

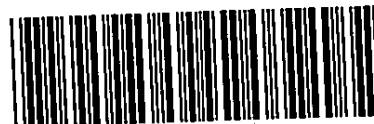
**Refrigeration Compressor Remanufacturers  
Limited**

**Directors' report and financial  
statements**

**Registered number 02636289**

**For the year ended 31 December 2012**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

### Principal activity

The company did not trade during either the current or preceding financial year. Costs incurred in the year relate to bank charges and interest payable.

The results for the year are set out in the profit and loss account on page 5. The directors have taken advantage of the exemptions available to small companies and therefore an enhanced business review is not included in this report.

### Going concern

The company is a wholly owned subsidiary of Andrews Sykes Group plc and is reliant on the continuing financial support and success of that group.

The group's consolidated financial statements for the 12 months ended 31 December 2012 were approved on 30 April 2013. In those financial statements, the board of Andrews Sykes Group plc concluded that "after making enquiries, the board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the board continues to adopt the going concern basis when preparing this annual report and financial statements." Further information explaining why the board reached this conclusion is given on page 15 of the group's 2012 annual report and financial statements.

The directors of this company have confirmed with the board of Andrews Sykes Group plc that they still consider the above statement to be valid as at the date of approval of these financial statements. Given that assurance, the directors have continued to adopt the going concern basis in the preparation of this company's annual report and financial statements.

### Directors

The directors who served during the financial year and subsequently are as follows:

KEJ Ford  
PT Wood

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director, to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG Audit Plc will, therefore, continue in office.

Signed by order of the board

  
MJ Calderbank ACA  
Company Secretary

Premier House  
Darlington Street  
Wolverhampton  
WV1 4JJ

9 August 2013

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 they have elected to prepare the group and the parent company financial statements in accordance with UK Accounting Standards, and applicable law (UK Generally Accepted Accounting Practice).

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 group and the parent company and of their profit or loss for that period.

In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time, the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## KPMG Audit Plc

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

### **Independent auditor's report to the members of Refrigeration Compressor Remanufacturers Limited**

We have audited the financial statements of Refrigeration Compressor Remanufacturers Limited for the year ended 31 December 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 auditor**

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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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 members of Refrigeration Compressor Remanufacturers 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



**Darren Turner (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
*Chartered Accountants*

9 August 2013

**Profit and loss account**  
*for the year ended 31 December 2012*

	<i>Note</i>	<b>2012</b> £	2011 £
Operating profit	2	-	-
Interest receivable from group undertakings		2	2
Interest payable to group undertakings		(78)	(80)
<b>Loss on ordinary activities before taxation</b>		<b>(76)</b>	<b>(78)</b>
Tax (charge)/credit on loss on ordinary activities	3	(22)	5,020
<b>(Loss)/profit for the financial year</b>	8	<b>(98)</b>	<b>4,942</b>

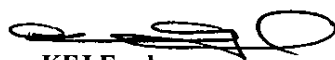
All results are derived from discontinued activities in both years

There are no recognised gains or losses other than the loss for the year and the previous year

**Balance sheet**  
*at 31 December 2012*

	<i>Note</i>	<b>2012</b> £	2011 £
<b>Current assets</b>			
Debtors	4	195	214
<b>Creditors: Amounts falling due within one year</b>	5	(6,687)	(6,608)
<b>Net current liabilities being net liabilities</b>		<u>(6,492)</u>	<u>(6,394)</u>
<b>Capital and reserves</b>			
Called up share capital	7	99	99
Profit and loss account	8	(6,591)	(6,493)
<b>Shareholders' deficit</b>	9	<u>(6,492)</u>	<u>(6,394)</u>

These financial statements were approved by the board of directors on 9 August 2013 and were signed on its behalf by



**KEJ Ford**  
*Director*

Company number 02636289



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable UK Accounting Standards

#### **Going concern**

The financial statements have been prepared on the assumption that the company is a going concern and will continue to trade for at least 12 months following the date of approval of the financial statements and based on the assessment made by the directors in the directors' report, see going concern commentary in the directors' report on page 1

The directors have received a letter of support from the parent company that will ensure that the company can meet its liabilities as they fall due over the next twelve months (see note 5)

#### **Related party transactions**

Under FRS 8, the company is exempt from the requirement to disclose related party transactions with the Andrews Sykes Group and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of Andrews Sykes Group plc, for which the group financial statements are publicly available

#### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in the taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Pensions**

As disclosed in note 10, the group provides pension arrangements to the majority of full time employees through a defined benefit scheme, which is operated by its parent company, Andrews Sykes Group plc. This scheme was closed to new entrants and all existing members became deferred members on 31 December 2002. It is not possible to identify the share of the underlying assets and liabilities in this scheme which is attributable to the company on a consistent and reasonable basis. Therefore, the company has applied the provisions in FRS 17 to account for the scheme as if it was a defined contribution scheme.

#### **Cash flow statement**

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a UK parent whose financial statements are publicly available.

