

Andrews Sykes International Limited

**Directors' report and financial
statements**

Registered number 00940457

For the year ended 31 December 2011

THURSDAY



A1JS4MYE

A31

18/10/2012

#71

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	3
Independent auditor's report to the members of Andrews Sykes International Limited	4
Profit and loss account	6
Balance sheet	7
Notes	8

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

Change of name

On 17 January 2011, the company changed its name from Heat for Hire Limited to Andrews Sykes International Limited

Principal activity

The company acts as an intermediate UK holding company for certain of the overseas subsidiary undertakings of the Andrews Sykes Group

Results and dividends

The results for the year are set out in the profit and loss account on page 6. The directors have taken advantage of the exemptions available to small companies and therefore an enhanced business review is not included in this report.

Total dividends paid during the year of £1,200,000 (2010 £2,600,000) have been charged against reserves.

Going concern

The company is a wholly owned subsidiary of Andrews Sykes Group plc and is reliant on the continuing financial support and success of that group.

The group's consolidated financial statements for the 12 months ended 31 December 2011 were approved on 1 May 2012. In those financial statements, the board of Andrews Sykes Group plc concluded that "after making enquiries, the board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the board continues to adopt the going concern when preparing this annual report and financial statements". Further information explaining why the board reached this conclusion is given on page 17 of the group's 2011 annual report and financial statements.

The directors of this company have confirmed with the board of Andrews Sykes Group plc that they still consider the above statement to be valid as at the date of approval of these financial statements. Given that assurance, the directors have continued to adopt the going concern basis in the preparation of this company's annual report and financial statements.

Directors

The directors who served during the financial year and subsequently are as follows:

KEJ Ford	
JC Pillois	(resigned 21 December 2011)
PT Wood	(appointed 21 December 2011)

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 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 a director, to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Director's report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG Audit Plc will, therefore, continue in office

Signed by order of the board


MJ Calderbank ACA
Company Secretary

Premier House
Darlington Street
Wolverhampton
WV1 4JJ

21 September 2012

Statement of directors' responsibilities in respect of the directors' report and the 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.



KPMG Audit Plc

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Andrews Sykes International Limited

We have audited the financial statements of Andrews Sykes International Limited for the year ended 31 December 2011 set out on pages 6 to 13. 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 directors' responsibilities statement set out on page 3, 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 web-site at 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 2011 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.

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 members of Andrews Sykes International 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



DK Turner (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

21 September 2012

Profit and loss account
for the year ended 31 December 2011

	<i>Note</i>	2011 £000	2010 £000
Administration charges		(18)	(49)
Operating loss	2	(18)	(49)
Provision against subsidiary undertakings	3	(287)	-
Loss before interest		(305)	(49)
Income from shares in group undertakings		1,512	2,031
Net interest receivable	4	7	13
Profit on ordinary activities before taxation		1,214	1,995
Tax on profit on ordinary activities	5	-	(2)
Profit for the financial year	12	1,214	1,993

All results are derived from continuing activities in both years

There are no recognised gains or losses other than the profit for the current and previous year

Balance sheet
at 31 December 2011

	<i>Note</i>	2011 £000	2010 £000	£000
Fixed assets				
Investments	7		5,283	5,296
Current assets				
Debtors	8	838	730	
Creditors Amounts falling due within one year	9	(240)	(242)	
Net current assets			598	488
Total assets less current liabilities			5,881	5,784
Provisions	10	(83)		-
Net assets			5,798	5,784
Capital and reserves				
Called up share capital	11	5,209		5,209
Profit and loss account	12	589		575
Shareholders' funds	13	5,798		5,784

These financial statements were approved by the board of directors on 21 September 2012 and were signed on its behalf by



KEJ Ford

Director

Company number 00940457

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

Consolidated financial statements have not been prepared as the company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare and file group financial statements because it is itself a wholly owned subsidiary of a UK parent which prepares and files consolidated financial statements

Going concern

The financial statements have been prepared on the assumption that the company is a going concern and will continue to trade for at least 12 months following the date of approval of the financial statements and based on the assessment made by the directors in the directors' report, see going concern commentary in the directors' report on page 1

Related party transactions

Under FRS 8, the company is exempt from the requirement to disclose related party transactions with the Andrews Sykes Group and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of Andrews Sykes Group plc, for which the group financial statements are publicly available

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment. Cost is defined as the aggregate of

- the cash consideration,
- the nominal value of shares issued as consideration where Section 612 of the Companies Act 2006 apply,
- the market value of the company's shares on the date they were issued where Section 612 does not apply,
- the fair value of any other consideration, and
- costs of acquisition

Income from investments is recognised in the company financial statements on an accruals basis

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in the taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequently to the date of the transaction is included as an exchange gain or loss in the profit and loss account. Non-monetary assets are recorded at the historical rate of exchange.

