

Registered Number: 3360122

Dyno-Plumbing Limited
Annual report and financial statements
for the year ended 31 December 2009

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DYNO-PLUMBING LIMITED

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Dyno-Plumbing Limited

Directors' Report for the year ended 31 December 2009

The Directors present their annual report and audited financial statements of Dyno-Plumbing Limited (the "Company") for the year ended 31 December 2009

Principal activities

The principal activity of the Company is the operation of a plumbing services business

Business Review and future developments

The profit for the year, after taxation, amounted to £1,772,281 (2008 £467,672) Accordingly, the profit for the year has been transferred to reserves The profit and loss account is set out on page 5

As at 31 December 2009, the Company had net assets of £1,655,830 (31 December 2008 net liabilities £116,451) The detail on the balance sheet is on page 6 No dividends were paid for the year ended 31 December 2009 (2008 £nil)

The Company continued the expansion of its plumbing network, facilitating growth in the on demand market and through the Company's contract as fulfillment contractor for the British Gas plumbing and drains care product The Company plans to continue to develop its core plumbing business in domestic and commercial markets

Principal risks and uncertainties

The Directors have established objectives and policies for managing risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework These objectives and policies are regularly reviewed

Financial risk management procedures

The Directors do not consider that the Company has any significant financial risks The Company is part of the Centrica Group and financial risk management is covered by the Group functions For more details refer to the Centrica Annual Report – notes to the financial statements (accounting policies and financial instruments sections)

Financial risk in respect of currency, interest rate and liquidity are managed by Centrica treasury Cash balances, over and above, day-to-day operating requirements are remitted to Centrica

The nature of the Company's customer base is such that its counterparty risk is restricted almost entirely to its franchise operations In the case of non franchise counterparty risk it is the Company's policy to limit exposure by setting credit limits and reviewing credit status regularly with recognised credit reference agencies

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Dyno-Plumbing Limited

Directors' Report for the year ended 31 December 2009

Directors

The following served as Directors during the year and up to the date of this report

C P A Weston (Resigned 5 May 2009)
C J Stern
T J B Siddall
I Peters (Resigned 26 November 2009)
R Ozsanlav (Appointed 26 November 2009)
D Walter (Appointed 26 November 2009)

Creditor payment policy

It is the Company's policy to pay all of its creditors in accordance with the policies set out below. For all other trade creditors, it is the Company's policy to

- i agree the terms of payment in advance with the supplier,
- ii ensure that suppliers are aware of the terms of payment, and
- iii pay in accordance with contractual and other legal obligations

The number of days' purchases outstanding as at 31 December 2009 was 42 (31 December 2008 35 days)

Political and charitable donations

The Company made no political or charitable donations during the year (2008 £nil)

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year under review

Post balance sheet event

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital. A special resolution was passed by the Company's members on 9 February 2010 to delete all provisions of the Company's Memorandum of Association, which by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association.

Statement of Director's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,

Dyno-Plumbing Limited

Directors' Report for the year ended 31 December 2009

Statement of Director's Responsibilities in respect of the Annual Report and the financial statements (continued)

- 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 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.

Statement of disclosure of information to auditors

In accordance with Section 418, in the case of each director in office at the date the Directors' report is approved, that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board on 6 July 2010



For and on behalf of
Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales
Registered number 03360122

Registered Office
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

Dyno-Plumbing Limited

Independent auditors' report to the members of Dyno-Plumbing Limited

We have audited the financial statements of Dyno-Plumbing Limited for the year ended 31 December 2009 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2-3 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 2009 and of its profit 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 matters 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

Simon Evans (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham B32DT
6 July 2010

Dyno-Plumbing Limited

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	3,797,632	1,229,256
Cost of sales		(887,890)	-
Gross profit		2,909,742	1,229,256
Administrative expenses		(1,305,540)	(871,368)
Other operating income		171,177	103,865
Operating profit	3	1,775,379	461,753
Interest receivable and similar income	6	126	3,326
Interest payable and similar charges	7	-	(2)
Profit on ordinary activities before taxation		1,775,505	465,077
Tax (charge)/ credit on profit on ordinary activities	8	(3,224)	2,595
Profit for the financial year	15	1,772,281	467,672

All amounts relate to continuing operations

There were no recognised gains or losses other than the profit for the financial year and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

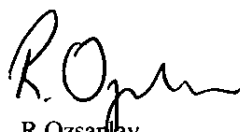
The notes on pages 7 to 14 form part of these financial statements

