

**Registration number 1538873**

**Industrial Supplies & Services Limited**  
**Directors' report and financial statements**  
**for the year ended 31 December 2009**

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## **Industrial Supplies & Services Limited**

### **Company information**

|                   |  |
|-------------------|--|
| Directors         | R C Godley<br>P J Chapman<br>R Walker<br>M Dennis  |
| Secretary         | R C Godley, P J Chapman & S K Kelly  |
| Company number    | 1538873  |
| Registered office | Redfield Road<br>Lenton<br>Nottingham<br>NG7 2UJ   |
| Auditors          | Hobsons<br>Alexandra House<br>43 Alexandra Street<br>Nottingham<br>NG5 1AY                 |
| Bankers           | National Westminster Bank plc<br>Smiths Branch<br>16 South Parade<br>Nottingham<br>NG1 2JX |

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## **Industrial Supplies & Services Limited**

### **Contents**

|                                   | <b>Page</b>   |
|-----------------------------------|---------------|
| Directors' report                 | <b>1 - 2</b>  |
| Auditors' report                  | <b>3 - 4</b>  |
| Profit and loss account           | <b>5</b>      |
| Balance sheet                     | <b>6</b>      |
| Notes to the financial statements | <b>7 - 18</b> |

## **Industrial Supplies & Services Limited**

### **Directors' report for the year ended 31 December 2009**

The directors present their report and the financial statements for the year ended 31 December 2009

#### **Change of name**

The company changed its name from Leengate Welding Group Limited to Industrial Supplies & Services Limited on 29 January 2010

#### **Principal activity**

The principal activity of the company in the year under review was the management and administration of its subsidiary companies

#### **Business review**

The directors acknowledge that the results for the year have been disappointing. It has been a difficult year for the whole group due to the economic recession and the impact of competition in difficult trading conditions. However, the directors believe that the subsidiaries are still well placed despite current economic conditions to increase or return to profitability and to respond to downturns in the market in the immediate term.

The company will continue to act as a holding company to the Industrial Supplies group and receive income and management charges from its subsidiary undertakings.

The principal risk to the company is the continued trading and profitability of its subsidiary undertakings. However, the directors believe that the group is still in a strong position.

#### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who served during the year are as stated below:

R C Godley  
P J Chapman  
R Walker  
M Dennis

#### **Professional indemnity insurance**

Insurance cover is maintained to indemnify the directors of the company against liabilities and claims that may arise during the performance of their duties.

#### **Statement of directors' responsibilities**

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

## **Industrial Supplies & Services Limited**

### **Directors' report for the year ended 31 December 2009**

continued

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 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 13 September 2010 and signed on its behalf by



**R. C. Godley**  
**Director**

**Independent auditor's report to the shareholders of  
Industrial Supplies & Services Limited**

We have audited the financial statements of Industrial Supplies & Services Limited for the year ended 31 December 2009 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).

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 auditors' 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 pages 1 - 2, 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 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**

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.

**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 December 2009 and of its loss 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.

**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.

**Independent auditor's report to the shareholders of  
Industrial Supplies & Services Limited**

continued

**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

**Monica Szolin-Jones FCA (Senior Statutory Auditor)**

**For and on behalf of Hobsons**

**Chartered Accountants and**

**Statutory Auditors**

**Alexandra House**

**43 Alexandra Street**

**Nottingham**

**NG5 1AY**

**16 September 2010**

# Industrial Supplies & Services Limited

## Profit and loss account for the year ended 31 December 2009

|  |           | Continuing operations |                  |
|--|-----------|-----------------------|------------------|
|  |           | 2009                  | 2008             |
|  | Notes     | £                     | £                |
| Administrative expenses                            |           | (888,280)             | (905,262)        |
| Other operating income                             |           | 695,594               | 669,775          |
| <b>Operating loss</b>                              | <b>2</b>  | <b>(192,686)</b>      | <b>(235,487)</b> |
| Investment income                                  | 4         | 55,664                | 447,268          |
| Other interest receivable and similar income       | 6         | 53,098                | 252,949          |
| Amount written off investments                     | 5         | (84,745)              | (18,800)         |
| Interest payable and similar charges               | 7         | (217,332)             | (488,590)        |
| <b>Loss on ordinary activities before taxation</b> |           | <b>(386,001)</b>      | <b>(42,660)</b>  |
| Tax on loss on ordinary activities                 | 9         | 112,159               | 304,738          |
| <b>(Loss)/profit for the year</b>                  | <b>17</b> | <b>(273,842)</b>      | <b>262,078</b>   |
| Retained profit brought forward                    |           | 2,867,601             | 2,605,523        |
| <b>Retained profit carried forward</b>             |           | <b>2,593,759</b>      | <b>2,867,601</b> |

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 7 to 18 form an integral part of these financial statements.



