

Registered Number SC237628

Lewis Debt Services Limited  
Annual Report and Financial Statements  
for the year ended 31 December 2010

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# **Lewis Debt Services Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2010**

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# **Lewis Debt Services Limited**

## **Directors and advisers**

### **Directors**

J R Drummond Smith

R D East

J M Briggs

### **Company Secretary**

R C W Todd

### **Registered Office**

Rowan House

70 Buchanan Street

Glasgow

G1 3JF

Registered in Scotland

Registered Number SC237628

### **Independent Auditor**

Grant Thornton UK LLP

30 Finsbury Square

London

EC2P 2YU

# **Lewis Debt Services Limited**

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

The directors present their Annual Report together with the audited financial statements of the Company for the year ended 31 December 2010. The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

### **Principal activity**

The Company did not trade during the year and there is no intention for the Company to trade in the foreseeable future.

### **Results and dividends**

The loss for the year, after taxation, amounted to £1 (2009: £nil). The directors do not propose a dividend (2009: £nil) in respect of the year.

### **Restructuring of the Cattles Group**

On 25 November 2009, Cattles Limited (formerly Cattles plc) ('Cattles'), the Company's ultimate parent company throughout 2010, announced that it had agreed a formal Standstill and Equalisation Agreement ('SEA') with certain of its key financial creditors.

The signing of the SEA allowed the Cattles Group to continue its negotiations with a view to achieving a consensual restructuring of the Cattles Group. On 29 November 2010, it was announced that Cattles had received sufficient support from its key financial creditors to enable it to launch a restructuring of the Cattles Group by way of four schemes of arrangement.

On 2 March 2011 ('Scheme Effective Date'), following hearings at the High Court of Justice in England and Wales, Cattles announced that all such schemes had become effective.

The schemes are not expected to have any material impact on the Company.

### **Going concern**

On 2 March 2011, Cattles announced that the scheme of arrangement to effect the recommended proposal for the acquisition of Cattles by Bovess Limited ('Bovess') had become effective. Cattles also announced that the schemes of arrangement between each of Cattles, Welcome Financial Services Limited ('WFS') and Ewbanks Mail Order Limited ('Ewbanks') and certain of their respective creditors had become effective.

After making enquiries regarding the circumstances outlined above, the directors have concluded that there is a reasonable expectation that the Company can continue to pay its operational debts as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements were:

J R Drummond Smith

R D East

J M Briggs (appointed 9 May 2011)

# **Lewis Debt Services Limited**

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

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

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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 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.

### **Financial risk management**

Detail of the Company's financial risk management policies are set out in note 5 to the financial statements.

### **Directors' indemnities**

Directors serving as directors of the Company's ultimate parent throughout 2010, Cattles, and other Group companies are indemnified by the provisions made those Companies.

### **Auditor**

Each of the persons who is a director at the date of approval of this Annual Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Company has passed an elective resolution to dispense with the obligation to reappoint an auditor annually.

By Order of the Board



R C W Todd  
Company Secretary

30 August 2011

Registered Number SC237628

## **Independent Auditor's report to the members of Lewis Debt Services Limited**

We have audited the financial statements of Lewis Debt Services Limited for the year ended 31 December 2010 which comprise the income statement, the statement of comprehensive income, the statement of changes in equity, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 4, 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 IFRS as adopted by the European Union; 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.

### **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.



Mark Cardiff

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, United Kingdom

31 August 2011

## **Lewis Debt Services Limited**

### **Income statement for the year ended 31 December 2010**

	<b>Notes</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
Impairment of loans and receivables	3	(1)	-
<b>Loss before taxation</b>		<b>(1)</b>	<b>-</b>
Taxation		-	-
<b>Loss for the year attributable to equity holders of the Company</b>		<b>(1)</b>	<b>-</b>

### **Statement of comprehensive income for the year ended 31 December 2010**

There were no items of other comprehensive income in either of the above years and therefore total comprehensive loss for the year attributable to the equity holders of the Company amounted to £1 (2009: £nil).