Dyno-Plumbing Limited

**Balance Sheet
as at 31 December 2009**

	Notes	2009 £	2008 £
Fixed assets			
Intangible assets	9	9,833	-
Tangible assets	10	28,075	-
		<u>37,908</u>	<u>-</u>
Current assets			
Debtors	11	2,042,047	248,492
Cash at bank and in hand		138,564	90,353
		<u>2,180,611</u>	<u>338,845</u>
Creditors: amounts falling due within one year	12	<u>(562,689)</u>	<u>(455,296)</u>
Net current assets/ (liabilities)		<u>1,617,922</u>	<u>(116,451)</u>
Net assets/ (liabilities)		<u>1,655,830</u>	<u>(116,451)</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	1,655,730	(116,551)
Total shareholders' funds / (deficit)	15	<u>1,655,830</u>	<u>(116,451)</u>

The financial statements were approved and authorised for issue by the Board of Directors on 6 July 2010 and were signed on its behalf by



R Ozsanlav
Director

Company registered in England and Wales
Registered number 03360122

The notes on pages 7 to 14 form part of these financial statements

1. Principal accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary undertaking of Dyno Holdings Limited, which is ultimately a wholly-owned subsidiary undertaking of Centrica plc. The Company has taken advantage of the exemptions within FRS 1 'Cash Flow Statements', from presenting a cash flow statement, and within FRS 8 'Related Party Disclosures', from disclosing transactions with other Group companies.

Turnover

Turnover represents the total amount receivable in respect of royalty income and licence fees from franchisees during the year and direct sales through company managed operations during the year, excluding value added tax.

Licence fees are recognised in the period in which the licence agreement is signed.

Intangible fixed assets

Under FRS 10 'Goodwill and Intangible Assets', the Company accounts for intangible assets at cost less accumulated amortisation. Amortisation is charged in equal annual instalments over the estimated useful economic life. This has been set at 10 years for the licence areas acquired. In accordance with FRS 10 intangible assets are reviewed for impairment at the end of the first full financial year following initial recognition and in other periods if events or circumstances indicate that its carrying value may not be recoverable in full.

Tangible fixed assets and depreciation

Fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its estimated useful life as follows:

Motor vehicles	-	over 4 years
Fixtures, fittings, tools and equipment	-	over 4 years

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

Deferred taxation

Deferred taxation 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 right to pay less or to receive more tax, with the following exceptions:

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.

Dyno-Plumbing Limited – Notes to the financial statements (continued)

1. Principal accounting policies (continued)

Deferred taxation (continued)

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

Pensions

The Company operates a defined contribution pension scheme, the assets of which are held in a separately administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease

2. Turnover

Turnover arises wholly within the United Kingdom and Ireland. An analysis of turnover by activity is as follows

	2009 £	2008 £
Franchise royalty income	3,318,124	1,205,162
Company managed franchises	479,508	-
Licence fees	-	24,094
	<u>3,797,632</u>	<u>1,229,256</u>

3. Profit on ordinary activities before taxation

This is stated after charging/ (crediting)

	2009 £	2008 £
Auditors' remuneration – statutory audit	15,000	15,000
Amortisation of intangible fixed assets	167	-
Depreciation of owned tangible fixed assets	907	-
Operating lease rentals – plant and machinery	-	15,498
Other operating income – telecommunications recharges to franchisees	(171,177)	(103,865)
	<u>(171,177)</u>	<u>(103,865)</u>

Dyno-Plumbing Limited – Notes to the financial statements (continued)

4. Staff costs

	2009 £	2008 £
Wages and salaries	479,895	66,718
Social security costs	42,995	5,139
Other pension costs	18,112	11,683
	<u>541,002</u>	<u>83,540</u>

The average number of employees, including Directors, during the year was as follows

	2009 No.	2008 No.
Engineering	10	-
Office and management	7	2
	<u>17</u>	<u>2</u>

5. Directors' remuneration

The Directors of the Company received no remuneration from the Company (2008 £nil) The emoluments of Directors who are also Directors of a parent undertaking within the Group are disclosed in the financial statements of the relevant parent undertaking, it is not possible to identify separately their emoluments relating to services as Directors of Dyno-Plumbing Limited

6. Interest receivable and similar income

	2009 £	2008 £
Other interest	126	3,326
	<u>126</u>	<u>3,326</u>

7. Interest payable and similar charges

	2009 £	2008 £
Other interest	-	2
	<u>-</u>	<u>2</u>

Dyno-Plumbing Limited – Notes to the financial statements (continued)

