

Pall Mall Holdings Limited

Annual Report and Financial Statements

30 September 2012



Directors

D J Seaton
R Foran

Secretary

M R Daniel

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS9 8FE

Registered Office

Innovation House,
Bullerthorpe Lane
Colton
Leeds LS15 9JL

Directors' report

The Directors present their annual report and audited financial statements for the year ended 30 September 2012

Results and dividends

The entity is dormant and did not trade during the year to 30 September 2012 or the period to 30 September 2011

The directors do not recommend the payment of any dividends

Principal Activities

The principal activity of the business was that of a holding company

Business Review and Future Developments

During the year to 30 September 2012, the Company has continued to act as a holding company for Resource (United Kingdom) Limited and Pall Mall Employment Services Limited

Principal risks and uncertainties

The directors consider the risks and uncertainties of the business to be around liquidity risk. The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company policy throughout the year has been to ensure continuity of funding from entities within the group headed by Resource (No1) Limited. As outlined in note 1 to the financial statements, the Company has received an undertaking from Resource Services Group Limited to provide continued financial support.

As a dormant company which doesn't trade, the directors do not consider that the company has any material exposures to credit risk or liquidity risk.

Going Concern

As a result of the capital restructuring in 2011 of the Company's parent undertaking, Resource Group Services Limited, and the considerations which are outlined in Note 1 of the financial statements, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

The directors holding office during the period were as follows

Mr DJ Seaton
Mr RC Foran (appointed 31 May 2013)
Mr A Vaughan (resigned 31 May 2013)

Statement Political and Charitable Gifts

No gifts of a political nature or of a charitable nature were made during the period

Directors' report (continued)

Disclosure of information to the auditors

As at the date of this report, so far as each director is aware there is no relevant audit information of which the company's auditors are unaware and each director has taken such steps as he should have taken as a director in order to make him aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditors

During the year, Grant Thornton UK LLP resigned as auditors and has been replaced by Ernst & Young LLP

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

This report was approved by the board on 30/9/13 and signed on its behalf



DJ Seaton
Director

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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable 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.

Independent auditors' report

To the members of Pall Mall Holdings Limited

We have audited the financial statements of Pall Mall Holdings Limited for the year ended 30 September 2012 which comprise the Balance Sheet and the related notes 1 to 8. 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 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

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 30 September 2012 and of its result 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.

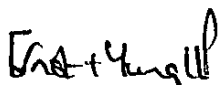
Independent auditors' report

To the members of Pall Mall Holdings Limited

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



Alistair Denton (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Leeds

Date 11/10/13

Balance sheet

at 30 September 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	2	8,728,000	8,728,000
Creditors amounts falling due within one year	3	(70,079)	(70,079)
Total assets less current liabilities		<u>8,657,921</u>	<u>8,657,921</u>
Capital and reserves			
Called up share capital	4	7,067	7,067
Share premium account	5	15,250,970	15,250,970
Other reserves	5	71,000	71,000
Profit and loss account	5	(6,671,116)	(6,671,116)
Shareholders' funds		<u>8,657,921</u>	<u>8,657,921</u>

The financial statements were approved and authorised for issue by the Board of Directors on 30/9/13
and signed on its behalf by



DJ Seaton
Director

Notes to the financial statements

at 30 September 2012

1. Accounting policies

Basis of preparation

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

As the company has not traded during the year to 30 September 2012 or the period to 30 September 2011 no profit and loss account has been presented

Going Concern

The company has not traded in either the current year or the prior period and has net current liabilities of £70,079 (2011 £70,079)

The Company has received undertakings from its parent, Resource Services Group Limited, that it will continue to provide financial support to the Company for at least 12 months from the date of approval of these financial statements

As a cornerstone element of the Board's governance process financial projections are prepared for a five year period and are regularly updated to ensure their accuracy and deliverability. The projections include fully integrated financial statements including Balance Sheets and Cashflows and are reviewed regularly by the Board. The nature of the business in terms of the predictability and consistency of contract margins and the robust Forecast processes used give the Board a high degree of visibility on the future financial performance of the business in terms of both revenues and cash generation. Our Forecasts are shared with our Bank, IBRC, who have provided both term and working capital facilities which the Board are confident are adequate for the business's needs through to 30th June 2014, the scheduled term of the current facility. As with any debt facility the Bank's continued support of the business is a function of meeting agreed covenants and the Board are confident that these will be met since the business is trading in line with its Forecasts and have every expectation that it will continue to do so through the term of the current facility. In addition the Bank has given every indication that it will continue to support the business past that date if required should the current well publicised winding up of IBRC by the Irish government, scheduled to be completed by the end of 2013, as defined by Irish government statute, fail to be resolved in the anticipated timeframe.

