

REGISTERED NUMBER: 4967365 (England and Wales)

**Abbreviated Accounts**

**For The Period 1 July 2010 to 30 September 2011**

**for**

**Medical Gas Solutions Limited**

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**Medical Gas Solutions Limited (Registered number: 4967365)**

**Contents of the Abbreviated Accounts**  
**For The Period 1 July 2010 to 30 September 2011**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Independent Auditors on the Abbreviated Accounts</b>	<b>2</b>
<b>Abbreviated Balance Sheet</b>	<b>3</b>
<b>Notes to the Abbreviated Accounts</b>	<b>4</b>

**Medical Gas Solutions Limited**

**Company Information**  
**For The Period 1 July 2010 to 30 September 2011**

**DIRECTORS:**

T MacLeod-Clarke  
S Gullick  
Dr J Hoodless

**REGISTERED OFFICE:**

Unit 19, Manor Industrial Estate  
Bagillt  
Flint  
FLINTSHIRE  
CH6 5UY

**REGISTERED NUMBER:**

4967365 (England and Wales)

**AUDITORS:**

Robb Ferguson  
Chartered Accountants & Registered Auditors  
5 Oswald Street  
Glasgow  
G1 4QR

**SOLICITORS:**

Clark Holt  
Hardwick House  
Prospect Place  
Swindon  
SN1 3LJ

**Report of the Independent Auditors to**  
**Medical Gas Solutions Limited**  
**Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages three to nine, together with the full financial statements of Medical Gas Solutions Limited for the period ended 30 September 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

**Other information**

On 19 April 2012 we reported as auditors to the shareholders of the company on the full financial statements for the period ended 30 September 2011 prepared under Section 396 of the Companies Act 2006, and our report included the following extract:

**"Emphasis of matter**

**GOING CONCERN**

We refer the reader to the narrative disclosures in Note 1 to the financial statements concerning the basis of preparation of the financial statements. Due to the significance of this matter we draw these disclosures to your attention, however, our audit opinion is not qualified in this respect. The financial statements do not include any adjustments that would result from the withdrawal of funding from related parties.

**POST BALANCE SHEET EVENTS**

We also refer the reader to the narrative disclosures in Note 21 to the financial statements. Due to the significance of these disclosures and the future positive impact on the company's assets and reserves we draw these disclosures to your attention, however, our audit opinion is not qualified in this respect."

These disclosures are made in Note 7 to the abbreviated financial statements.

*Janice Alexander*

Janice Alexander (Senior Statutory Auditor)  
for and on behalf of Robb Ferguson  
Chartered Accountants & Registered Auditors  
5 Oswald Street  
Glasgow  
G1 4QR

Date 19 April 2012

**Medical Gas Solutions Limited (Registered number: 4967365)**

**Abbreviated Balance Sheet**  
**30 September 2011**

		2011		2010 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	2		2,197,825		2,054,196
Investments	3		<u>26</u>		<u>26</u>
			2,197,851		2,054,222
<b>CURRENT ASSETS</b>					
Stocks		307,734		461,163	
Debtors		347,847		361,933	
Cash at bank and in hand		<u>62,546</u>		<u>91,571</u>	
		718,127		914,667	
<b>CREDITORS</b>					
Amounts falling due within one year	4	<u>685,401</u>		<u>963,503</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>32,726</u>		<u>(48,836)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			2,230,577		2,005,386
<b>CREDITORS</b>					
Amounts falling due after more than one year	4		<u>2,515,832</u>		<u>1,317,208</u>
<b>NET (LIABILITIES)/ASSETS</b>			<u>(285,255)</u>		<u>688,178</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		1,351,035		1,351,035
Share premium			724,510		724,510
Profit and loss account			<u>(2,360,800)</u>		<u>(1,387,367)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(285,255)</u>		<u>688,178</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on its behalf by



S Gullick - Director

19 April 2012 and were signed on

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts**  
**For The Period 1 July 2010 to 30 September 2011**

**I ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements

At the date of signing of the financial statements, the company became a wholly owned subsidiary of Flogas UK Limited, whose ultimate parent undertaking is DCC Plc, and as part of this transaction, all external financing due to third parties was repaid from funds advanced by Flogas UK Limited

Flogas UK Limited and DCC Plc have confirmed that they will not seek repayment of loans provided to the company for the foreseeable future and in any event for at least 12 months from the date of signing of the financial statements, and have also confirmed that they will provide sufficient additional working capital facilities as necessary to facilitate the further development of the business and to ensure that the company is able to meet its liabilities as they fall due

Consequently, the directors believe the adoption of the going concern basis is considered appropriate in the preparation of the financial statements.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax

**Tangible fixed assets change in accounting policies**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Rental Stock	- at varying rates on cost
Plant & equipment	- 33 33% on cost and Over 15 years
Fixtures and fittings	- 20% - 33 3% straight line
Motor vehicles	- 33 33% on cost
Computer and Office Equip	- 33 33% on cost

