

**RED-D-ARC (UK) Limited**

**Annual report and financial statements**

**Registered number 06533996**

**Year ended 31 March 2014**

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## **Directors' report**

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2014.

### **Principal activity**

The principal activity of the company is an investment holding company.

### **Business review and future developments**

The results for the year are shown on page 5.

The company is exempt from the requirement to prepare a Strategic Report.

### **Directors**

The directors who held office during the year were as follows:

TM Smyth  
RJ Stark

### **Proposed dividend**

The directors do not recommend the payment of a dividend.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this director's 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 they ought to have taken as directors 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 reappointed and KPMG LLP will therefore continue in office.

By order of the board



TM Smyth  
*Director*

## **Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Director's 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.



## **KPMG LLP**

Arlington Business Park  
Theale  
Reading  
RG7 4SD  
United Kingdom

### **Independent auditor's report to the members of RED-D-ARC (UK) Limited**

We have audited the financial statements of RED-D-ARC (UK) Limited for the year ended 31 March 2014, set out on pages 5 to 10. 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 Director's 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 web-site at [www.frc.org.uk/apb/auditscopeukprivate](http://www.frc.org.uk/apb/auditscopeukprivate).

#### **Opinion on the 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 March 2014 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**

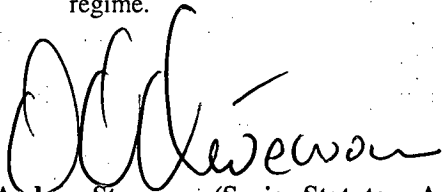
In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of RED-D-ARC (UK) 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to not prepare a strategic report in accordance with the small companies regime.

 15/12/2014

**Andrew Stevenson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

**Profit and Loss Account**  
*for the year ended 31 March 2014*

	<i>Note</i>	<b>2014</b> £	<b>2013</b> £
Administrative expenses		(4,441)	(5,523)
<b>Operating loss</b>	<b>2</b>	<b>(4,441)</b>	<b>(5,523)</b>
Interest receivable and similar income	4	212,387	175,119
Interest payable and similar charges	5	(297,194)	(286,558)
<b>Loss on ordinary activities before taxation</b>		<b>(89,248)</b>	<b>(116,962)</b>
<b>Tax on loss on ordinary activities</b>	<b>6</b>	<b>-</b>	<b>1,437</b>
<b>Loss for the financial year</b>	<b>11</b>	<b>(89,248)</b>	<b>(115,525)</b>

The company has no recognised gains or losses other than shown above.

All figures relate to continuing activities.

**Balance Sheet**  
**at 31 March 2014**

	Note	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Investments	7		7,680,336		7,680,336
<b>Current assets</b>					
Debtors	8	12,452,203		8,816,131	
Cash at bank and in hand		1,150,986		789,653	
		<u>13,603,189</u>		<u>9,605,784</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(20,821,224)</u>		<u>(16,734,571)</u>	
			<u>(7,218,035)</u>		<u>(7,128,787)</u>
<b>Net assets</b>			<u>462,301</u>		<u>551,549</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Capital reserve	11		1,266,000		1,266,000
Profit and loss account	11		(803,799)		(714,551)
<b>Shareholders' funds</b>	12		<u>462,301</u>		<u>551,549</u>

These financial statements were approved by the board of directors on Dec 8, 2014 and were signed on its behalf by:



TM Smyth  
Director



## 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 have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company as defined in companies' legislation. Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by Airgas Inc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Airgas Inc, within which this Company is included, can be obtained from the address stated in note 13.

#### *Consolidated accounts*

The company has taken advantage of the exemption not to prepare group accounts as it is a subsidiary of Airgas Inc which prepares accounts in a manner equivalent with the provisions of the EU Seventh Directive (83/349/EEC).

#### *Going concern*

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Taxation*

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

### 2 Loss on ordinary activities before taxation

	2014 £	2013 £
<i>Loss on ordinary activities is stated after charging:</i>		
Auditor's remuneration – audit of these financial statements	11,500	11,500
Cost borne by Red-D-Arc Limited	(11,500)	(11,500)
	<hr/>	<hr/>

### 3 Staff numbers and costs

The company employed an average of 2 directors in the period. Director's remuneration was £nil (2013: £nil).

## Notes (continued)

### 4 Interest receivable and similar income

	2014 £	2013 £
Interest receivable	212,387	175,119

### 5 Interest payable and similar charges

	2014 £	2013 £
Interest payable	297,194	286,558

### 6 Taxation

	2014 £	2013 £
<i>UK Corporation tax</i>		
Current tax on income for the period at 23% (2013: 24%)	-	-
Adjustment in respect of prior year	-	(1,437)
<i>Factors affecting the tax charge for the current period:</i>		
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(89,248)	(116,962)
Current tax at 23% (2013: 24%)	(20,527)	(28,071)
<i>Effects of:</i>		
Expenses disallowable for tax purposes	-	180
Losses surrendered for group relief	3,974	9,697
Transfer in of chargeable gain	16,553	18,194
Adjustment in respect of prior year	-	(1,437)
Total current tax – see above	-	(1,437)

### 7 Investments – shares in Red-D-Arc Limited

	£
Balance at beginning and end of year	7,680,336

	% holding	Country of incorporation	Net assets at 31 March 2014 £	Retained profit for year ended 31 March 2014 £
Red-D-Arc Limited	100%	England and Wales	11,357,006	1,453,620

## Notes (continued)

### 8 Debtors

	2014 £	2013 £
Amounts owed from group undertakings	12,452,103	8,816,031
Called up share capital not paid	100	100
	<u>12,452,203</u>	<u>8,816,131</u>

### 9 Creditors: amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	817,808	817,932
Bank loan	20,000,000	15,900,000
Corporation tax	-	-
Accruals and deferred income	3,416	16,639
	<u>20,821,224</u>	<u>16,734,571</u>

The bank loan is interest bearing with Bank of America and security is provided by Airgas Inc.

### 10 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### 11 Reserves

	Profit & Loss account £	Capital Reserve £
At beginning of year	(714,551)	1,266,000
Loss for the year	(89,248)	-
	<u>(803,799)</u>	<u>1,266,000</u>
At end of year	(803,799)	1,266,000

## Notes (continued)

### 12 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Loss for the financial year	(89,248)	(115,525)
Net decrease in shareholders' funds	(89,248)	(115,525)
Shareholders' funds at start of year	551,549	667,074
Shareholders' funds at end of year	462,301	551,549

### 13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Airgas Inc incorporated in the United States of America which heads the group in which the results of the Company are consolidated. The financial statements of Airgas Inc which are available to the public and may be obtained from [www.airgas.com](http://www.airgas.com) – click on “2014 Annual Report”.