

No 05138564

# **Rainclear Systems Limited**

## **Annual Report and Accounts**

For the year ended 30 April 2013



# Rainclear Systems Limited

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Registered no 05138564

## **Registered Office**

Station Road  
Burton Latimer  
Kettering  
Northamptonshire  
NN15 5JP

## **Directors**

D Hopkins  
P Hetherington  
D Woods  
G Jones

## **Secretary**

J Douglas

## **ADVISORS**

### **Auditor**

KPMG Audit Plc  
Altus House  
One North Fourth Street  
Milton Keynes  
MK9 1NE

### **Bankers**

Barclays Bank plc  
Eagle Point  
1 Capability Green  
Luton  
LU1 3US

# Rainclear Systems Limited

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Registered no 05138564

The directors present their report and financial statements for the year ended 30 April 2013

## PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of wholesale plumbing equipment

## REVIEW OF BUSINESS

During the year the company's turnover decreased by 10% to £1,614k and operating profit fell by 31% to £143k

On 30 November 2012 100% of the ordinary shares of the company were acquired by The Alumasc Group plc

On 30 April 2013 the company transferred its trade, assets and liabilities to Alumasc Exterior Building Products Limited (a fellow subsidiary of The Alumasc Group plc) at book value in order to simplify administration and reduce cost. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1

## RESULTS AND DIVIDEND

The profit before tax for the year to 30 April 2013 was £142,626 (2012 £208,031). Interim dividends of £35,000 were declared and paid in the year (2012 £99,340). A final dividend of £570,000 was paid on 30 April 2013, the date of the business transfer to Alumasc Exterior Building Products Ltd.

## DIRECTORS

The directors who held office during the year and up to the date of signing were as follows

D Hopkins  
P Hetherington (appointed 30/11/12)  
D Woods (appointed 30/11/12)  
G Jones (appointed 30/11/12)  
N Hopkins (resigned 30/11/12)

## EMPLOYEES

Through company announcements, employees are kept informed on the company's financial performance, future prospects and other matters affecting them.

It is the company's policy to give full and fair consideration to the employment of applicants who are disabled persons, to continue the employment of employees who become disabled persons and, as appropriate, to provide training for other positions.

## DONATIONS

The company made charitable donations of £250 during the year (2012 £1,200) and made no political donations (2012 £nil).

## KEY PERFORMANCE INDICATORS

Set out below are three key performance indicators against which the company judges its performance

	2013	2012	Change
	£	£	%
Turnover	1,614,278	1,785,702	(10)
Gross profit	602,765	624,265	(3)
Operating profit	142,933	208,448	(31)

## RISK REVIEW

Risk assessment is a continuing process throughout the year, dealt with through board meetings which formally identify the risks most important to the business, consider their financial implications and assess the adequacy and effectiveness of controls. The management of the business and the execution of the company's strategy are subject to normal commercial business risks. The main risks arising from the company's activities are as follows

### *UK Economy*

Rainclear's operations are based in the UK and all of its sales are made in the UK. Therefore any significant change in the UK economic conditions, government policy or construction activity, particularly the new build market for commercial buildings, could impact the company's performance

### *Innovation and competition*

An entrepreneurial and innovative approach is encouraged as performance is dependent on niche, differentiated products. Insufficient innovation, particularly relative to competitors, could result in a loss of competitive advantage

### *People*

The loss of key management and employees could impact operating performance through loss of know-how. These risks are mitigated as far as possible through teamwork and ensuring that key individuals are appropriately motivated and incentivised

### *Product Quality*

The reputation of the company's products and brands could be impacted by significant product quality issues. The company's quality control procedures are designed to ensure bought-in products perform to specification provided they have been correctly installed by third parties. Residual risks are, where possible, insured

### *Credit risk*

Credit risk remains relatively high in the current economic environment, and this will continue to be the case as businesses recover from recession and have to finance the increased working capital needed to support recovery. Credit risks continue to be monitored carefully in all company businesses, including at monthly board meetings and, generally, these risks are insured

## AUDITOR

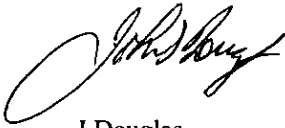
Our auditors, KPMG Audit Plc, have instigated an orderly wind down of business. The board has decided to put KPMG LLP forward to be appointed as auditors and a resolution concerning their appointment will be put to the forthcoming AGM of the company

**RISK REVIEW (CONTINUED)**

**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 each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

By order of the board

A handwritten signature in black ink, appearing to read 'J Douglas', is written over a horizontal line.