All fixed assets are initially recorded at cost Cost in respect of fixed asset rental stock includes direct expenditure and an appropriate proportion of fixed and variable overheads

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items Cost includes all costs incurred in bringing each product to its present location and condition Net realisable value is based on estimated selling price less any further costs to be incurred to completion and disposal

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

**Notes to the Abbreviated Accounts - continued**  
**For The Period 1 July 2010 to 30 September 2011**

**1 ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Rentals received under operating leases are credited to the profit and loss account on a straight line basis over the lease term

Capital elements of future hire purchase obligations are recorded as liabilities, whilst the interest element of the obligations are charged to the profit and loss account on a straight line basis over the lease term even if payments are not made on such a basis

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**2 TANGIBLE FIXED ASSETS**

	Total £
<b>COST</b>	
At 1 July 2010	2,512,645
Additions	403,602
Disposals	<u>(41,178)</u>
At 30 September 2011	<u>2,875,069</u>
<b>DEPRECIATION</b>	
At 1 July 2010	458,449
Charge for period	259,973
Eliminated on disposal	<u>(41,178)</u>
At 30 September 2011	<u>677,244</u>
<b>NET BOOK VALUE</b>	
At 30 September 2011	<u>2,197,825</u>
At 30 June 2010	<u>2,054,196</u>

Rental stock relates to assets which are leased to third parties under operating leases

During 2009 the company disposed of rental stock and under the terms of the assignment agreement entered into, Medical Gas Solutions Limited continued to carry out all aspects of the hire agreement At the end of the 33 month period (February 2012), the assets were transferred back to Medical Gas Solutions Limited for a net consideration of £1,000, at which point the estimated book value of these assets was approximately £430,000 This has not been recognised as income in the financial statements as the transfer took place after the year end and was conditional upon the purchaser receiving the full income over the 33 month period

During 2009, Medical Gas Solutions Limited also entered in to two tripartite agreements with companies in which Medical Gas Solutions Limited has a shareholding Subsequent to the year end, these companies became wholly owned subsidiaries of Medical Gas Solutions Limited, as detailed in Note 3

**Medical Gas Solutions Limited (Registered number: 4967365)**

**Notes to the Abbreviated Accounts - continued**  
**For The Period 1 July 2010 to 30 September 2011**

**3 FIXED ASSET INVESTMENTS**

	Investments other than loans £
<b>COST</b>	
At 1 July 2010	
and 30 September 2011	<u>256,289</u>
<b>PROVISIONS</b>	
At 1 July 2010	
and 30 September 2011	<u>256,263</u>
<b>NET BOOK VALUE</b>	
At 30 September 2011	<u>26</u>
At 30 June 2010	<u>26</u>

The company's investments at the balance sheet date in the share capital of companies include the following

**Manor Medical Limited**

Nature of business Dormant

	%
Class of shares	holding
Ordinary	100 00

Subsequent to the period end, the entire share capital of Manor Medical Limited was sold to Tim Macleod-Clarke, a director of the Company, for a consideration of £1 in cash

**MGS - Emerging Medical Gas Equip Industry & Trade Joint Stock Corp.**

Country of incorporation Turkey

Nature of business Sale and marketing of medical gas equipment

	%
Class of shares	holding
Ordinary	31 80
	31 12 10
	30 6 10
	£
Aggregate capital and reserves	(4,132)
Loss for the period	<u>(7,797)</u>
	<u>(5,525)</u>

Subsequent to the period end, the entire investment held by the Company in MGS - Emerging Medical Gas Equip Industry & Trade Joint Stock Corp was sold to Manor Medical Limited for a consideration of £1 in cash



**Medical Gas Solutions Limited (Registered number: 4967365)**

**Notes to the Abbreviated Accounts - continued**  
**For The Period 1 July 2010 to 30 September 2011**

**3 FIXED ASSET INVESTMENTS - continued**

**MGS West Midlands Limited**

Nature of business Sale and marketing of medical gas equipment

	%		
Class of shares	holding		
Ordinary	49 00	31 3 11	31 10 09
		£	£
Aggregate capital and reserves		507,194	628,097
(Loss)/Profit for the period/year		<u>(120,903)</u>	<u>178,071</u>

On 19 April 2012, the company acquired the remaining 51% of the shares in MGS West Midlands Limited for a consideration of £102,305, funded by the re-financing of the company when it became a wholly owned subsidiary of Flogas UK Limited, whose ultimate parent undertaking is DCC Plc.

In addition, on that date, Flogas UK Limited advanced loan funds of £209,695 to Medical Gas Solutions Limited who in turn loaned these monies to MGS West Midlands Limited. At that date, MGS West Midlands Limited (the company) utilised this loan together with the company bank balances at completion to repay previously existing loans in full.

At that date, MGS West Midlands Limited became a wholly owned subsidiary of the company and the net asset value acquired was substantially in excess of the consideration paid.

