

SES SOUTHERN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2009

Registered Number 04846835

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SES SOUTHERN LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2009

The Directors of SES Southern Limited present their report and the audited financial statements for the financial period ended 31 March 2009.

COMPANY ACTIVITIES

The principal activity of the company throughout the period up to the sale of the trade and assets to PTS Group Limited comprised the sale and distribution of small tools and equipment for the construction industry – distributed via builders' merchants, tool hirers and electrical wholesalers. Specifically this was achieved through:

- Distribution through both third party and our own vehicles
- Purchasing and or manufacturing appropriate quality products for the plant and hire and building products sectors
- Design of new products
- Liaison with suppliers to ensure appropriate quality and delivery schedules are met
- Marketing of all products through literature , displays and advertisements
- Protection of all Company intellectual Property and if required action to enforce the Company's rights.

On 1 March 2008, The BSS Group plc bought the share capital of Birchwood Group Holdings Limited, the ultimate parent company, for £19.7m. Subsequent to this also on 1 March 2008 the trade and assets of the Company were sold to PTS Group Limited for £550,000. The Company is now dormant. In the opinion of the Directors, this situation is unlikely to change in foreseeable future.

REVIEW OF BUSINESS

The Company has performed satisfactorily during the period and current performance is expected to be maintained in the future.

KEY PERFORMANCE INDICATORS

The Directors of SES Southern Limited and The BSS Group plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators of the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the Specialist Division of The BSS Group plc, which includes the Company, is discussed on page 13 of the group's annual report for the year ended 31 March 2008, copies of which can be obtained from the Company Secretary. This will be updated in the group's annual report for the year ended 31 March 2009, due to be published in May 2009.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors of SES Southern Limited and The BSS Group plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the business. The principal risks and uncertainties of SES Southern Limited and The BSS Group plc as a whole, are discussed on page 18 of the group's annual report for the year ended 31 March 2008, copies of which can be obtained from the Company Secretary.

The financial risk management of SES Southern Limited is also covered on pages 15 to 17 of the group's annual report for the year ended 31 March 2008. As noted above, this will be updated in the group's annual report for the year ended 31 March 2009.

RESULTS AND DIVIDENDS

The Company's profit for the period after taxation was £211,693 (2007: £8,769). The Company did not declare a dividend (2007: £nil).

The Profit and Loss Account is set out on page 5.

SES SOUTHERN LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2009 (CONTINUED)

DIRECTORS

The directors of the Company during the period and up to the date of this report were:

J R Murray	(appointed 1 March 2008)
G Slark	(appointed 1 March 2008)
AE Smith	
P Bollu	(resigned 1 March 2008)

On 1 March 2008 Ute Ball was appointed as secretary of the Company and Pierre Bollu resigned as secretary on the same date.

DIRECTORS' INTERESTS

All of the directors in office on 31 March 2009 other than AE Smith were directors of the ultimate parent company, The BSS Group plc, and their interests in its share capital are disclosed in the annual report of that company.

EMPLOYMENT POLICY

The directors recognise the benefits which accrue from keeping employees informed on the progress of the business and involving them in the Company's performance. Each operating region adopts such employee consultation as is appropriate in individual circumstances. It is the Company's policy to give disabled persons fair consideration for all vacancies for which they are suitably qualified having regard to their capabilities. In the event of employees becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as all persons who were Directors in the period are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware.

In addition, the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

SES SOUTHERN LIMITED
DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2009 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS (CONTINUED)

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which 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 1985. 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.

AUDITORS

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



J R Murray

Director

Date: 1 April 2009.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SES SOUTHERN LIMITED

We have audited the financial statements of SES Southern Limited for the period ended 31 March 2009 which comprises the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

Date: 3 April 2009

SES SOUTHERN LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31 March 2009

		17 months to 31 March 2009	12 months to 31 October 2007
	Notes	£	£
Turnover	1	608,431	1,674,782
Cost of sales		(387,848)	(1,097,359)
Gross profit		220,583	577,423
Administrative expenses	3	(274,821)	(564,771)
Operating (loss)/profit		(54,238)	12,652
Profit on sale of trade and assets	20	248,386	-
Gain on sale of property		-	2,845
Interest payable and similar charges	5	(473)	(2,566)
Interest receivable	5	636	343
Profit on ordinary activities before taxation		194,311	13,274
Tax credit/(charge) on profit on ordinary activities	6	17,382	(4,505)
Profit for the financial period		211,693	8,769

All results in the current year derive from discontinued activities.

There are no recognised gains or losses other than the profit for the financial period. Accordingly, no Statement of Total Recognised Gains and Losses is given.

Movement on reserves are set out in notes 15 and 16.