Notes (continued)

1 Accounting policies (continued)

Cash flow statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a UK parent whose financial statements are publicly available

2 Operating loss

	2011 £000	2010 £000
<i>Operating loss is stated after charging</i>		
<i>Auditor's remuneration</i>		
Fees payable to the company's auditor in respect of the audit of the company's financial statements	1	2
Fees payable to the company's auditor in respect of non-audit services	-	-
Exchange loss	2	2
	<u> </u>	<u> </u>

Directors' emoluments were borne by other group companies in both years and it is not practicable to ascertain the proportion of these director's emoluments that specifically relate to the company. The company has no employees other than the directors

3 Provision against subsidiary undertakings

	2011 £000	2010 £000
Investment impairment provisions (note 7)	13	-
Provision against		
Amounts due from subsidiaries	191	-
Net liabilities of subsidiaries (note 10)	83	-
	<u> </u>	<u> </u>
	287	-
	<u> </u>	<u> </u>

During 2011, two subsidiaries, Nolo Climat and Climat Location SA, incurred losses. The directors therefore reviewed the carrying value of the company's investments in these subsidiaries and created provisions against (i) the cost of investment, (ii) inter-company indebtedness and (iii) the net liabilities of the subsidiaries at 31 December 2011 where it could not be foreseen with reasonable certainty that this position was not of a temporary nature

4 Net interest receivable

	2011 £000	2010 £000
<i>Interest receivable and similar income</i>		
Interest receivable from other group companies	9	15
	<u> </u>	<u> </u>
<i>Interest payable and similar charges</i>		
Inter-company foreign exchange losses	(2)	(2)
	<u> </u>	<u> </u>
Net interest receivable	7	13
	<u> </u>	<u> </u>

Notes (continued)

5 Tax charge on profit on ordinary activities

Analysis of charge for the year

	2011 £000	2010 £000
<i>UK corporation tax and group relief</i>		
Current tax on income for the year	-	2
Adjustments in respect of prior years	-	-
	<hr/>	<hr/>
Total current tax, being tax charge on profit on ordinary activities	-	2
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year differs from that resulting by applying the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,214	1,995
	<hr/>	<hr/>
Current tax at 26.5% (2010 28%)	322	559
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not tax deductible	3	12
Non-tax deductible provisions against subsidiaries	76	-
Non-taxable income from shares in group undertakings	(401)	(569)
	<hr/>	<hr/>
Total current tax charge (see above)	-	2
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

The above will reduce the company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge.

6 Dividends

	2011 £000	2010 £000
Interim dividend of 23.04 pence per ordinary share (2010 49.92 pence) declared and paid during the current year	1,200	2,600
	<hr/>	<hr/>

Notes (continued)

7 Investments

	Subsidiary undertakings £000
Cost	
At beginning and end of year	5,296
Provisions	
At beginning of year	-
Provided in the year (note 3)	13
At end of year	13
Net book value	
At 31 December 2011	5,283
At 31 December 2010	5,296

The company owns 100% of the ordinary share capital of the following companies

- AS Holding BV (incorporated in The Netherlands),
- Nolo Climat (incorporated in Italy),
- Climat Location SA (non-trading, incorporated in Switzerland)

AS Holding BV acts as a holding company for certain of the overseas subsidiaries of Andrews Sykes Group plc
 Nolo Climat commenced trading on 1 June 2011, providing the hire and sale of environmental control equipment

8 Debtors: Amounts falling due within one year

	2011 £000	2010 £000
Amounts owed by group undertakings	838	730

All inter-company loans are due on demand. During 2011 and 2010, interest was charged at the LIBOR rate plus a margin of 0.65%.

Notes (continued)

9 Creditors: Amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	11	10
Corporation tax and group relief	193	195
Other creditors	34	34
Accruals and deferred income	2	3
	<u>240</u>	<u>242</u>

All inter-company loans are due on demand. During 2011 and 2010, interest was charged at the LIBOR rate plus a margin of 0.65%.

10 Provisions

	Subsidiary undertakings £000
At beginning of year	-
Profit and loss account charge (note 3)	83
	<u>83</u>
At end of year	<u>83</u>

The directors have reviewed the carrying value of the companies' investments in loss-making subsidiaries at 31 December 2011 and have created provisions against net liabilities of these subsidiaries in excess of inter-company indebtedness where it could not be foreseen with reasonable certainty that this position was not of a temporary nature.

11 Called up share capital

	2011 £000	2010 £000
<i>Called up, allotted and fully paid:</i>		
5,208,842 ordinary shares of £1 each	<u>5,209</u>	<u>5,209</u>

12 Profit and loss account

	£000
At beginning of year	575
Profit for the financial year	1,214
Dividends paid (note 6)	(1,200)
	<u>589</u>
At end of year	<u>589</u>

Notes (continued)

13 Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
Profit for the financial year	1,214	1,993
Dividends paid (note 6)	(1,200)	(2,600)
Net increase/(decrease) in shareholders' funds	14	(607)
Opening shareholders' funds	5,784	6,391
Closing shareholders' funds	5,798	5,784

14 Controlling parties

The company is a subsidiary undertaking of Andrews Sykes Group plc, a company registered in England and Wales

The only group in which the results of Andrews Sykes International Limited are consolidated is that headed by Andrews Sykes Group plc, whose principal place of business is

Premier House
 Darlington Street
 Wolverhampton
 WV1 4JJ

The consolidated financial statements for this group are available to the public and may be obtained from the aforementioned address

As at 21 September 2012, EOI SYKES Sarl, which is incorporated in Luxembourg, held 86.08% of the ordinary share capital of Andrews Sykes Group plc and is therefore that company's immediate parent company. The ultimate holding company is the Tristar Corporation, a company incorporated in The Republic of Panama. The Tristar Corporation is held jointly, in equal proportions, by the Ariane Trust and the Eden Trust and therefore the directors consider these trusts to be the ultimate controlling party of the company.