**MGS North West Limited**

Nature of business Sale and marketing of medical gas equipment

	%
Class of shares	holding
Ordinary	0 79

On 19 April 2012, the company acquired the remaining shares in MGS North West Limited for a consideration of £385,000, funded by the re-financing of the company when it became a wholly owned subsidiary of Flogas UK Limited, whose ultimate parent undertaking is DCC Plc.

In addition, a working capital payment equivalent to the surplus of current assets over current liabilities per the balance sheet of MGS North West Limited at the date of purchase, funded by cash reserves in MGS North West Limited, was made to the exiting shareholders.

At that date, MGS North West Limited became a wholly owned subsidiary of the company and the net asset value acquired was substantially in excess of the consideration paid.

**4 CREDITORS**

Creditors include an amount of £2,197,953 (2010 - £1,371,368) for which security has been given.

They also include the following debts falling due in more than five years:

	2011	2010
		as restated
	£	£
Repayable by instalments	<u>-</u>	<u>325,000</u>

**Medical Gas Solutions Limited (Registered number: 4967365)**

**Notes to the Abbreviated Accounts - continued**  
**For The Period 1 July 2010 to 30 September 2011**

**5 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 as restated £
993,276	Ordinary	£1	993,276	993,276
357,759	Preferred Ordinary	£1	<u>357,759</u>	<u>357,759</u>
			<u>1,351,035</u>	<u>1,351,035</u>

At 30 September 2011 and 30 June 2010, 1 employee had been granted share options in the company over 30,303 ordinary shares of £1 at an exercise price of £3.30 per share. However as part of the company purchase which took place on 19 April 2012, the employee has confirmed that they will not exercise any options in the future, and neither had right or entitlement to receive shares as a result of the company purchase. Accordingly, as these options were effectively cancelled as a result of the company purchase, the effect of these share options on the profit and loss account for the period to 30 September 2011 is considered to be nil (2010 - nil).

**6 TRANSACTIONS WITH DIRECTORS**

During the period, amounts were paid to Suetts Farm Limited of £24,694 (2010- £63,874), a company with which Mr T MacLeod-Clarke, a director, is connected. At 30 September 2011 £1,000 (2010 - Nil) was due by the company to Suetts Farm Limited.

Subsequent to the period end, the entire investment held by the Company in MGS - Emerging Medical Gas Equip Industry & Trade Joint Stock Corp was sold to Manor Medical Limited, a dormant subsidiary of the company at the period end, for a consideration of £1 in cash. Subsequent to this transaction, the entire share capital of Manor Medical Limited was sold to Mr T Macleod-Clarke for a consideration of £1 in cash.

During the period, amounts were paid to Alan B Jones & Associates Limited of £68,856 (2010 - £9,168), a company with which Mr Alan Jones, a director, is connected. At the period end £2,570 (2010 - £2,640) was due by the company to Alan B Jones & Associates Limited.

**Notes to the Abbreviated Accounts - continued**  
**For The Period 1 July 2010 to 30 September 2011**

**7 POST BALANCE SHEET EVENTS**

On 19 April 2012, the company became a wholly owned subsidiary of Flogas UK Limited, whose ultimate parent undertaking is DCC Plc

On this date, the external financing liabilities of the company were settled, including the Finance Wales and Bryken High Speed Turnings Limited loans, and the associated security released in full

At the balance sheet date, monies due to Finance Wales totalled £2,432,702 including all interest and charges, and further interest and charges have been incurred since the period end. As part of the conditions of the sale of the company on 19 April 2012, Finance Wales agreed to accept £2,250,000 in full and final settlement of all sums due. As formal agreement was not reached regarding payment of loans and related interest until after the year end date, no adjustment has been made in the financial statements to 30 September 2011. The current year financial statements will therefore reflect a credit in excess of £180,000 in relation to waived interest and charges.

At the balance sheet date, monies due to Bryken High Speed Turnings Limited totalled £365,832, and further interest has been incurred since the period end. As part of the conditions of the sale of the company on 19 April 2012, Bryken High Speed Turnings Limited agreed to accept £180,000 in full and final settlement of all sums due. As formal agreement was not reached regarding payment of these monies until after the year end date, no adjustment has been made in the financial statements to 30 September 2011. The current year financial statements will therefore reflect a credit in excess of £185,000 in relation to loans and related interest waived by Bryken High Speed Turnings Limited.

Subsequent to the period end, the company disposed of its shares in Manor Medical Limited and in MGS - Emerging Medical Gas Equip Industry & Trade Joint Stock Corp, both for £1 in cash as detailed in Note 3. In addition, on 19 April 2012, the Company acquired all of the remaining shares it did not already own in MGS West Midlands Limited and MGS North West Limited, at which point the net asset values acquired were substantially in excess of the considerations paid, as detailed in Note 3.

During 2009 the company disposed of rental stock and under the terms of the assignment agreement entered into, Medical Gas Solutions Limited continued to carry out all aspects of the hire agreement. At the end of February 2012, the assets were transferred back to Medical Gas Solutions Limited for a net consideration of £1,000, at which point the estimated book value of these assets was approximately £430,000. This will be reflected in the current year financial statements, as detailed in Note 2.