Following the appointment of Special Liquidators from KPMG in February 2013 the IBRC winding up is subject to several phases, a valuation process of all outstanding loans, a review process which will decide the route by which IBRC will sell the loan of the particular borrower and then a transaction phase which will complete the divestment. The review process may result in a number of loans being bundled into portfolios to be sold if a suitable standalone transaction is not forthcoming and if neither process is achieved may result in a loan being acquired by the long term investment vehicle of the Irish Government, NAMA.

In light of this process the Board are actively engaged with IBRC and are also exploring a number of alternate routes to replace the banking arrangements of the business. Given the ongoing engagement the board has with IBRC and a number of potential financial providers to date, we have a high degree of confidence that the existing facility will be extended or replaced prior to expiry. Whilst acknowledging that until the refinancing is completed there is a degree of uncertainty as to the banking arrangements for the business post 30 June 2014, given the range of options and the time to expiry, the Board do not consider this to be a material uncertainty to the business and therefore believe that the Going Concern basis of preparation is appropriate.

Group financial statements

Pall Mall Holdings Limited, at the end of the period, was a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with section 400 of the Companies Act 2006, is not required to produce, and has not published, group financial statements

Notes to the financial statements

at 30 September 2012

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (Revised 1996) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes a group statement of cash flows

Investments

Investments held as fixed assets are shown at cost less provision for impairment

2. Investments

£

Cost or valuation:

At 1 October 2011 and 30 September 2012

13,406,181

Impairment:

At 1 October 2011 and 30 September 2012

4,678,181

Net book value:

At 1 October 2011 and 30 September 2012

8,728,000

Subsidiary undertakings

The following were subsidiary undertakings of the company

<i>Name</i>	<i>Business</i>	<i>Registered office</i>
Resource (United Kingdom) Limited	Contract cleaning and supply of cleaning materials	United Kingdom
Pall Mall Employment Services Limited	Provision of labour related to contract cleaning and associated	United Kingdom
West Riding Cleaning Limited	Dormant	United Kingdom
Compass Cleaning Limited	Dormant	United Kingdom

The Company holds 100% of the ordinary share capital of the subsidiaries listed above

The Directors have performed an impairment review on the carrying value of investments in subsidiaries as at 30 September 2013 in accordance with the requirements of FRS 11. A value-in-use methodology was adopted for the purposes of this review. No impairment charge has been recorded as a result of completing this impairment review.

3. Creditors

	<i>2012</i>	<i>2011</i>
	£	£
Trade creditors	448	448
Amounts owed to group undertakings	66,347	66,347
Corporation tax	3,284	3,284
	<u>70,079</u>	<u>70,079</u>

Notes to the financial statements

at 30 September 2012

4. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>2012 £</i>	<i>No</i>	<i>2011 £</i>
Ordinary shares of £0.01 each	706,705	<u>7,067</u>	706,705	<u>7,067</u>

5. Reserves

	<i>Share premium £</i>	<i>Other reserve £</i>	<i>Profit and loss reserve £</i>
At 1 October 2012	15,250,970	71,000	(6,671,116)
Result for the period	-	-	-
At 30 September 2013	<u>15,250,970</u>	<u>71,000</u>	<u>(6,671,116)</u>

6. Reconciliation of the movement in shareholders' funds

	<i>£</i>	<i>£</i>
Opening shareholders' funds at 1 October 2011 and 1 April 2010	8,657,921	8,657,921
Result for the year / period	-	-
Closing shareholder's funds at 30 September 2012 and 30 September 2011	<u>8,657,921</u>	<u>8,657,921</u>

7. Related party transactions

As a wholly owned subsidiary of Resource (NI) Limited, the company has availed of the exemption under FRS 8 from disclosing transactions with other group companies

8. Ultimate parent undertaking and controlling party

Pall Mall Holdings Limited's immediate parent is Resource (NI) Limited, a company incorporated in Northern Ireland and registered at Edgewater Business Park, 8 Edgewater Road, Belfast, BT3 9JQ

Resource (NI) Limited is a subsidiary of Resource Services Group Limited, a company incorporated in Northern Ireland and registered at Edgewater Business Park, 8 Edgewater Road, Belfast BT3 9JQ. Resource Services Group Limited prepares consolidated accounts and is the smallest group which prepares consolidated financial statements in which the Resource (United Kingdom) Limited is included.

The ultimate parent undertaking is Resource No 1 Limited, a company incorporated in Northern Ireland and registered at Edgewater Business Park, 8 Edgewater Road, Belfast BT3 9JQ.

Resource No 1 Limited prepares consolidated accounts and is the largest group which prepares consolidated financial statements in which the company is included.

Resource No 1 Limited is owned 100% by the directors and management. Consequently, the directors consider the directors of Resource No 1 Limited are the ultimate controlling party of the company.