

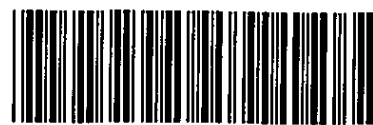
**Registration number 06746334**

**Allweld Industrial and Welding Supplies Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2010**

**WEDNESDAY**



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## **Allweld Industrial and Welding Supplies Limited**

### **Company information**

Directors	R C Godley	
	P J Chapman	
	J G Hawthorn	Appointed 13 September 2010
	R Walker	Appointed 13 September 2010
Company number	06746334	
Registered office	Redfield Road Lenton Nottingham NG7 2UJ	
Auditors	Hobsons Alexandra House 43 Alexandra Street Nottingham NG5 1AY	

## **Allweld Industrial and Welding Supplies Limited**

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# **Allweld Industrial and Welding Supplies Limited**

## **Directors' report for the year ended 31 December 2010**

The directors present their report and the financial statements for the year ended 31 December 2010

### **Principal activity**

The principal activity of the company was the distribution of welding consumables and equipment

The company was incorporated on 11 November 2008, and the comparatives reflect a period from the date of incorporation to 31 December 2009 with the company having started to trade on 1 October 2009

### **Business review**

The directors are satisfied with the performance and financial position of the company at the year end, given that this is the first full year of trading within the ISS group

The directors review levels of turnover and gross margin as key performance indicators. The directors are satisfied with the gross margin reported for the year, and feel confident that the business can continue to grow in future years.

The principal risks and uncertainties for the business relate to the current economic climate and the impact that this has on the company's customers and supply chain. Trading conditions remain difficult and the company is supported by its parent company, Industrial Supplies & Services Limited, for its day to day financing requirements.

### **Results and dividends**

The results for the year are set out on page 5. No dividends were paid during the year and the directors do not recommend payment of a final dividend.

### **Directors**

The directors who served during the year are as stated below

R C Godley

P J Chapman

J G Hawthorn      Appointed 13 September 2010

R Walker            Appointed 13 September 2010

### **Professional indemnity insurance**

Insurance cover is maintained to indemnify the directors of the company against liabilities and claims that may arise during the performance of their duties.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

**Allweld Industrial and Welding Supplies Limited**

**Directors' report  
for the year ended 31 December 2010**

continued

The Companies Act 2006 (the 'Act') requires the directors to prepare financial statements for each financial year. Pursuant to the Act 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 Act requires that 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and 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,
- 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 Act. 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 6 September 2011 and signed on its behalf by



**R. C. Godley**  
Director

**Independent auditor's report to the shareholders of  
Allweld Industrial and Welding Supplies Limited**

We have audited the financial statements of Allweld Industrial and Welding Supplies Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 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 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 pages 1 - 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**

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 Directors' 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 31 December 2010 and of its loss 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.

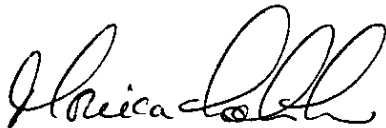
**Independent auditor's report to the shareholders of  
Allweld Industrial and Welding Supplies Limited**

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Monica Szoln-Jones FCA (senior statutory auditor)**

**For and on behalf of Hobsons**

**Chartered Accountants and**

**Statutory Auditors**

**Alexandra House**

**43 Alexandra Street**

**Nottingham**

**NG5 1AY**

**9 September 2011**

**Allweld Industrial and Welding Supplies Limited**

**Profit and loss account  
for the year ended 31 December 2010**

		<b>Continuing operations</b>	
		<b>Year ended 31/12/10</b>	<b>Period ended 31/12/09</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	630,149	120,107
Cost of sales		(360,632)	(53,042)
<b>Gross profit</b>		269,517	67,065
Administrative expenses		(282,993)	(72,955)
<b>Operating loss</b>	<b>3</b>	(13,476)	(5,890)
Interest payable and similar charges	<b>5</b>	(4,431)	(1,401)
<b>Loss on ordinary activities before taxation</b>		(17,907)	(7,291)
Tax on loss on ordinary activities	<b>8</b>	3,595	4,277
<b>Loss for the year</b>	<b>16</b>	(14,312)	(3,014)
Accumulated (loss)/profit brought forward		(3,014)	-
<b>Accumulated loss carried forward</b>		(17,326)	(3,014)

There are no recognised gains or losses other than the profit or loss for the above two financial years