SES SOUTHERN LIMITED

BALANCE SHEET

as at 31 March 2009

		31 March 2009	31 October 2007
	Notes	£	£
Fixed assets			
Intangible assets	8	-	88,345
Tangible assets	9	-	35,288
		<u>-</u>	<u>123,633</u>
Current assets			
Stocks	10	-	151,956
Debtors	11	550,000	396,731
Cash at bank and in hand		-	10,950
		<u>550,000</u>	<u>559,637</u>
Creditors (amounts falling due within one year)	12	(610,933)	(955,896)
Net current liabilities		<u>(60,933)</u>	<u>(396,259)</u>
Total assets less current liabilities		(60,933)	(272,626)
NET LIABILITIES		<u>(60,933)</u>	<u>(272,626)</u>
Capital and reserves			
Share capital	14	2	2
Profit and loss account	15	(60,935)	(272,628)
Total shareholders' deficit	16	<u>(60,933)</u>	<u>(272,626)</u>

The notes on pages 8 to 12 form part of these accounts.

Approved by the Board on



J R Murray
Director

SES SOUTHERN LIMITED

STATEMENT OF ACCOUNTING POLICIES

for the period ended 31 March 2009

BASIS OF ACCOUNTING

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards. The balance sheet shows that liabilities exceeds assets by £60,933. The ultimate parent company, The BSS Group plc confirms that it will maintain its financial support for the company for the foreseeable future, therefore it is appropriate to prepare the financial statements on the going concern basis.

The principal accounting policies and presentations adopted in these accounts are consistent with those used in previous years.

TURNOVER

Turnover represents the value of goods sold and arises in the United Kingdom excluding value added tax and trade discounts.

CASH FLOW STATEMENT

The Company has not prepared a cash flow statement, as allowed by FRS 1 (Revised 1996) 'Cash Flow Statements', as its cash flows are included in the cash flow statement prepared by the ultimate holding company, The BSS Group plc.

FIXED ASSETS

Fixed assets are included at cost less provision for depreciation or impairment.

Depreciation is provided at the following annual rates:

Freehold and long leasehold land

Freehold and long leasehold properties

Plant, vehicles and other equipment

Nil

2% on cost or such higher rates as necessary to amortise over the term of the lease

At varying rates between 10% and 35% sufficient to depreciate the cost over the estimated useful life

GOODWILL

Goodwill is calculated as the difference between the fair value of the consideration given for an acquired entity and the aggregate of the fair values of that entity's identifiable assets and liabilities.

Purchased goodwill is capitalised and amortised over its estimated useful economic life of 10 years, which is the best estimate of management as to the period of economic benefit to the business.

STOCKS

Stocks are stated at the lower of cost and net realisable value, after provisions for obsolete and slow moving items, and are calculated on a first in, first out basis.

DEFERRED TAXATION

Provision is made for deferred taxation in so far as a liability or asset arose as a result of transactions that had occurred at the balance sheet date and give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account as incurred.

LEASES AND HIRE PURCHASE CONTRACTS

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

SES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009

1 Segmental analysis

The turnover, profit and net assets of the business are all attributable to the one principal activity of the Company. The Company only trades within the United Kingdom.

2 Staff numbers and costs

	17 months to 31 March 2009 (number)	12 months to 31 October 2007 (number)
The average number of persons employed in the Company during the period until trading ceased in the United Kingdom was:		
Administration and distribution	9	10
The aggregate payroll costs were:	£	£
Wages and salaries	64,848	214,584
Social security costs	6,204	16,807
Other pension costs	416	1,248
	<u>71,468</u>	<u>232,639</u>

3 Administrative expenses

	17 months to 31 March 2009 £	12 months to 31 October 2007 £
Included in this amount are:	£	
Goodwill amortisation	5,108	15,324
Depreciation		
Owned assets	6,002	18,152
Gain on disposal of property, plant and equipment	-	2,845
Amounts payable under operating leases		
Property	-	-
Plant, vehicles and equipment	-	-
Services provided by the Company's auditors		
Fees payable for the audit	3,000	-
	<u></u>	<u></u>

Fees payable for the audit are borne by the parent company.

4 Pension Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

During the year, the Company contributed £416 (2007: £1,248) to the defined contribution pension scheme.

SES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009 (continued)

5 Interest payable and receivable

	17 months to 31 March 2009 £	12 months to 31 October 2007 £
On bank loans and overdrafts	(636)	(343)
Hire purchase interest	473	2,566
	<u>(163)</u>	<u>2,223</u>

6 Tax (credit)/charge on profit on ordinary activities

	17 months to 31 March 2009 £	12 months to 31 October 2007 £
United Kingdom corporation tax payable at 30% (2007: 30%)	(15,132)	4,505
Adjustment for prior periods	(169)	-
	<u>(15,301)</u>	<u>4,505</u>
Deferred taxation (see note 13)	(2,081)	-
	<u>(17,382)</u>	<u>4,505</u>
Profit on ordinary activities before taxation	194,311	13,274
Profit on ordinary activities multiplied by rate of corporation tax in the UK of 30% (2007: 30%)	58,293	3,982
The tax for the period is lower (2007: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Expenses not deductible for tax purposes	328	886
Depreciation in excess of capital allowances and other short term timing differences	712	(1,643)
Profit on sale of trade and assets	(74,515)	-
Prior period adjustment	(169)	-
Rate differences	50	1,280
Current tax (credit)/charge	<u>(15,301)</u>	<u>4,505</u>

During the period, the rate of corporation tax payable changed from 30% to 28%. This change became effective after the trade of SES Southern Limited was sold to PTS Group Limited and therefore 30% has been used in the calculation above.