J Douglas  
Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND 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 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 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 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# Rainclear Systems Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINCLEAR SYSTEMS LIMITED

We have audited the financial statements of Rainclear Systems Limited for the year ended 30 April 2013 set out on pages 7 to 16. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 30 April 2013 and of its profit 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.

### Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

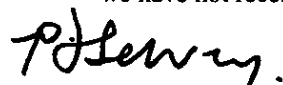
### Opinion on other matter prescribed by the Companies Act 2006

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.

### 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.



Peter Selvey (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants  
Altius House  
One North Fourth Street  
Milton Keynes  
MK9 1NE

10 June, 2013

# Rainclear Systems Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 April 2013

	Notes	2013 £	2012 £
<b>Turnover</b>	<b>2</b>	<b>1,614,278</b>	1,785,702
Cost of sales		<b>(1,011,513)</b>	(1,161,437)
<b>Gross profit</b>		<b>602,765</b>	624,265
Administrative expenses		<b>(359,832)</b>	(415,817)
Administrative expenses – exceptional items	<b>5</b>	<b>(100,000)</b>	-
<b>Operating profit</b>	<b>3</b>	<b>142,933</b>	208,448
Interest payable	<b>6</b>	<b>(307)</b>	(417)
<b>Profit on ordinary activities before taxation</b>		<b>142,626</b>	208,031
Taxation charge	<b>7</b>	<b>(55,344)</b>	(41,662)
<b>Profit for the financial year</b>	<b>15</b>	<b>87,282</b>	166,369

All results above arise from discontinued operations of this legal entity, as described in the Directors' Report

There are no recognised gains and losses other than those passing through the profit and loss account

The notes from pages 9 to 16 form part of these financial statements



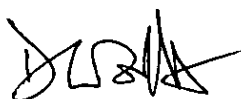
# Rainclear Systems Limited

## BALANCE SHEET

at 30 April 2013

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible assets	9		-		62,388
<b>Current assets</b>					
Stocks	10	-		181,788	
Debtors	11	707		224,079	
Cash		-		244,210	
		<u>707</u>		<u>650,077</u>	
Creditors amounts falling due within one year	12	-		(192,042)	
<b>Net current assets</b>			<u>707</u>		<u>458,035</u>
<b>Total assets less current liabilities</b>			<u>707</u>		<u>520,423</u>
Provisions for liabilities	13		-		(1,998)
<b>Net assets</b>			<u>707</u>		<u>518,425</u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss account	15		607		518,325
<b>Shareholder's funds</b>			<u>707</u>		<u>518,425</u>

Approved by the Board and authorised for issue on 4 December 2013



D Woods  
Director

The notes from pages 9 to 16 form part of these financial statements

# Rainclear Systems Limited

## NOTES TO THE ACCOUNTS for the year ended 30 April 2013

### 1. ACCOUNTING POLICIES

#### *Basis of accounting*

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

#### *Going concern*

In previous years, the financial statements have been prepared on a going concern basis. However, on 30 April 2013 the directors took the decision to cease trading following the transfer of the trade and assets of the Company in to Alumasc Exterior Building Products (a fellow subsidiary of The Alumasc Group plc). As they do not intend to continue to trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the net assets are included in these financial statements.

No continuing obligations remain with the company that will give rise to future costs or closure costs.

#### *Cash flow statement*

Under the provisions of FRS 1 "Cash Flow Statements" (Revised 1996), the company has not prepared a statement of cash flows because its ultimate parent undertaking, The Alumasc Group plc, which is incorporated in England, has prepared consolidated financial statements which include the financial statements of the company for the year and which contain an appropriate statement of cash flows of the group.