**The notes on pages 7 to 15 form an integral part of these financial statements.**



# Allweld Industrial and Welding Supplies Limited

## Balance sheet as at 31 December 2010

		31/12/10		31/12/09	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9		70,353		78,380
Tangible assets	10		18,111		24,717
			<u>88,464</u>		<u>103,097</u>
<b>Current assets</b>					
Stocks	11	66,330		64,656	
Debtors	12	143,053		88,907	
Cash at bank and in hand		141		43,598	
		<u>209,524</u>		<u>197,161</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(150,313)</u>		<u>(143,271)</u>	
<b>Net current assets</b>			<u>59,211</u>		<u>53,890</u>
<b>Total assets less current liabilities</b>			147,675		156,987
<b>Creditors: amounts falling due after more than one year</b>	14		(165,000)		(160,000)
<b>Deficiency of assets</b>			<u>(17,325)</u>		<u>(3,013)</u>
<b>Capital and reserves</b>					
Called up share capital	15		1		1
Profit and loss account	16		(17,326)		(3,014)
<b>Shareholders' funds</b>	17		<u>(17,325)</u>		<u>(3,013)</u>

The financial statements were approved by the Board on 6 September 2011 and signed on its behalf by



**R. C. Godley**  
Director

Registration number 06746334

The notes on pages 7 to 15 form an integral part of these financial statements.

## **Allweld Industrial and Welding Supplies Limited**

### **Notes to the financial statements for the year ended 31 December 2010**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a 100% owned subsidiary and its ultimate parent undertaking publishes consolidated financial statements

The company has consistently applied all relevant accounting standards

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

##### **1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years

##### **1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Fixtures, fittings

and equipment

- 15% reducing balance/25% straight line

Motor vehicles

- 20% straight line new commercial vehicles/25% reducing balance other vehicles

##### **1.5. Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### **1.6. Stock**

Stock is valued at the lower of cost and net realisable value. Cost comprises purchase price. Net realisable value means estimated selling price less all further costs to be incurred in marketing, selling and distribution

##### **1.7. Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year

# **Allweld Industrial and Welding Supplies Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

continued

### **1.8. Deferred taxation**

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

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

### **1.9. Going concern**

The company's immediate parent undertaking, Industrial Supplies & Services Limited, has indicated that for at least twelve months from the date of approval of these financial statements and for so long as the company remains part of the Linde Group of companies, it will continue to provide loan finance to, or to procure that satisfactory alternative funding is made available to, the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reasons to believe that it will not do so.

### **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### **3. Operating loss**

	<b>Year ended 31/12/10 £</b>	<b>Period ended 31/12/09 £</b>
Operating loss is stated after charging		
Amortisation and other amounts written off intangible assets	8,027	2,003
Depreciation and other amounts written off tangible assets	8,934	1,424
Operating lease rentals		
- Land and buildings	26,500	6,625
Auditors' remuneration (Note 4)	5,295	1,200

# Allweld Industrial and Welding Supplies Limited

## Notes to the financial statements for the year ended 31 December 2010

continued

### 4. Auditors' remuneration

	Year ended 31/12/10 £	Period ended 31/12/09 £
Auditors' remuneration - audit of the financial statements	4,850	1,200
Auditors' remuneration - other fees - taxation services	445	-

### 5. Interest payable and similar charges

	Year ended 31/12/10 £	Period ended 31/12/09 £
On amounts payable to group companies	4,400	1,401
Bank interest payable	31	-
	4,431	1,401

### 6. Employees

	Year ended 31/12/10 Number	Period ended 31/12/09 Number
<b>Number of employees</b> The average monthly numbers of employees (including the directors if they are employed by this company) during the year were		
Management and sales	5	5
<b>Employment costs</b>	31/12/10 £	31/12/09 £
Wages and salaries	143,965	35,250
Social security costs	16,030	4,048
Pension costs	2,907	408
	162,902	39,706

# **Allweld Industrial and Welding Supplies Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

continued

### **7. Pension costs**

The company operates a defined contribution pension scheme in respect of the period. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company during the period.

### **8. Tax on loss on ordinary activities**

	<b>Year ended 31/12/10 £</b>	<b>Period ended 31/12/09 £</b>
<b>Analysis of charge in period</b>		
<b>Current tax</b>		
Group relief	(3,595)	(4,277)

#### **Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (28.00 per cent). The differences are explained below.

	<b>2010 £</b>	<b>2009 £</b>
Loss on ordinary activities before taxation	(17,907)	(7,291)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.00% (31 December 2009: 28.00%)	(5,014)	(2,041)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	108	32
Capital allowances for period in excess of depreciation	1,311	(2,268)
Current tax charge for period	(3,595)	(4,277)

# **Allweld Industrial and Welding Supplies Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

continued

### **9. Intangible fixed assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January 2010	80,383	80,383
At 31 December 2010	<u>80,383</u>	<u>80,383</u>
<b>Amortisation</b>		
At 1 January 2010	2,003	2,003
Charge for year	8,027	8,027
At 31 December 2010	<u>10,030</u>	<u>10,030</u>
<b>Net book values</b>		
At 31 December 2010	<u>70,353</u>	<u>70,353</u>
At 31 December 2009	<u>78,380</u>	<u>78,380</u>