# Industrial Supplies & Services Limited

## Balance sheet as at 31 December 2009

|  |       | 2009             |                  | 2008             |                  |
|--|-------|------------------|------------------|------------------|------------------|
|  | Notes | £                | £                | £                | £                |
| <b>Fixed assets</b>  |       |                  |                  |                  |                  |
| Tangible assets  | 10    |                  | 480,776          |                  | 495,540          |
| Investments  | 11    |                  | 872,575          |                  | 781,329          |
|  |       |                  | <u>1,353,351</u> |                  | <u>1,276,869</u> |
| <b>Current assets</b>  |       |                  |                  |                  |                  |
| Stocks   | 12    | 8,122            |                  | 6,069            |                  |
| Debtors  | 13    |                  |                  |                  |                  |
| falling due after more than one year                           |       | 3,380,646        |                  | 3,266,854        |                  |
| falling due within one year                                    |       | 2,647,370        |                  | 2,851,853        |                  |
| Cash at bank and in hand                                       |       | 868,986          |                  | 1,836,289        |                  |
|  |       | <u>6,905,124</u> |                  | <u>7,961,065</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (267,483)        |                  | (559,927)        |                  |
| <b>Net current assets</b>                                      |       |                  | <u>6,637,641</u> |                  | <u>7,401,138</u> |
| <b>Total assets less current liabilities</b>                   |       |                  | 7,990,992        |                  | 8,678,007        |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |                  | (5,371,985)      |                  | (5,785,158)      |
| <b>Net assets</b>  |       |                  | <u>2,619,007</u> |                  | <u>2,892,849</u> |
| <b>Capital and reserves</b>                                    |       |                  |                  |                  |                  |
| Called up share capital  | 16    |                  | 10,250           |                  | 10,250           |
| Share premium account  | 17    |                  | 14,998           |                  | 14,998           |
| Profit and loss account  | 17    |                  | 2,593,759        |                  | 2,867,601        |
| <b>Shareholders' funds</b>                                     | 18    |                  | <u>2,619,007</u> |                  | <u>2,892,849</u> |

The financial statements were approved by the Board on 13 Sept. 2010 and signed on its behalf by



R. C. Godley  
Director

Registration number 1538873

The notes on pages 7 to 18 form an integral part of these financial statements.

## **Industrial Supplies & Services Limited**

### **Notes to the financial statements for the year ended 31 December 2009**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because the company is a wholly owned subsidiary and its ultimate parent undertaking publishes consolidated financial statements

The company has consistently applied all relevant accounting standards

##### **1.2. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

|                                  |   |   |
|----------------------------------|---|---|
| Land and buildings               | - | 2% on cost/10% straight line on tenants improvements                          |
| Fixtures, fittings and equipment | - | 15% reducing balance/25% straight line  |
| Motor vehicles                   | - | 20% straight line new commercial vehicles/25% reducing balance other vehicles |

##### **1.3. Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### **1.4. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value

##### **1.5. Stock**

Stock is valued at the lower of cost and net realisable value

##### **1.6. Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year

##### **1.7. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account

##### **1.8. Group accounts**

The company is exempt from preparing consolidated financial statements because its results are included in the accounts of a larger group

# Industrial Supplies & Services Limited

## Notes to the financial statements for the year ended 31 December 2009

continued

| <b>2. Operating loss</b>                                   | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Operating loss is stated after charging                    |             |             |
| Depreciation and other amounts written off tangible assets | 24,156      | 28,168      |
| Loss on disposal of tangible fixed assets                  | 3,775       | 748         |
| Net foreign exchange loss                                  | 43,001      | 30,394      |
| Operating lease rentals                                    |             |             |
| - Land and buildings                                       | 17,490      | 17,490      |
| - Motor vehicles   | 37,891      | 36,625      |
| Auditors' remuneration (Note 3)                            | 7,132       | 8,980       |
| Auditors' remuneration from non-audit work (Note 3)        | 4,548       | 7,499       |

