

# **Connect Water Systems (Scotland) Ltd.**

## **Annual report for the period ended 31 March 2012**

Registered number SC333107

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# **Connect Water Systems (Scotland) Ltd.**

## **Annual report for the period ended 31 March 2012**

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# **Connect Water Systems (Scotland) Ltd.**

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## **Directors and advisors**

### **Directors**

S A Woods	(appointed 7 December 2012)
P J Cohen	(appointed 29 June 2011 and resigned 19 June 2012)
J F Skidmore	(appointed 29 June 2011 and resigned 7 December 2012)
J M Brown	(resigned 29 June 2011)

### **Registered office**

C/O PHS Washrooms  
Westrigg  
Blackridge  
West Lothian  
EH48 3AU

### **Independent auditors**

PricewaterhouseCoopers LLP  
One Kingsway  
CARDIFF  
CF10 3PW

### **Solicitors**

Morgan Cole  
Bradley Court  
Park Place  
CARDIFF  
CF1 3DP

**Directors' report  
for the period ended 31 March 2012**

The Directors present their report and the audited financial statements for the period ended 31 March 2012.

**Principal activity and review of business**

On 29 June 2011, the Company became a wholly owned subsidiary of Personnel Hygiene Services Limited. On the following day, the new parent company acquired the trade and net assets of the Company. Consequently at this time, the Company became dormant.

The Directors anticipate that the Company will remain dormant for the foreseeable future.

**Results and dividends**

The profit after taxation for the period was £308,376 (Period 1 May 2011 to 28 June 2011: £3,114).

The Board does not recommend the payment of a final dividend (Period 1 May 2011 to 28 June 2011: £nil). An interim dividend of £3.77644 (Period 1 May 2011 to 28 June 2011: £nil) per ordinary share was paid at a total cost of £188,822 (Period 1 May 2011 to 28 June 2011: £nil).

**Directors**

All Directors of the Company who served at any time during the period are listed on page 1.

**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 period. 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.

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.

**Directors' report  
for the period ended 31 March 2012 (continued)**

**Statement of disclosure of information to auditors**

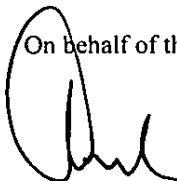
Each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware.

**Independent auditors**

The Company has appointed PricewaterhouseCoopers LLP to fill a casual vacancy and will propose a resolution to ratify this appointment at the next Annual General Meeting.

On behalf of the board

A handwritten signature in black ink, appearing to be 'S A Woods', written over a circular stamp or seal.

**S A Woods  
Director**

**19 December 2012**

## **Independent auditors' report to the members of Connect Water Systems (Scotland) Ltd.**

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We have audited the financial statements of Connect Water Systems (Scotland) Ltd for the period ended 31 March 2012 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of Directors and Auditors**

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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the profit for the period.

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.

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

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. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis for disclaimer of opinion on the profit for the period**

The audit evidence available to us was limited as we were not appointed as auditors of the Company until 26th July 2012 and the financial statements for the year ended 28 June 2011 were unaudited because the company took advantage of the exemption available to it from having an audit. Any adjustments that might have been found to be necessary to the opening balances as at 29 June 2011 would impact on the Company's profit for the period and the comparative figures in the balance sheet for the year ended 28 June 2011.

### **Basis for qualified opinion on the financial statements**

The notes to the financial statements do not disclose employee information or tax on profit on ordinary activities as management has not been able to obtain this information as is required by the Companies Act 2006.

### **Disclaimer of opinion on the profit for the period**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the profit for the period paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Company's profit for the period ended 31 March 2012. Accordingly we do not express an opinion on the Company's profit for the period ended 31 March 2012.

# **Independent auditors' report to the members of Connect Water Systems (Scotland) Ltd.**

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## **Qualified opinion on the 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 March 2012.

In our opinion, except for the matters referred to in the basis for qualified opinion paragraph, the financial statements:

- 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.

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

Notwithstanding our disclaimer of an opinion on the profit for the period, in our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we consider necessary for the purposes of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

## **Other matter**

The financial statements for the year ended 28 June 2011, forming the corresponding figures of the financial statements for the period ended 31 March 2012, are unaudited.



Jason Clarke (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff

20.12.12

# Connect Water Systems (Scotland) Ltd.

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## Profit and loss account for the period ended 31 March 2012

Registered number: SC333107

	Note	Period ended 31 March 2012 £	Unaudited Period 1 May 2011 to 28 June 2011 £
Turnover		-	32,174
Cost of sales		-	(16,372)
Administrative expenses		-	(10,727)
Operating profit	2	-	5,075
Profit on sale of operations	3	308,376	-
Interest payable and similar charges	4	-	(1,961)
Profit on ordinary activities before taxation		308,376	3,114
Tax on profit/(loss) on ordinary activities	5	-	-
Profit on ordinary activities after taxation		308,376	3,114

All operations were discontinued during the period.

The Company had no recognised gains and losses other than the profits and losses disclosed above and therefore no separate statement of total recognised gains and losses is presented.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical cost convention.



