or after 1 January 2011 or later periods, although the Company did not early adopt any of them. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

- Improvements to IFRS issued May 2010 (some changes effective 1 July 2010, others effective 1 January 2011). The IASB has issued 'Improvements to IFRS 2010' (2010 Improvements). Most of these amendments become effective in annual periods beginning on or after 1 July 2010 or 1 January 2011. The 2010 Improvements amend certain provisions of IFRS 3 (revised), clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments.

# Cash Flow Services Limited

## Statement of accounting policies (continued)

### Accounting developments (continued)

#### Standards and interpretations in 2011 which have not been adopted

The following relevant standards and interpretations have been issued but are not effective for the year ended 31 December 2011

- IFRS 7 (amendment) 'Financial Instruments Disclosures' (effective 1 July 2011) The amendment clarifies the disclosure of transfers of financial assets
- IAS 12 (amendment) 'Income Taxes' (effective 1 January 2012) The amendment clarifies the recovery of underlying assets within deferred tax
- IAS 1 (amendment) 'Presentation of Financial Statements' (effective 1 July 2012) The amendment clarifies the presentation of items of other comprehensive income
- IFRS 7 (amendment) 'Financial Instruments Disclosures' (effective 1 January 2013) The amendment clarifies the disclosure required when offsetting financial assets and financial liabilities
- IFRS 10 'Consolidated Financial Statements' (effective 1 January 2013)
- IFRS 11 'Joint Arrangements' (effective 1 January 2013)
- IFRS 12 'Disclosure of Interests in Other Entities' (effective 1 January 2013)
- IFRS 13 'Fair Value Measurement' (effective 1 January 2013)
- IAS 19 (revised) 'Employee Benefits' (effective 1 January 2013)
- IAS 27 (revised) 'Consolidation and Separate Financial Statements' (effective 1 January 2013)
- IAS 28 (revised) 'Investments in Associates and Joint Ventures' (effective 1 January 2013)
- IAS 32 (amendment) 'Financial Instruments Presentation' (effective 1 January 2014) The amendment clarifies the accounting treatment of offsetting financial assets and financial liabilities
- IFRS 7 and IFRS 9 (amendment) 'Financial Instruments' (effective 1 January 2015) Mandatory effective date and transition disclosures
- IFRS 9 'Financial Instruments' (effective 1 January 2015)

In all instances, the Board is considering the impact that these standards may have on the Company's 31 December 2012 financial statements. The impact is not yet known.

### Cash flow statement

The Company did not enter into any cash transactions during either of the years presented and therefore a cash flow statement has not been presented.

### Tax

The charge or credit for current tax is based on the taxable profit or loss for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates of tax that have been enacted or substantively enacted at the balance sheet date.

# Cash Flow Services Limited

## Notes to the financial statements for the year ended 31 December 2011

### 1 Staff costs and directors' emoluments

The Company has no employees other than the directors (2010 none) The directors received no remuneration for their services to the Company (2010 £nil)

### 2 Auditor's remuneration

The cost of the Auditor providing audit services to the Company in the current year is borne by a former fellow Group company No non-audit services were provided in the current or prior year

### 3 Loans and receivables

	2011 £	2010 £
<b>Current</b>		
Intra-group receivables	-	1
Impairment of intra-group receivables	-	(1)
	-	-

During 2010, the directors revised their expectations of the recoverability of the inter-company loan, which resulted in the full impairment of its loans and receivables During 2011, the loan was written off as part of the restructuring of the Group

### 4 Share capital

	Authorised 2011		Authorised 2010	
	No	£	No	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

	Allotted, called up and fully paid 2011		Allotted, called up and fully paid 2010	
	No.	£	No	£
Ordinary shares of £1 each	1	1	1	1

The rights attached to the ordinary shares are as follows

#### Voting

On a show of hands every ordinary shareholder who is present in person at a general meeting of the Company and every proxy appointed by an ordinary shareholder and present at a general meeting of the Company shall have one vote and on a poll every ordinary shareholder who is present in person or by proxy shall have one vote for every share held

# **Cash Flow Services Limited**

## **Notes to the financial statements for the year ended 31 December 2011 (continued)**

### **4 Share capital (continued)**

#### **Dividends**

Ordinary shareholders shall be entitled to receive such dividend as the Company by ordinary resolution may from time to time declare as a final dividend (such dividend not to exceed the amount recommended by the Board) or as the Board may from time to time declare as an interim dividend

#### **Return of capital on a winding-up**

Ordinary shareholders are entitled to participate in any surplus assets on the winding-up of the Company in proportion to their shareholdings

### **5 Financial risk management**

The most significant financial risks faced by the Company are credit, liquidity and capital risk

#### **Management of Credit risk**

The Company's credit risk is solely related to its intra-group receivables, which also represents its maximum exposure to credit risk

#### **Management of Liquidity risk**

Liquidity risk is the risk to earnings or capital arising from an inability to meet obligations when they become due, without incurring unexpected or unacceptable losses. It includes the risk of inability to manage unplanned decreases or changes in funding sources and also any failure to recognise and address changes in market conditions that could affect the Company's ability to liquidate assets quickly, with minimum value loss, if necessary

The Company has no financial liabilities and therefore is not subject to any material liquidity risk

#### **Management of Capital risk**

As a consequence of the events outlined in the Director's Report, capital risk is not considered relevant or significant enough to justify its own category

### **6 Related party transactions**

#### **Ultimate parent undertaking**

Prior to 2 March 2011, the ultimate parent undertaking and controlling party of the Company was Cattles, registered in England and Wales. As a consequence of the Group's restructuring which became effective on 2 March 2011, details of which are set out in the Directors' Report, operating and financial policy of certain Group companies has been set by the operation of the various Schemes and other legal arrangements put in place as part of the Group restructuring. As such, the voting rights over the Company's immediate parent undertaking, The Lewis Group Limited, held by that company's shareholders, do not influence its strategic direction. Therefore the Company's parent and ultimate parent undertaking and its controlling related party at 31 December 2011 is The Lewis Group Limited

The Lewis Group Limited has not prepared consolidated financial statements for 2011 as its subsidiaries are considered immaterial

#### **Related party transactions**

Receivables due from Group undertakings are disclosed in note 3

#### **Key management compensation**

The directors of the Company are the Company's key management. These individuals received no compensation for their services to the Company