Included in non-audit work above are fees totalling £nil (2008 - £5,647) relating to subsidiary undertakings

| <b>3. Auditors' remuneration</b>                           | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Auditors' remuneration - audit of the financial statements | 7,132       | 8,980       |
| Auditors' remuneration - other fees                        |             |             |
| - taxation services  | 3,830       | 6,000       |
| - Wages preparation  | 718         | 1,499       |
|  | 4,548       | 7,499       |

| <b>4. Income from investments</b>   | <b>2009</b> | <b>2008</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>£</b>    | <b>£</b>    |
| Income from subsidiary undertakings | 55,664      | 447,268     |

Dividends of £Nil have been received from subsidiary undertakings (2008 - £303,960) The company is due to receive dividends amounting to £82,000 after the year end from its subsidiary undertakings, which relate to 2009 results

**Industrial Supplies & Services Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

continued

|  |                   |                   |
|--|-------------------|-------------------|
| <b>5. Amounts written off investments</b>                                      | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Amounts written off fixed asset investments<br>- permanent diminution in value | 84,745            | 18,800            |
|  | <u>          </u> | <u>          </u> |
| <b>6. Interest receivable and similar income</b>                               | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Bank interest  | 50,339            | 189,315           |
| Other interest   | 2,759             | 63,634            |
|  | <u>          </u> | <u>          </u> |
|  | <u>53,098</u>     | <u>252,949</u>    |
| <b>7. Interest payable and similar charges</b>                                 | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| On amounts payable to group companies  | 164,879           | 393,038           |
| Bank interest  | 52,453            | 95,552            |
|  | <u>          </u> | <u>          </u> |
|  | <u>217,332</u>    | <u>488,590</u>    |

# Industrial Supplies & Services Limited

## Notes to the financial statements for the year ended 31 December 2009

continued

### 8. Employees

#### Number of employees

The average monthly numbers of employees  
(including the directors) during the year were

|            | 2009<br>Number | 2008<br>Number |
|------------|----------------|----------------|
| Management | 14             | 13             |

#### Employment costs

|                       | 2009<br>£      | 2008<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 508,782        | 524,598        |
| Social security costs | 60,893         | 64,001         |
| Pension costs         | 29,981         | 46,595         |
|                       | <u>599,656</u> | <u>635,194</u> |

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £29,981 (31 December 2008 - £46,595).

### 8.1. Directors' remuneration

|                                   | 2009<br>£      | 2008<br>£      |
|-----------------------------------|----------------|----------------|
| Remuneration and other emoluments | 227,741        | 264,575        |
| Pension contributions             | 17,288         | 34,558         |
|                                   | <u>245,029</u> | <u>299,133</u> |

|   | Number | Number |
|---|--------|--------|
| Number of directors to whom retirement benefits<br>are accruing under a money purchase scheme | 3      | 3      |

#### Highest paid director

|                               | £              | £              |
|-------------------------------|----------------|----------------|
| Amounts included above        |                |                |
| Emoluments and other benefits | 105,511        | 122,387        |
| Pension contributions         | 9,500          | 24,066         |
|                               | <u>115,011</u> | <u>146,453</u> |

## Industrial Supplies & Services Limited

### Notes to the financial statements for the year ended 31 December 2009

continued

#### 9. Tax on loss on ordinary activities

| Analysis of charge in period               | 2009<br>£        | 2008<br>£        |
|--|------------------|------------------|
| <b>Current tax</b>                         |                  |                  |
| Adjustments in respect of previous periods | (307)            | (47,655)         |
| Group relief                               | (111,852)        | (257,083)        |
|  | <u>(112,159)</u> | <u>(304,738)</u> |

#### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28 00 per cent) The differences are explained below

|  | 2009<br>£        | 2008<br>£        |
|--|------------------|------------------|
| Loss on ordinary activities before taxation  | <u>(386,001)</u> | <u>(42,660)</u>  |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28 00% (31 December 2008 28 50%) | (108,080)        | (12,158)         |
| <b>Effects of:</b>   |                  |                  |
| Expenses not deductible for tax purposes   | 30,225           | 11,715           |
| Depreciation for period in excess of capital allowances  | 2,006            | 2,432            |
| Utilisation of tax losses  | (36,003)         | (172,443)        |
| Adjustments to tax charge in respect of previous periods   | (307)            | (47,655)         |
| Income not chargeable for tax purposes   | -                | (86,629)         |
| Current tax charge for period  | <u>(112,159)</u> | <u>(304,738)</u> |