## **Lewis Debt Services Limited**

### **Statement of changes in equity for the year ended 31 December 2010**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
At 1 January 2009 and at 1 January 2010	1	-	1
Total comprehensive loss for the year	-	(1)	(1)
<b>At 31 December 2010</b>	<b>1</b>	<b>(1)</b>	<b>-</b>

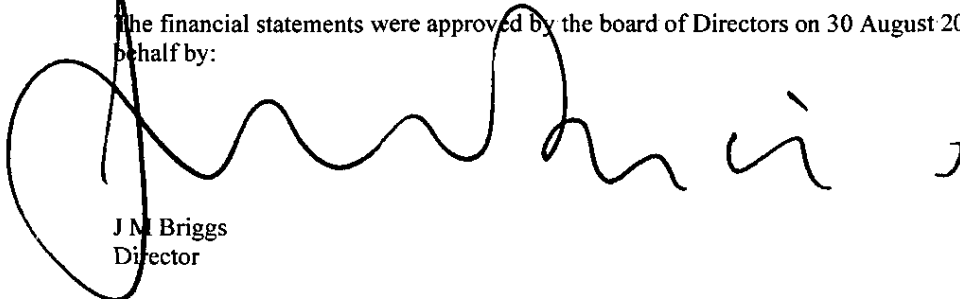


# Lewis Debt Services Limited

## Balance sheet as at 31 December 2010

	Notes	2010 £	2009 £
<b>ASSETS</b>			
<b>Current assets</b>			
Intra-group receivables	3	-	1
<b>Net assets</b>		-	1
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	4	1	1
Retained earnings		(1)	-
<b>Total shareholders' equity</b>		-	1

The financial statements were approved by the board of Directors on 30 August 2011 and were signed on its behalf by:



J M Briggs  
Director

Registered Number SC237628

# **Lewis Debt Services Limited**

## **Statement of accounting policies**

### **General information**

Lewis Debt Services Limited (the Company) is a company incorporated in the United Kingdom. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activity is set out in the Directors' report.

### **Statement of compliance**

These financial statements have been prepared in accordance with EU endorsed IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations issued by the International Accounting Standards Board effective for accounting periods commencing on or after 1 January 2010. These financial statements have also been prepared in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS.

### **Basis of preparation**

The financial statements are prepared under the historical cost convention except for the use of fair values as required by certain accounting standards, and are presented in Pounds Sterling, the Company's functional and presentational currency.

The following accounting policies have been applied consistently by the Company to all periods presented in these financial statements.

### **Going concern**

On 2 March 2011, Cattles announced that the scheme of arrangement to effect the recommended proposal for the acquisition of Cattles by Bovess had become effective. Cattles also announced that the schemes of arrangement between each of Cattles, WFS and Ewbanks and certain of their respective creditors had become effective.

After making enquiries regarding the circumstances outlined above, the directors have concluded that there is a reasonable expectation that the Company can continue to pay its operational debts as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

### **Accounting developments**

#### **Standards and interpretations in issue which have not been adopted early**

The following relevant standards and interpretations have been issued but are not effective for the year ended 31 December 2010:

- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' (effective 1 July 2010). This clarifies the accounting treatment when the terms of a financial liability are renegotiated and result in an entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability;
- IFRS 9 'Financial Instruments' (effective 1 January 2013) (not yet adopted by the European Union). The International Accounting Standards Board (IASB) aims to replace IAS 39 'Financial Instruments: Recognition and Measurement' in its entirety. The replacement standard (IFRS 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed; and
- Improvements to IFRS issued May 2010 (some changes effective 1 July 2010, others effective 1 January 2011). The IASB has issued 'Improvements to IFRS 2010' (2010 Improvements). Most of these amendments become effective in annual periods beginning on or after 1 July 2010 or 1 January 2011. The 2010 Improvements amend certain provisions of IFRS 3 (revised), clarify presentation of the reconciliation of each of the components of other comprehensive income and clarify certain disclosure requirements for financial instruments.

In all instances, the Board is considering the impact that these standards may have on the Company's 31 December 2011 financial statements.

## **Lewis Debt Services Limited**

### **Statement of accounting policies (continued)**

#### **Cash flow statement**

The Company did not enter into any cash transactions during either of the years presented and therefore a cash flow statement has not been presented.

#### **Tax**

The charge or credit for current tax is based on the taxable profit or loss for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates of tax that have been enacted or substantively enacted at the balance sheet date.

# Lewis Debt Services Limited

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

### 1 Staff costs and directors' emoluments

The Company has no employees other than the directors (2009: none). The directors received no remuneration for their services to the Company (2009: £nil).

### 2 Auditor's remuneration

The cost of the Auditor providing audit services to the Company in the current year is borne by the Company's parent undertaking, Cattles. No non-audit services were provided in the current or prior year. The Company's financial statements for the year ended 31 December 2009 were unaudited.

