

Registered number : 1994660

AIR LIQUIDE WELDING LIMITED

Directors' Report and Financial Statements

Year Ended 31 December 2014

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AIR LIQUIDE WELDING LIMITED

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AIR LIQUIDE WELDING LIMITED

COMPANY INFORMATION

DIRECTORS

Mr. C. Glasgow
Mr. E. Sellier
Mr. F. Dulermez

COMPANY SECRETARY

Mr. C. Martinez

REGISTERED OFFICE

Unit 2
Low March
London Road
Daventry
NN11 4SD

COMPANY NUMBER

1994660

AUDITORS

Mazars LLP
45 Church Street
Birmingham
B3 2RT

BANKERS

HSBC Bank plc
29 Bowen Square
Daventry
Northamptonshire
NN11 4ER

Citi Bank
Citigroup Centre
Canary Wharf
London
E14 5LB

AIR LIQUIDE WELDING LIMITED

DIRECTORS REPORT

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors

The directors who served during the year were

Mr. C. Glasgow (appointed 22 April 2014)

Mr. E. Sellier

Mr. F. Dulermez (appointed 22 April 2014)

Dr J G Garland (resigned 22 April 2014)

Directors Responsibilities Statement

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 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

Provision of Information to Auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- That director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board on 11th FEB. 2015 and signed on its behalf.



C Martinez

Company Secretary

AIR LIQUIDE WELDING LIMITED

STRATEGIC REPORT

For the year ended 31 December 2014

Principal Activities

The principal activity of the business in 2014 was the distribution and sale of Oerlikon, SAF and Weldline brand welding and automation products in the UK and Irish markets.

Risks and Uncertainties

The company is part of a successful global organisation operating in a wide market base with significant opportunity for growth. It is not significantly reliant on any single customer or segment.

The company has an established working framework for the effective management of foreign exchange fluctuations.

Any price risk arises primarily from exposure to changes in commodity and energy prices, but this is effectively restricted through the use of extensive, international purchasing power.

The company self-insures against the risk of bad debt through effective credit management and the on-going maintenance of doubtful provisions. Historically, the company has not experienced any material losses for bad debt, and the Company's reserves have been adequate to cover any losses.

Financial Instruments

The company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency risks. It aims to pay suppliers in accordance with agreed terms.

Its policy is to finance working capital through its cash resources which has improved substantially in 2014. Where necessary, the company will use hedge accounting, to optimise the management of exchange risk.

The company is exposed to credit risk but manages this through credit control procedures and trading policies.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

Business Review

The year 2014 has been successful with significant increases in sales revenue.

The operating performance improved in line with the sales revenue increase.

Working capital improvement continues to be the main focus for management and a significant cash surplus was generated in the year from normal trading operations.

The focus in 2015 will continue to target those key industry segments offering growth potential, and the company is confident it can improve trading and profit performance.

The company adopts the following key performance indicators, sales per employee and operating profit return on sales, in monitoring the company's financial performance. Sales per employee has grown 18% from £453,636 in 2013 to £536,551 in 2014. Operating profit to sales has grown from 2.5% in 2013 to 5.8% in 2014.

The KPI improvements are the result of the company's success in expansion within key markets and the continuous drive for cost-effective efficiencies. The year 2015 is anticipated to provide further scope for sales growth and the achievement of positive profit results.

Results

The profit for the year, after taxation, amounted to £879,670 (2013: £333,295).

This report was approved by the board on 11th Feb. 2015 and signed on its behalf.



C Martinez
Company Secretary

AIR LIQUIDE WELDING LIMITED

INDEPENDENT AUDITORS REPORT

We have audited the financial statements of Air Liquide Welding Limited for the year ended 31 December 2014 which comprises 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 set out on page 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 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2014 and of the profit for the period 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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

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.