7 Directors' remuneration

None of the directors received emoluments for their services to the Company (2007: £nil). The emoluments of the directors are disclosed in the annual report of the ultimate parent company, The BSS Group plc.

8 Intangible assets

	Goodwill £
Cost	
At 1 November 2007 and 31 March 2009	153,227
Amortisation	
At 1 November 2007	64,882
Charge for the period	5,108
Impairment	83,237
At 31 March 2009	<u>153,227</u>
Net book amounts at 31 March 2009	-
Net book amounts at 31 October 2007	88,345

SES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009 (continued)

9 Tangible fixed assets

	Plant vehicles and equipment £
Cost	
At 1 November 2007	116,362
Additions	1,175
Transfer to Birchwood Products Limited	(11,832)
Transfer to group companies	(105,705)
At 31 March 2009	-
Depreciation	
At 1 November 2007	81,074
Charge for the year	6,002
On transfer to Birchwood Products Limited	(3,179)
Transfer to group companies	(83,897)
At 31 March 2009	-
Net book amounts at 31 March 2009	-
Net book amounts at 31 October 2007	35,288

10 Stocks

	31 March 2009 £	31 October 2007 £
Finished goods and goods for resale	-	151,956

11 Debtors

	31 March 2009 £	31 October 2007 £
Trade debtors	-	369,076
Amounts owed by group undertakings	550,000	-
Deferred Tax (note 13)	-	2,320
Prepayments and accrued income	-	25,335
	550,000	396,731

The amount owed by group undertakings is receivable after more than one year, unsecured and interest free.

12 Creditors (amounts falling due within one year)

	31 March 2009 £	31 October 2007 £
Trade creditors	-	112,943
Amounts owed to parent company and group undertakings	610,933	787,004
Corporation tax	-	5,661
Other taxation and social security	-	23,740
Accruals and deferred income	-	26,548
	610,933	955,896

Amounts due to parent company and group undertakings are unsecured, interest free and repayable on demand.

SES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009 (continued)

13 Deferred taxation

	31 March 2009 £	31 October 2007 £
Deferred taxation is fully provided and is summarised as follows:		
Accelerated capital allowances	-	2,320
Tax losses available	-	-
Total deferred tax	-	2,320

Movement in the year:

Balance as at 1 November 2007	2,320
Profit and loss account	2,081
Transferred to PTS Group on sale of trade and assets	(4,401)
Balance as at 31 March 2009	-

14 Share capital

	31 March 2009 £	31 October 2007 £
Authorised share capital of the Company 1,000 ordinary equity shares of £1 each	1,000	1,000
Allotted and called up 2 ordinary shares of £1 each	2	2

15 Profit and loss account

	Profit and loss account £
At 1 November 2007	(272,628)
Profit for the financial period	211,693
At 31 March 2009	(60,935)

16 Reconciliation of movements in total shareholders' funds

	31 March 2009 £	31 October 2007 £
Opening total shareholders' deficit	(272,626)	(281,395)
Profit for the financial period	211,693	8,769
Closing total shareholders' deficit	(60,933)	(272,626)

SES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2009 (continued)

17 Leasing commitments

	31 March 2009	31 October 2007
	£	£
Amounts payable under operating leases:		
Plant, vehicles and equipment		
Leases terminating within 1 year	-	-
Leases terminating within 2-5 years	-	-
Leases terminating beyond 5 years	-	-
Land and buildings		
Leases terminating within 1 year	-	-
Leases terminating within 2-5 years	-	-
Leases terminating beyond 5 years	-	-
	<hr/>	<hr/>
	-	-

18 Related party transactions

The Company, as a wholly owned subsidiary, takes advantage of the exemption under Financial Reporting Standard 8, 'Related Party Disclosures', not to disclose transactions with other members of the group.

19 Ultimate controlling party

The immediate parent company is Boxbrook Holdings Limited a company registered in England and Wales. The ultimate parent company is The BSS Group plc which is incorporated in the United Kingdom and has its registered office at Fleet House, Lee Circle, Leicester LE1 3QQ. These financial statements are consolidated in the group accounts of The BSS Group plc. Copies can be obtained from the registered office.

20 Exceptional items reported after operating profit

The Company disposed of its trade and assets to PTS Group Limited on 1 March 2008. The net assets at the date of disposal were as follows:

	1 March 2008 £
Tangible fixed assets	21,808
Stocks	121,040
Debtors	329,918
Cash at bank and in hand	66,607
Creditors	(253,417)
Tax balances	15,658
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	301,614
Profit on sale of trade and assets	248,386
Total consideration satisfied by cash	<hr/>
	550,000

The business has ceased trading.