### 3 Loans and receivables

	2010 £	2009 £
<b>Current</b>		
Intra-group receivables	1	1
Impairment of intra-group receivables	(1)	-
	-	1

During the year, the directors revised their expectations of the recoverability of inter-company loans, following the launch of the schemes of arrangement on 29 November 2010, which resulted in the full impairment of its loans and receivables.

Intra-group receivables are unsecured and short-term in nature, therefore their fair value equates to their carrying value.

### 4 Share capital

	Authorised 2010		Authorised 2009	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	Allotted, called up and fully paid 2010		Allotted, called up and fully paid 2009	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

# **Lewis Debt Services Limited**

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

### **4 Share capital (continued)**

The rights attached to the ordinary shares are as follows:

#### **Voting**

On a show of hands every ordinary shareholder who is present in person at a general meeting of the Company and every proxy appointed by an ordinary shareholder and present at a general meeting of the Company shall have one vote and on a poll every ordinary shareholder who is present in person or by proxy shall have one vote for every share held.

#### **Dividends**

Ordinary shareholders shall be entitled to receive such dividend as the Company by ordinary resolution may from time to time declare as a final dividend (such dividend not to exceed the amount recommended by the Board) or as the Board may from time to time declare as an interim dividend.

#### **Return of capital on a winding-up**

Ordinary shareholders are entitled to participate in any surplus assets on the winding-up of the Company in proportion to their shareholdings.

### **5 Financial risk management**

The most significant financial risks faced by the Company are credit, liquidity and capital risk.

#### **Management of Credit risk**

The Company's credit risk is solely related to its intra-group receivables, which also represents its maximum exposure to credit risk.

#### **Management of Liquidity risk**

Liquidity risk is the risk to earnings or capital arising from an inability to meet obligations when they become due, without incurring unexpected or unacceptable losses. It includes the risk of inability to manage unplanned decreases or changes in funding sources and also any failure to recognise and address changes in market conditions that could affect the Company's ability to liquidate assets quickly, with minimum value loss, if necessary.

The Company has no financial liabilities and therefore is not subject to any material liquidity risk.

#### **Management of Capital risk**

As a consequence of the events outlined in the Director's Report capital risk is not considered relevant or significant enough to justify its own category.

# **Lewis Debt Services Limited**

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

### **6 Related party transactions**

#### **Ultimate parent undertaking**

Throughout 2010, the ultimate parent undertaking and controlling party of the Company was Cattles, registered in England and Wales.

The largest and smallest group in which the 2010 results of the Company are consolidated is that headed by Cattles.

As a consequence of the Group's restructuring which became effective on 2 March 2011, Bovess Holding Limited is now the Company's ultimate parent undertaking, although the directors consider there to be no ultimate controlling party.

#### **Related party transactions**

The amount due from the ultimate parent undertaking, throughout 2010, is disclosed in note 3.

#### **Key management compensation**

The directors of the Company are the Company's key management. These individuals received no compensation for their services to the Company.

### **7 Post balance sheet events**

On 31 January 2011, Cattles announced that, at both a Court Meeting and a General Meeting of Cattles Shareholders held earlier that day in connection with the recommended acquisition of Cattles by Bovess by way of a scheme of arrangement in accordance with Part 26 of the Companies Act 2006 (the 'Scheme'), both resolutions were passed by the requisite majorities of Cattles Shareholders.

On 1 February 2011, Cattles announced that, at the Court-convened meetings of the creditors of Cattles, WFS and Ewbanks held earlier that day in connection with the proposed restructurings of Cattles, WFS and Ewbanks by way of schemes of arrangement in accordance with Part 26 of the Companies Act 2006 (the 'Creditor Schemes'), all the necessary resolutions were passed by the relevant classes of their respective creditors by the requisite majorities. Completion of the restructuring remains subject to the satisfaction of other conditions, including the Court sanctioning the Cattles shareholder scheme (the 'Shareholder Scheme') and the Creditor Schemes.

On 28 February 2011, Cattles announced that the High Court of Justice of England and Wales (the 'Court') had sanctioned the scheme of arrangement to effect the recommended proposal for the acquisition of Cattles by Bovess and sanctioned the schemes of arrangement between each of Cattles, WFS and Ewbanks and certain of their respective creditors. All of these schemes of arrangement were expected to become effective shortly, subject to the satisfaction of certain conditions.

On 2 March 2011, Cattles announced that the scheme of arrangement to effect the recommended proposal for the acquisition of Cattles by Bovess had become effective. Cattles also announced that the schemes of arrangement between each of Cattles, WFS and Ewbanks and certain of their respective creditors had become effective.