### **10. Tangible fixed assets**

	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2010	16,454	9,686	26,140
Additions	2,328	-	2,328
At 31 December 2010	<u>18,782</u>	<u>9,686</u>	<u>28,468</u>
<b>Depreciation</b>			
At 1 January 2010	818	605	1,423
Charge for the year	4,222	4,712	8,934
At 31 December 2010	<u>5,040</u>	<u>5,317</u>	<u>10,357</u>
<b>Net book values</b>			
At 31 December 2010	<u>13,742</u>	<u>4,369</u>	<u>18,111</u>
At 31 December 2009	<u>15,636</u>	<u>9,081</u>	<u>24,717</u>

### **11. Stocks**

	<b>31/12/10</b>	<b>31/12/09</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>66,330</u>	<u>64,656</u>

# **Allweld Industrial and Welding Supplies Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

continued

<b>12. Debtors</b>	<b>31/12/10</b>	<b>31/12/09</b>
	<b>£</b>	<b>£</b>
Trade debtors	91,759	72,184
Amounts owed by group undertakings	50,834	5,289
Other debtors	460	11,434
	<u>143,053</u>	<u>88,907</u>

<b>13. Creditors: amounts falling due within one year</b>	<b>31/12/10</b>	<b>31/12/09</b>
	<b>£</b>	<b>£</b>
Bank overdraft	26,972	-
Trade creditors	63,884	73,600
Amounts owed to group undertakings	13,188	55,256
Other taxes and social security costs	7,309	7,591
Other creditors	38,960	6,824
	<u>150,313</u>	<u>143,271</u>

The company's bank holds as security a debenture dated 21 September 2009. In addition Industrial Supplies & Services Limited, the immediate parent company, has provided a guarantee limited to £65,000.

<b>14. Creditors: amounts falling due after more than one year</b>	<b>31/12/10</b>	<b>31/12/09</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertakings	<u>165,000</u>	<u>160,000</u>

# **Allweld Industrial and Welding Supplies Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

continued

<b>15. Share capital</b>	<b>31/12/10</b>	<b>31/12/09</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1 nominal value	1	1
	<u>          </u>	<u>          </u>
One ordinary share with a nominal value of £1 was issued at par when the company was incorporated on 11 November 2008		
<b>16. Equity reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>At 1 January 2010</b>	(3,014)	(3,014)
Loss for the year	(14,312)	(14,312)
	<u>          </u>	<u>          </u>
<b>At 31 December 2010</b>	(17,326)	(17,326)
	<u>          </u>	<u>          </u>
<b>17. Reconciliation of movements in shareholders' funds</b>	<b>31/12/10</b>	<b>31/12/09</b>
	<b>£</b>	<b>£</b>
Loss for the year	(14,312)	(3,014)
Net proceeds of equity share issue	-	1
	<u>          </u>	<u>          </u>
Net addition to shareholders' funds	(14,312)	(3,013)
Opening shareholders' funds	(3,013)	-
	<u>          </u>	<u>          </u>
Closing shareholders' funds	(17,325)	(3,013)
	<u>          </u>	<u>          </u>



# **Allweld Industrial and Welding Supplies Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

continued

### **18. Financial commitments**

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>31/12/10</b>	<b>31/12/09</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
In over five years	<u>26,500</u>	<u>26,500</u>

### **19. Related party transactions**

#### **Sale of goods**

During the year the company sold goods to associated subsidiary undertakings totalling £12,181 (2009 - £770)

No sales of goods were made to the immediate parent undertaking

#### **Purchases**

During the year the company purchased goods from associated subsidiary undertakings totalling £42,367 (2009 - £619)

No goods were purchased from the immediate parent undertaking

All purchases and sales of goods to group companies are at cost

In addition, the company received commission from an associated subsidiary undertaking of £48,603 (2009 - £9,095)

#### **Management and administration charges**

During the year the company incurred management and administration charges from the immediate parent undertaking totalling £9,986 (2009 - £2,711)

#### **Balances with related parties**

At 31 December 2010 there were the following balances with related parties

Amounts due from immediate parent undertaking - £Nil (2009 - £Nil)

Amounts due from associated subsidiary undertakings - £50,834 (2009 - £5,289)

Amounts due to associated subsidiary undertakings - £6,627 (2009 - £1,017)

Amounts due to immediate parent undertaking - £171,561 (2009 - £214,239)

**Allweld Industrial and Welding Supplies Limited**

**Notes to the financial statements  
for the year ended 31 December 2010**

continued

**20. Ultimate parent undertaking**

The company is a 100% subsidiary of Industrial Supplies & Services Limited, a company registered in England and Wales

The ultimate parent company is Linde AG, Klosterhofstrasse 1, 80331 Munich, Germany

The smallest and largest group preparing consolidated accounts, including this company, is headed by Linde AG. Copies of the consolidated financial statements may be made available by contacting the ultimate parent company at the address detailed above

**21. Controlling interest**

The Board comprises four directors representing Industrial Supplies & Services Limited, the immediate parent undertaking