# Industrial Supplies & Services Limited

## Notes to the financial statements for the year ended 31 December 2009

continued

| 10. Tangible fixed assets | Land and<br>buildings<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|---------------------------|----------------------------|---|------------------------|------------|
| <b>Cost</b>               |                            |   |                        |            |
| At 1 January 2009         | 546,030                    | 94,332                                      | 7,646                  | 648,008    |
| Additions                 | -                          | 9,541                                       | 4,426                  | 13,967     |
| Disposals                 | -                          | -   | (7,646)                | (7,646)    |
| At 31 December 2009       | 546,030                    | 103,873                                     | 4,426                  | 654,329    |
| <b>Depreciation</b>       |                            |   |                        |            |
| At 1 January 2009         | 91,779                     | 57,709                                      | 2,980                  | 152,468    |
| On disposals              | -                          | -   | (3,071)                | (3,071)    |
| Charge for the year       | 11,891                     | 11,663                                      | 602                    | 24,156     |
| At 31 December 2009       | 103,670                    | 69,372                                      | 511                    | 173,553    |
| <b>Net book values</b>    |                            |   |                        |            |
| At 31 December 2009       | 442,360                    | 34,501                                      | 3,915                  | 480,776    |
| At 31 December 2008       | 454,251                    | 36,623                                      | 4,666                  | 495,540    |

The net book value of land and buildings is made up as follows

|                       | 2009<br>£ | 2008<br>£ |
|-----------------------|-----------|-----------|
| Freehold              | 438,853   | 448,791   |
| Tenant's improvements | 3,507     | 5,460     |
|                       | 442,360   | 454,251   |

# Industrial Supplies & Services Limited

## Notes to the financial statements for the year ended 31 December 2009

continued

| 11. Fixed asset investments                    | Subsidiary<br>undertakings | Total            |
|--|----------------------------|------------------|
|  | shares<br>£                | £                |
| <b>Cost</b>                                    |                            |                  |
| At 1 January 2009                              | 944,489                    | 944,489          |
| Additions                                      | 175,991                    | 175,991          |
| At 31 December 2009                            | <u>1,120,480</u>           | <u>1,120,480</u> |
| <b>Provisions for<br/>diminution in value:</b> |                            |                  |
| At 1 January 2009                              | 163,160                    | 163,160          |
| Movement                                       | 84,745                     | 84,745           |
| At 31 December 2009                            | <u>247,905</u>             | <u>247,905</u>   |
| <b>Net book values</b>                         |                            |                  |
| At 31 December 2009                            | <u>872,575</u>             | <u>872,575</u>   |
| At 31 December 2008                            | <u>781,329</u>             | <u>781,329</u>   |