#### *Depreciation of tangible fixed assets*

Freehold land is not depreciated. The cost or valuation of other tangible fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Plant and machinery	- 4 years
Fixtures and fittings	- 4 years
Motor vehicles	- 4 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Leased assets*

Assets held under leasing agreements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligation is included in creditors. The interest element of the rental obligation is charged to the profit and loss account in proportion to the reducing capital element outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

#### *Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Research and development*

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

#### *Pension costs*

The company offers a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

# Rainclear Systems Limited

## NOTES TO THE ACCOUNTS for the year ended 30 April 2013

### 1. ACCOUNTING POLICIES (CONTINUED)

#### *Deferred taxation*

Provision is made for deferred taxation in accordance with FRS 19

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted, or substantively enacted at the balance sheet date

#### *Foreign currencies*

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, monetary assets and liabilities at the balance sheet dates are translated at the year end rates of exchange. All exchange differences thus arising are reported as part of the profit for the year

#### *Dividends*

Under FRS 21, all ordinary dividends payable to shareholders are recognised in the period that they are approved by the shareholders

#### *Revenue recognition*

Turnover represents amounts receivable for goods and services net of VAT and trade discounts in respect of the sale of goods to customers

### 2. TURNOVER

#### *Geographical analysis*

All business operations are located in the United Kingdom and all turnover is generated there

Turnover by destination is as follows

	2013 £'000	2012 £
United Kingdom	<u>1,614,278</u>	<u>1,785,702</u>

# Rainclear Systems Limited

## NOTES TO THE ACCOUNTS for the year ended 30 April 2013

### 3. OPERATING PROFIT

This is stated after charging/(crediting)

	2013 £	2012 £
Depreciation - owned tangible fixed assets	16,111	28,978
Auditors' remuneration - audit of financial statements	3,000	-
Foreign exchange (gain)/loss	(2,621)	977
	<u>          </u>	<u>          </u>

### 4. EMOLUMENTS OF DIRECTORS AND EMPLOYEES

Employee costs, including directors, during the year were

	2013 £	2012 £
Wages and salaries	102,936	91,253
Social security costs	8,518	6,618
Other pension costs	76,823	113,944
	<u>188,278</u>	<u>211,815</u>

# Rainclear Systems Limited

## NOTES TO THE ACCOUNTS for the year ended 30 April 2013

### 4 EMOLUMENTS OF DIRECTORS AND EMPLOYEES (CONTINUED)

The average monthly number employed by the company during the year, including directors, was as follows

	2013 Number	2012 Number
Works personnel	5	5
Executive and staff	2	2
	<u>7</u>	<u>7</u>

Directors' remuneration was as follows

	2013 £	2012 £
Remuneration	<u>35,039</u>	<u>11,884</u>
Pension paid to a defined contribution pension scheme	<u>76,650</u>	<u>111,089</u>

The remuneration of Mr Hopkins is borne by the company. The remuneration of the remaining directors was borne by Alumasc Exterior Building Products Ltd and details are disclosed in that company's financial statements

Retirement benefits are accruing to no directors (2012: two directors) under money purchase pension schemes

The remuneration in respect of the highest paid director was as follows

	2013 £	2012 £
Remuneration	<u>68,612</u>	<u>122,973</u>

During the year the directors received dividends of £35,000 (2012: £99,340)

### 5. EXCEPTIONAL ITEMS

	2013 £	2012 £
Dilapidations charge	<u>100,000</u>	<u>-</u>

The company has provided £100,000 in relation to the anticipated cost of dilapidations required under the terms of the lease of the company's business premises

### 6. INTEREST PAYABLE

	2013 £	2012 £
Hire purchase interest	<u>307</u>	<u>417</u>

# Rainclear Systems Limited

NOTES TO THE ACCOUNTS  
for the year ended 30 April 2013

## 7 TAXATION

### a. Tax on profit on ordinary activities

The tax charge in the profit and loss account is made up as follows

	2013 £	2012 £
Current tax		
Corporation tax charge	56,840	41,271
	<u>56,840</u>	<u>41,271</u>
Deferred tax		
Origination and reversal of timing differences	(1,496)	391
	<u>(1,496)</u>	<u>391</u>
Tax charge on profit on ordinary activities	<u>55,344</u>	<u>41,662</u>

### b Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2012 lower) than the standard rate of corporation tax in the UK of 23.9% (2012 20.0%). The differences are reconciled below

The tax charge is made up as follows

	2013 £	2012 £
Profit on ordinary activities before tax	<u>142,626</u>	<u>208,031</u>
Profit on ordinary activities multiplied by the standard rate of 23.9% (2012 20.0%)	34,088	41,606
Expenses not deductible for tax purposes	21,256	56
Depreciation in excess of capital allowances	1,496	(391)
Tax under provided in previous years	-	-
Total current tax	<u>56,840</u>	<u>41,271</u>

### c. Deferred taxation

The deferred taxation included in the balance sheet is as follows

	2013 £	2012 £
Decelerated capital allowances	-	(1,998)

The movement during the period is as follows

	Total £
Balance at 1 May 2012	(1,998)
Credited to profit and loss account	1,496
Disposal to group company	502
At 30 April 2013	<u>-</u>

# Rainclear Systems Limited

NOTES TO THE ACCOUNTS  
for the year ended 30 April 2013

## 7 TAXATION (CONTINUED)

### d.) Factors affecting the tax charge in future periods

The Chancellor's Autumn Statement on 5 December 2012 announced that the UK corporation tax rate will reduce to 21% by 2014. A reduction in the rate from 24% (effective from 1 April 2012) to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012.