Paul Lucas (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP,
45 Church Street,
Birmingham.
B3 2RT



Date: 8 June 2015

AIR LIQUIDE WELDING LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER	1,2	13,413,784	11,794,544
Change in stocks of finished goods		(16,339)	(316,365)
Raw materials and consumables		(9,390,571)	(8,078,050)
Staff costs		(1,320,138)	(1,434,960)
Depreciation and amortisation		(187,144)	(232,163)
Other operating charges		(1,726,900)	(1,436,117)
OPERATING PROFIT	3	772,692	296,889
Interest receivable and similar income		29,854	9,643
Interest payable and similar charges	6	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		802,546	306,532
Tax on profit on ordinary activities	7	96,093	26,763
PROFIT FOR THE FINANCIAL YEAR	15	898,639	333,295

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

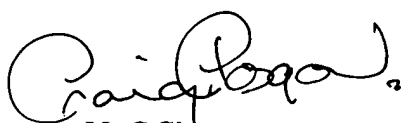
AIR LIQUIDE WELDING LIMITED

BALANCE SHEET
As at 31 December 2014

Registered number : 1994660

	Notes	2014 £	£	2013 £	£
FIXED ASSETS					
Intangible assets	8	655,936		721,443	
Tangible assets	9	100,684		148,926	
		<u>756,620</u>		<u>870,369</u>	
CURRENT ASSETS					
Stocks	10	1,100,328		1,116,667	
Debtors	11	3,027,232		3,289,283	
Cash at bank		5,110,315		3,766,415	
		<u>9,237,875</u>		<u>8,172,365</u>	
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(2,939,504)</u>		<u>(2,886,382)</u>	
NET CURRENT ASSETS		<u>6,298,371</u>		<u>5,285,983</u>	
NET ASSETS		<u>7,054,991</u>		<u>6,156,352</u>	
CAPITAL AND RESERVES					
Called up share capital	14	6,843,190		6,843,190	
Profit and loss account	15	211,801		(686,838)	
SHAREHOLDERS' FUNDS	16	<u>7,054,991</u>		<u>6,156,352</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11TH FEBRUARY 2015 by:



Mr C Glasgow
Director

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publically available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised on despatch of goods.

Intangible fixed assets and amortisation

Goodwill represents the difference between purchase consideration over the fair value of the net separable assets acquired. Goodwill arising on acquisitions is treated as an intangible asset in the balance sheet and stated at cost less amortisation. Goodwill is amortised on a straight line basis over its useful economic life of 20 years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant & machinery	-	10-33% straight line
Motor vehicles	-	20% straight line

Operating leases

Rentals under operating leases are charged to the profit and loss account on straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. The cost of stock is determined on an average basis.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A net deferred tax assets is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets are not discounted.

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. ACCOUNTING POLICIES (Continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amount payable by the company to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributed to one class of business.

A geographical analysis of turnover is as follows

	2014 £	2013 £
United Kingdom	12,409,384	10,882,793
Rest of European Union	1,004,400	911,751
	<u>13,413,784</u>	<u>11,794,544</u>

3. OPERATING PROFIT

The operating profit is stated after charging.

	2014 £	2013 £
Amortisation – intangible fixed assets	65,508	65,508
Depreciation of tangible fixed assets		
- owned by the company	121,636	166,655
Audit fees	13,945	13,780
Auditors' remuneration – taxation	2,000	3,000
Operating lease rentals – other	120,911	133,572

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	1,103,901	1,205,003
Social security costs	122,438	136,658
Other pension costs	93,799	93,389
	<u>1,320,138</u>	<u>1,434,960</u>

The average monthly number of employees, including the directors during the year was as follows:

	2014 Number	2013 Number
Sales and distribution	15	15
Administration and management	10	11
	<u>25</u>	<u>26</u>

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Emoluments	<u>104,895</u>	<u>215,221</u>
Company pension contributions to defined contribution pension schemes	<u>33,839</u>	<u>40,000</u>

During the year retirement benefits were accruing to 1 director (2013: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £104,895 (2013: £215,221).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £33,839 (2013: £40,000).

6. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	<u>-</u>	<u>-</u>

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

7. TAXATION

	2014 £	2013 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax on profits for the year	-	94,000
Adjustments in respect of prior periods	(113,000)	(46,763)
Total current tax	(113,000)	47,237
Deferred tax (see note 13)		
Origination and reversal of timing differences	7,305	(74,000)
Adjustments in respect of prior periods	9,602	-
Tax on profit on ordinary activities	(96,093)	(26,763)
Factors affecting tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21.5% (2013: 23%). The differences are explained below:		
	2014 £	2013 £
Profit on ordinary activities before tax	802,546	306,532
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23 %)	172,492	71,258
Effects of		
Expenses not deductible for tax purposes	901	8,031
Group relief claimed	(165,544)	-
Capital allowances in excess of depreciation	(7,849)	14,711
Adjustments in respect of prior periods	(113,000)	(46,763)
Current tax charge/(credit) for the year (see note above)	(113,000)	47,237

Factors that may affect tax charges

The company has no unutilised tax losses

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	<u>1,310,170</u>
Amortisation	
At 1 January 2014	588,727
Charge for the year	65,507
	<u>654,234</u>
At 31 December 2014	
Net book value	
At 31 December 2014	<u>655,936</u>
At 31 December 2013	<u>721,443</u>

9. TANGIBLE FIXED ASSETS

	Plant, machinery & motor vehicles £
Cost	
At 1 January 2014	1,408,612
Additions	73,394
Disposals	(157,244)
	<u>1,324,762</u>
At 31 December 2014	
Depreciation	
At 1 January 2014	1,259,686
Charge for the year	121,636
On disposals	(157,244)
	<u>1,224,078</u>
At 31 December 2014	
Net book value	
At 31 December 2014	<u>100,684</u>
At 31 December 2013	<u>148,926</u>

10. STOCKS

	2014 £	2013 £
Finished goods	<u>1,100,328</u>	<u>1,116,667</u>

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

11. DEBTORS

	2014 £	2013 £
Trade debtors	2,659,697	2,576,120
Amounts owed by group undertakings	94,625	199,726
Other debtors	72,018	324,559
Deferred tax asset	57,093	74,000
Prepayments and accrued income	143,799	114,878
	<u>3,027,232</u>	<u>3,289,283</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	727,397	572,356
Amounts owed to group undertakings	1,423,046	1,389,355
Corporation tax	-	113,000
Social security and other taxes	367,338	515,619
Accruals and deferred income	421,723	251,544
Other Creditors	-	44,508
	<u>2,939,504</u>	<u>2,886,382</u>

13. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	(74,000)	-
Deferred tax charged to the profit and loss account for the period	16,907	(74,000)
	<u>(57,093)</u>	<u>(74,000)</u>
At end of year		
The deferred taxation balance is made up as follows:		
	2014 £	2013 £
Depreciation in excess of capital allowances	57,093	74,000

Deferred tax assets are recognised to the extent that the Directors consider it more likely than not that there is reasonable certainty of recovery within the foreseeable future based on the company's budgets. Assets of £57,093 (2013; £74,000) have been recognised in the year.

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

14. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
950,000 Ordinary shares of £1 each	950,000	950,000
5,893,190 Redeemable shares of £1 each	5,893,190	5,893,190
	<u>6,843,190</u>	<u>6,843,190</u>

The redeemable ordinary shares entitle the holders on winding up or a reduction of capital to be repaid the amounts paid upon such shares.

The company has the right to redeem at par the whole or any part of the redeemable ordinary shares upon giving the holders of the shares not less than six months notice in writing.

15. RESERVES

	Profit and loss account £
At 1 January 2014	(686,838)
Profit for the year	898,639
At 31 December 2014	<u>211,801</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	6,156,352	5,823,057
Profit for the year	898,639	333,295
Closing shareholders' funds	<u>7,054,991</u>	<u>6,156,352</u>

17. PENSION COMMITMENTS

The company contributed to a money purchase pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge for the year is shown in note 4.

AIR LIQUIDE WELDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

18. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date				
Within 1 year	-	-	3,761	10,109
Between 2 and 5 years	49,000	45,000	53,141	43,493

19. RELATED PARTY TRANSACTIONS

Air Liquide Welding Limited is 99.9% owned by Air Welding SA, with the remaining 0.1% owned by Fro Saldatura, a wholly owned subsidiary of Air Liquide Welding SA. As the company is therefore a wholly owned subsidiary of the Air Liquide SA group, whose consolidated accounts are publically available in France, advantage has been taken of the exemption offered by Financial Reporting Standard 8 from the requirement to disclose transactions with other group companies.

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Air Liquide Welding SA.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Air Liquide SA, a company incorporated in France. Consolidated accounts are available from Siege Social, 74 Quai D'Orsay, 75321, Paris, France.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.