## Industrial Supplies & Services Limited

### Notes to the financial statements for the year ended 31 December 2009

continued

#### 11.1. Subsidiary undertakings

| Company and principal activity                                     | Shares held<br>class | Shares held<br>No. | %     |
|--|----------------------|--------------------|-------|
| <b>Retail of welding equipment and materials</b>                   |                      |                    |       |
| Leengate Industrial & Welding Supplies (North East) Ltd            | Ordinary £1          | 875                | 87.5  |
| Industrial & Welding Management Ltd                                | Ordinary £1          | 1,000              | 100   |
| Leengate Industrial & Welding Supplies (Lincoln) Ltd               | Ordinary £1          | 9,000              | 90    |
| Leengate Industrial & Welding Supplies Ltd                         | Ordinary £1          | 9,000              | 90    |
| Rock Industrial & Welding Supplies Ltd                             | Ordinary £1          | 8,715              | 87.5  |
| Pennine Industrial & Welding Supplies Ltd                          | Ordinary £1          | 10,000             | 100   |
| Cotswold Industrial & Welding Supplies Ltd                         | Ordinary £1          | 1                  | 100   |
| Leengate Industrial & Welding Supplies (Cannock) Ltd               | Ordinary £1          | 1000               | 100   |
| Leengate Industrial & Welding Supplies (Nottingham) Ltd            | Ordinary £1          | 40,000             | 100   |
| Future Industrial & Welding Supplies Ltd                           | Ordinary £1          | 200                | 100   |
| Gas & Gear Ltd (dormant)   | Ordinary £1          | 2                  | 100   |
| Leengate Industrial and Welding Supplies (Scotland) Ltd            | Ordinary £1          | 750                | 75    |
| Seabrook Industrial & Welding Supplies Ltd                         | Ordinary £1          | 1,000              | 100   |
| W & G Supplies Ltd   | Ordinary £1          | 100                | 100   |
| Wessex Industrial & Welding Supplies Ltd                           | Ordinary £1          | 1                  | 100   |
| Industrial & Welding Supplies (North West) Ltd                     | Ordinary £1          | 2                  | 100   |
| Industrial & Welding Supplies Ltd                                  | Ordinary £1          | 1000               | 100   |
| Gas Instrument Services Ltd (dormant)                              | Ordinary £1          | 1000               | 100   |
| Allweld Industrial & Welding Supplies Ltd                          | Ordinary £1          | 1                  | 100   |
| Gwynedd Industrial & Welding Supplies Ltd                          | Ordinary £1          | 1                  | 100   |
| <b>Subsidiary of Industrial &amp; Welding Supplies Ltd</b>         |                      |                    |       |
| Express Industrial & Welding Supplies Ltd                          | Ordinary £1          | 20,000             | 100   |
| <b>Hire, purchase and sale of welding equipment</b>                |                      |                    |       |
| Leengate Hire & Services Ltd                                       | Ordinary £1          | 10,010             | 100   |
| Leengate Welding Ltd (formerly Industrial Supplies & Services Ltd) | Ordinary £1          | 10,000             | 100   |
| <b>Service of welding equipment</b>                                |                      |                    |       |
| Welder Equipment Services Ltd                                      | Ordinary £1          | 7,500              | 75    |
| <b>Gas and pipeline products</b>                                   |                      |                    |       |
| Leengate Valves Ltd  | Ordinary £1          | 9,425              | 94.25 |
| Gaffney Industrial & Welding Supplies Ltd                          | Ordinary £1          | 80                 | 80    |

All the above companies are registered in England and Wales

# Industrial Supplies & Services Limited

## Notes to the financial statements for the year ended 31 December 2009

continued

|  |                   |                   |
|--|-------------------|-------------------|
| <b>12. Stocks</b>  | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Finished goods and goods for resale                                      | 8,122             | 6,069             |
|  | <u>          </u> | <u>          </u> |
| <b>13. Debtors</b>   | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Trade debtors  | -                 | 323               |
| Amounts owed by group undertakings                                       | 6,004,728         | 5,903,331         |
| Other debtors  | 23,288            | 215,053           |
|  | <u>6,028,016</u>  | <u>6,118,707</u>  |
| Amounts falling due after more than one year and included in debtors are |                   |                   |
| Amounts owed by group undertakings                                       | <u>3,380,646</u>  | <u>3,266,854</u>  |
| <b>14. Creditors: amounts falling due within one year</b>                | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Trade creditors  | 40,611            | 33,285            |
| Amounts owed to group undertakings                                       | 150,270           | 304,508           |
| Other taxes and social security costs                                    | 21,348            | 94,981            |
| Other creditors  | 55,254            | 127,153           |
|  | <u>267,483</u>    | <u>559,927</u>    |
| The bank holds as security a charge over company book debts              |                   |                   |
| <b>15. Creditors: amounts falling due after more than one year</b>       | <b>2009</b>       | <b>2008</b>       |
|  | <b>£</b>          | <b>£</b>          |
| Amounts owed to group undertakings                                       | <u>5,371,985</u>  | <u>5,785,158</u>  |