# Connect Water Systems (Scotland) Ltd.

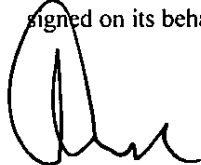
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## Balance sheet as at 31 March 2012

Registered number: SC333107

	Note	31 March 2012 £	Unaudited 28 June 2011 £
<b>Fixed assets</b>			
Tangible assets	6	-	163,286
<b>Current assets</b>			
Stocks		-	5,044
Debtors	7	50,000	30,916
		50,000	35,960
Creditors: amounts falling due within one year	8	-	(68,000)
<b>Net current assets/(liabilities)</b>		50,000	(32,040)
<b>Total assets less current liabilities</b>		50,000	131,246
Creditors: amounts falling due after more than one year	8	-	(200,800)
<b>Net assets/(liabilities)</b>		50,000	(69,554)
<b>Capital and reserves</b>			
Called up share capital	9	50,000	50,000
Profit and loss account	10	-	(119,554)
<b>Total shareholders' funds/(deficit)</b>	11	50,000	(69,554)

The financial statements on pages 6 to 12 were approved by the Board of Directors on 19 December 2012 and were signed on its behalf by:



S A Woods  
Director

## Notes to the financial statements for the period ended 31 March 2012

### 1. Principal accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention, applicable United Kingdom accounting standards and the Companies Act 2006. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial period, are described below.

#### Cash flow statement and related party disclosure

The Company is a wholly owned subsidiary of Personnel Hygiene Services Limited, which is wholly owned trading subsidiary of PHS Group Holdings Limited. The results of the company are included in the consolidated financial statements of PHS Group Holdings Limited, which are publicly available.

Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1. The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the PHS Group Holdings Limited group or investees of the PHS Group Holdings Limited group.

The comparative information, which relates to the period 1 May 2011 to 28 June 2011, is unaudited. The prior period financial statements were unaudited as the company took advantage of the exemption under section 477 of the Companies Act 2006 to not have an audit.

#### Turnover

Turnover represents net invoiced sales of goods, exclusive of value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment at customers' premises	- 5 - 10 years straight line
Other equipment	- 4 years straight line
Motor vehicles	- 4 years straight line

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Notes to the financial statements  
for the period ended 31 March 2012 (continued)**

**2. Operating loss**

Operating loss is stated after charging:

	<b>Period ended 31 March 2012 £</b>	<b>Unaudited Period 1 May 2011 to 28 June 2011 £</b>
Directors' emoluments	-	5,000
Depreciation of owned assets	-	2,928
	<hr/>	<hr/>

**3. Profit on sale of operations**

On 29 June 2011, Personnel Hygiene Services acquired the trade and net assets of the Company for consideration of £238,822.

**4. Interest payable and similar charges**

	<b>Period ended 31 March 2012 £</b>	<b>Unaudited Period 1 May 2011 to 28 June 2011 £</b>
On bank loans and overdrafts	-	1,961
	<hr/>	<hr/>

**5. Tax on profit/(loss) on ordinary activities**

The profit arising in the current period is wholly in respect of non-taxable income.

**Notes to the financial statements  
for the period ended 31 March 2012 (continued)**

**6. Tangible fixed assets**

	Unaudited Equipment at customers' premises £	Unaudited Computer equipment £	Unaudited Totals £
<b>Cost</b>			
At 29 June 2011	197,904	9,333	207,237
Disposals to parent company	(197,904)	(9,333)	(207,237)
<b>At 31 March 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>			
At 29 June 2011	38,746	5,205	43,951
Disposals to parent company	(38,746)	(5,205)	(43,951)
<b>At 31 March 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>			
<b>At 31 March 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 28 June 2011	159,158	4,128	163,286

**7. Debtors**

	31 March 2012 £	Unaudited 28 June 2011 £
Trade debtors	-	29,459
Prepayments	-	1,456
Amounts owed by group undertakings	50,000	-
	<b>50,000</b>	<b>30,915</b>

**8. Creditors**

	31 March 2012 £	Unaudited 28 June 2011 £
<b>Amounts falling due within one year:</b>		
Bank overdrafts	-	14,598
Trade creditors	-	7,869
Accruals and deferred income	-	42,041
Other taxation and social security	-	3,492
	<b>-</b>	<b>68,000</b>

**Notes to the financial statements  
for the period ended 31 March 2012 (continued)**

**8. Creditors (continued)**

	31 March 2012 £	Unaudited 28 June 2011 £
Amounts falling due after more than one year:		
Other creditors	-	20,800
Loan from Connect Water Systems UK Ltd	-	180,000
	<u>-</u>	<u>200,800</u>

**9. Called up share capital**

	31 March 2012 £	Unaudited 28 June 2011 £
Allotted, issued and fully paid:		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**10. Statement of movement in reserves**

	Profit and loss account £
At 29 June 2011	(119,554)
Retained profit for the period	<u>119,554</u>
At 31 March 2012	<u>-</u>

**11. Reconciliation of movement in shareholders' funds**

	31 March 2012 £	Unaudited 28 June 2011 £
Profit/(loss) for the period	308,376	3,114
Dividends paid	(188,822)	-
	<u>119,554</u>	<u>3,114</u>
Opening shareholders' funds	(69,554)	(72,668)
Closing shareholders' funds	<u>50,000</u>	<u>(69,554)</u>

**Notes to the financial statements  
for the period ended 31 March 2012 (continued)**

**12. Ultimate parent company and controlling party**

The ultimate parent company is PHS Group Holdings Limited and the immediate parent company is Personnel Hygiene Services Limited. Both companies are incorporated in the United Kingdom and registered in England and Wales.

The parent company of the smallest group at which the Company's financial statements are consolidated is PHS Group plc and of the largest group is PHS Group Holdings Limited.

Copies of the financial statements of both parent companies are available from the company's registered office at Western Industrial Estate, Caerphilly.

The ultimate controlling party of the Company is funds managed by Charterhouse General Partners (VII).