Finance Bill 2013, which includes the reduction in the UK corporation tax rate to 21 percent with effect from 1 April 2014 and to 20 percent from 1 April 2015, reached substantive enactment on 2 July 2013. This will reduce the group's future current tax charge accordingly. Deferred tax assets and liabilities have been calculated based on the rate of 23% substantively enacted at the balance sheet date.

## 8. DIVIDENDS

Interim dividends of £35,000 were declared and paid in the year (2012: £99,340). A final dividend of £570,000 was paid on 30 April 2013, the date of the business transfer to Alumasc Exterior Building Products Ltd.

## 9. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Motor Vehicles £	Total £
Cost				
At 1 May 2012	76,473	23,758	60,057	160,288
Additions	1,970	-	-	1,970
Disposals	(78,443)	(23,758)	(60,057)	(162,258)
At 30 April 2013	-	-	-	-
Depreciation				
At 1 May 2012	64,496	10,251	23,153	97,900
Charge for the year	4,583	4,756	6,772	16,111
Disposals	(69,079)	(15,007)	(29,925)	(114,011)
At 30 April 2013	-	-	-	-
Net book value at 30 April 2013	-	-	-	-
Net book value at 30 April 2012	11,977	13,507	36,904	62,388

All disposals relate to assets transferred at book value to Alumasc Exterior Building Products Limited (a fellow subsidiary of The Alumasc Group plc) on 30 April 2013.

## 10. STOCKS

	2013 £	2012 £
Finished goods	-	181,788

# Rainclear Systems Limited

NOTES TO THE ACCOUNTS  
for the year ended 30 April 2013

## 11. DEBTORS

	2013 £	2012 £
Amounts owed by fellow subsidiary	707	-
Trade debtors	-	169,121
Other debtors	-	54,958
	<u>707</u>	<u>224,079</u>

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	-	105,974
Other taxes and social security	-	19,293
Other creditors	-	23,765
Corporation tax	-	41,271
Obligations under finance lease and hire purchase contracts	-	1,739
	<u>-</u>	<u>192,042</u>

## 13. PROVISIONS FOR LIABILITIES

	Deferred Tax provision £	Dilapidations provision £	Total £
At 1 May 2012	1,998	-	1,998
Charged to the profit and loss account	-	100,000	100,000
Disposal to group company	(1,998)	(100,000)	(101,998)
At 30 April 2013	<u>-</u>	<u>-</u>	<u>-</u>

## 14. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid 100 (2012 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

## 15. RESERVES

	Profit and loss account £
At 1 May 2012	518,325
Retained profit for the year	87,282
Dividends paid	(605,000)
At 30 April 2013	<u>607</u>



# Rainclear Systems Limited

## NOTES TO THE ACCOUNTS

for the year ended 30 April 2013

### 16. FINANCIAL COMMITMENTS

#### *Annual operating lease commitments*

	<b>Land and buildings</b>	
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Operating leases which expire within two to five years	-	24,000
	<u>-</u>	<u>24,000</u>

### 17. CONTINGENT LIABILITIES

No contingent liabilities existed in respect of outstanding bank guarantees to customers for which the company has granted counter indemnities

Cross guarantees are in existence between the company and other group undertakings in respect of The Alumasc Group plc's composite banking arrangements, details of which are disclosed in The Alumasc Group plc's financial statements

### 18. RELATED PARTIES

The company, being a wholly owned subsidiary of The Alumasc Group plc, takes advantage of the exemption under FRS 8, Related Party Transactions, from disclosure of transactions with entities within the group. There are no other related party transactions.

### 19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate and ultimate holding company and controlling party is The Alumasc Group plc, a company registered in England. Copies of the accounts of The Alumasc Group plc can be obtained from The Group Secretary, The Alumasc Group plc, Station Road, Burton Latimer, Kettering, Northants NN15 5JP.