# Industrial Supplies & Services Limited

## Notes to the financial statements for the year ended 31 December 2009

continued

|   |                              |                                |                  |
|---|------------------------------|--------------------------------|------------------|
| <b>16. Share capital</b>                                      |                              | <b>2009</b>                    | <b>2008</b>      |
|   |                              | <b>£</b>                       | <b>£</b>         |
| <b>Allotted, called up and fully paid</b>                     |                              |                                |                  |
| 10,250 ordinary shares of £1 each                             |                              | <u>10,250</u>                  | <u>10,250</u>    |
| <b>Equity shares</b>  |                              |                                |                  |
| 10,250 ordinary shares of £1 each                             |                              | <u>10,250</u>                  | <u>10,250</u>    |
| <b>17. Equity reserves</b>                                    | <b>Share premium account</b> | <b>Profit and loss account</b> | <b>Total</b>     |
|   | <b>£</b>                     | <b>£</b>                       | <b>£</b>         |
| <b>At 1 January 2009</b>                                      | 14,998                       | 2,867,601                      | 2,882,599        |
| Loss for the year   |                              | (273,842)                      | (273,842)        |
| <b>At 31 December 2009</b>                                    | <u>14,998</u>                | <u>2,593,759</u>               | <u>2,608,757</u> |
| <b>18. Reconciliation of movements in shareholders' funds</b> |                              | <b>2009</b>                    | <b>2008</b>      |
|   |                              | <b>£</b>                       | <b>£</b>         |
| (Loss)/profit for the year                                    |                              | (273,842)                      | 262,078          |
| Opening shareholders' funds                                   |                              | <u>2,892,849</u>               | <u>2,630,771</u> |
| Closing shareholders' funds                                   |                              | <u>2,619,007</u>               | <u>2,892,849</u> |

## Industrial Supplies & Services Limited

### Notes to the financial statements for the year ended 31 December 2009

continued

#### 19. Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

|                            | Land and buildings |               | Other         |               |
|----------------------------|--------------------|---------------|---------------|---------------|
|                            | 2009               | 2008          | 2009          | 2008          |
|                            | £                  | £             | £             | £             |
| <b>Expiry date:</b>        |                    |               |               |               |
| Within one year            | -                  | -             | 10,624        | 6,283         |
| Between one and five years | -                  | -             | 26,992        | 29,801        |
| In over five years         | 17,490             | 17,490        | -             | -             |
|                            | <u>17,490</u>      | <u>17,490</u> | <u>37,616</u> | <u>36,084</u> |

#### 20. Contingent liabilities

The company has given the bank guarantees to secure monies owed by subsidiary undertakings up to a maximum of £3,155,000

The company has a contingent liability in respect of agreements entered into by certain subsidiary undertakings with the minority shareholders of those undertakings, whereby upon death, retirement or termination of employment of those minority shareholders, the subsidiary or its parent company (Industrial Supplies & Services Limited) shall repurchase the shares at a price determined by the subsidiary's Articles of Association

#### 21. Transactions with directors

During the previous year, R C Godley purchased a car from the company for consideration of £3,750. This was deemed to be the fair market value at the date of disposal. The net book value of the car at the date of disposal was £2,261, and a profit on disposal was generated of £1,489.

## **Industrial Supplies & Services Limited**

### **Notes to the financial statements for the year ended 31 December 2009**

continued

#### **22. Related party transactions**

The following transactions with related parties occurred during the period

Management and administration charges of £640,783 (2008 £619,925) have been charged to subsidiary undertakings

The company rents its freehold property to subsidiary undertakings Rent receivable for the year amounted to £48,000 (2008 £48,000)

The company was charged interest on group borrowings of £164,879 (2008 £393,038)

The company received interest on group borrowings of £55,664 (2008 £143,308)

The company acquired two motor vehicles for a total consideration of £4,426 (2008 - £1,947) from its subsidiary undertakings In the previous year, the company further disposed of three motor vehicles for a total consideration of £12,916 to subsidiary undertakings

At 31 December 2009 there were the following balances with related parties

|  | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|
| Amounts due from subsidiary undertakings                                     | £6,004,728  | £5,903,331  |
| Amounts due to subsidiary undertakings of Industrial Supplies & Services Ltd | £29,707     | £27,429     |
| Amounts due to other subsidiary undertakings of Linde AG                     | £5,492,548  | £6,062,237  |

#### **23. Ultimate parent undertaking**

Industrial Supplies & Services Ltd is a 100% subsidiary of Welding Products Holdings Limited, a company registered in England & Wales

The ultimate parent company is Linde AG, Klosterhofstrasse 1, 80331 Munich, Germany

The smallest group preparing consolidated accounts, including this company, is headed by The BOC Group Limited and the largest such group is headed by Linde AG

#### **24. Controlling interest**

The company is controlled by its directors