## Notes (continued)

### 2 Operating profit

Fees of £1,000 (2011 £1,000) payable to the company's auditor in respect of the audit of the company's accounts and fees of £Nil (2011 £Nil) payable to the company's auditor in respect of non-audit services were borne by a group undertaking

Directors' emoluments were borne by other group companies in both years and it is not practicable to ascertain the proportion of these director's emoluments that specifically relate to the company. The company has no employees other than the directors in both years.

### 3 Tax charge/(credit) on loss on ordinary activities

#### Analysis of charge/(credit) for the year

	2012 £	2011 £
<i>UK corporation tax and group relief</i>		
Current tax on income for the year	-	(21)
Adjustments in respect of prior years	22	(4,999)
	<hr/>	<hr/>
Total current tax charge/(credit) being tax on loss on ordinary activities	22	(5,020)
	<hr/>	<hr/>

#### Factors affecting the tax charge/(credit) for the current year

The current tax charge for the year differs from that resulting by applying the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(76)	(78)
	<hr/>	<hr/>
Current tax at 24.5% (2011 26.5%)	(19)	(21)
	<hr/>	<hr/>
<i>Effects of</i>		
Disallowable expenses	19	-
Adjustments to tax charge in respect of previous years	22	(4,999)
	<hr/>	<hr/>
Total current tax charge/(credit) (see above)	22	(5,020)
	<hr/>	<hr/>

#### Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge.

**Notes (continued)**

**4 Debtors: Amounts falling due within one year**

	2012 £	2011 £
Amounts owed by group undertakings	195	193
Group relief	-	21
	<u>195</u>	<u>214</u>

All inter-company loans are due on demand. During 2012 and 2011, interest was charged at the LIBOR rate plus a margin of 0.65%.

**5 Creditors: Amounts falling due within one year**

	2012 £	2011 £
Amounts owed to group undertakings	<u>6,687</u>	<u>6,608</u>

All inter-company loans are due on demand. During 2012 and 2011, interest was charged at the LIBOR rate plus a margin of 0.65%.

The directors have received a letter of support from the parent company that will ensure that the company can meet its liabilities as they fall due over the next twelve months.

**6 Deferred tax**

There was no provided or unprovided deferred tax at either year end.

**7 Called up share capital**

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
99 ordinary shares of £1 each	<u>99</u>	<u>99</u>

**8 Profit and loss account**

	£
At beginning of year	(6,493)
Loss for the financial year	(98)
At end of year	<u>(6,591)</u>

## Notes (continued)

### 9 Reconciliation of movements in shareholders' deficit

	2012 £	2011 £
(Loss)/profit for the financial year	(98)	4,942
Opening shareholders' deficit	(6,394)	(11,336)
	<hr/>	<hr/>
Closing shareholders' deficit	(6,492)	(6,394)
	<hr/>	<hr/>

### 10 Pensions

#### Defined benefit scheme

The company was previously party to the group defined benefit scheme which was closed to future accrual as at 31 December 2002. The assets of the defined benefits pension scheme continue to be held in a separate trustee administered fund.

The group has been making additional contributions to remove the funding deficit in the group pension scheme. These contributions totalled £840,000 during 2012 and were agreed in advance with the trustees of the pension scheme.

Following the triennial recalculation of the funding deficit as at 31 December 2010 a revised schedule of contributions and recovery plan was agreed with the pension scheme trustees in March 2012. Based on this schedule of contributions, which was effective from 1 January 2011, the best estimate of the employer contributions to be paid during the year commencing 1 January 2013 is £960,000. The next triennial funding valuation is due as at 31 December 2013 but, until such time as this has been agreed, the group's monthly contributions to the pension scheme will be increased to £90,000 for 2014 and then reduced to £70,000 until December 2018 or until the funding deficit has been eliminated if sooner.

#### FRS 17

The total FRS 17 deficit at 31 December 2012, net of tax relief, is £Nil (2011 £Nil). As the pension scheme has various members that are employed by more than one legal entity, the directors do not consider that it is practical to provide this information on an individual company basis.

The pension scheme has various members that are employed by more than one legal entity. The FRS 17 deficit has been allocated by an independent actuary to the employing members that are currently active trading companies, on the basis of the current employment profile. Accordingly, no FRS 17 deficit has been allocated to this company.

## Notes (continued)

### 11 Controlling parties

The company is a subsidiary undertaking of Andrews Sykes Group plc, a company registered in England and Wales

The only group in which the results of Refrigeration Compressor Remanufacturers Limited are consolidated is that headed by Andrews Sykes Group plc, whose principal place of business is

Premier House  
Darlington Street  
Wolverhampton  
WV1 4JJ

The consolidated financial statements for this group are available to the public and may be obtained from the aforementioned address

As at 9 August 2013, EOI SYKES Sarl, which is incorporated in Luxembourg, held 86.08% of the ordinary share capital of Andrews Sykes Group plc and is therefore that company's immediate parent company. The ultimate holding company is the Tristar Corporation, a company incorporated in The Republic of Panama. The Tristar Corporation is held jointly, in equal proportions, by the Ariane Trust and the Eden Trust and therefore the directors consider these trusts to be the ultimate controlling party of the company.