8. Tax on profit on ordinary activities

(a) Analysis of charge/ (credit) in the year

	2009	2008
	£	£
<i>Current tax</i>		
UK corporation tax at 28% (2008 28.5%)	-	-
Total current tax (note 8 (b))	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>3,224</u>	<u>(2,595)</u>
Total deferred tax	<u>3,224</u>	<u>(2,595)</u>
Total tax charge/ (credit) for the year	<u>3,224</u>	<u>(2,595)</u>

(b) Factors affecting tax charge/ (credit) for the year

	2009	2008
	£	£
Profit on ordinary activities before tax	<u>1,775,505</u>	<u>465,077</u>
Tax on profit on ordinary activities at standard UK rate of corporation tax of 28% (2008 28.5%)	497,141	132,547
<i>Effects of</i>		
Capital allowances in excess of depreciation	(3,224)	(713)
Group relief for nil consideration	(493,821)	(122,953)
UK UK transfer pricing adjustment	(96)	(8,881)
Current tax charge/ (credit) for the year (note 8 (a))	<u>-</u>	<u>-</u>

Dyno-Plumbing Limited – Notes to the financial statements (continued)

9. Intangible fixed assets

	Acquired Goodwill £	Total £
Cost:		
At 1 January 2009	-	-
Additions	10,000	10,000
	<hr/>	<hr/>
At 31 December 2009	10,000	10,000
	<hr/>	<hr/>
Amortisation:		
At 1 January 2009	-	-
Charged in the year	(167)	(167)
	<hr/>	<hr/>
At 31 December 2009	(167)	(167)
	<hr/>	<hr/>
Net book value		
At 31 December 2009	9,833	9,833
	<hr/>	<hr/>
At 31 December 2008	-	-
	<hr/>	<hr/>

The acquired goodwill arises on acquisition and is amortised over 10 years

	£	<i>Adjustment</i> £	<i>Total Fair value</i> £
Fixed assets	-	-	-
	<hr/>	<hr/>	<hr/>
Purchase consideration	-	-	10,000
Goodwill	-	-	(10,000)
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>

The company acquired the licenced area operated by Asle & Son Limited for a consideration of £10,000

Dyno-Plumbing Limited – Notes to the financial statements (continued)

10. Tangible fixed assets

	<i>Plant, equipment and fixtures and fittings</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 January 2009	-	-	33,622	33,622
Additions	8,943	13,848	6,191	28,982
Disposals	-	-	(33,622)	(33,622)
At 31 December 2009	8,943	13,848	6,191	28,982
Depreciation				
At 1 January 2009	-	-	33,622	33,622
Charged in the year	168	739	-	907
Disposals	-	-	(33,622)	(33,622)
At 31 December 2009	168	739	-	907
Net book value				
At 31 December 2009	8,775	13,109	6,191	28,075
At 31 December 2008	-	-	-	-

11. Debtors

	2009	2008
	£	£
Trade debtors	347,122	168,440
Amounts owed by immediate parent undertaking	1,504,795	19,764
Amount owed by other Group undertakings	138,678	-
Other debtors	-	3,045
Prepayments and accrued income	51,452	54,648
Deferred tax (note 13)	-	2,595
	2,042,047	248,492

Inter-company loans are unsecured, interest free and repayable on demand

Dyno-Plumbing Limited – Notes to the financial statements (continued)

12. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	120,842	598
Amounts owed to other Group undertakings	-	260,114
Taxes and social security costs	145,423	68,184
Accruals and deferred income	295,795	126,400
Deferred tax (note 13)	629	-
	<u>562,689</u>	<u>455,296</u>

Inter-company loans are unsecured, interest free and repayable on demand

13. Deferred tax

The deferred taxation liability recognised in the financial statements and included in creditors (note 12) is as follows

	2009 £	2008 £
<i>Provided</i>		
Depreciation in excess of capital allowances	<u>(629)</u>	<u>2,595</u>
	2009 £	2008 £
Recognised at start of year	2,595	-
(Charge) / credit in profit and loss account for the year	<u>(3,224)</u>	<u>2,595</u>
	<u>(629)</u>	<u>2,595</u>

14. Called up share capital

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

Dyno-Plumbing Limited – Notes to the financial statements (continued)

15. Reconciliation of total shareholders' funds / deficit and movements on reserves

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
At 1 January 2009	100	(116,551)	(116,451)
Profit for the financial year	-	1,772,281	1,772,281
At 31 December 2009	100	1,655,730	1,655,830
At 1 January 2008	100	(584,223)	(584,123)
Profit for the financial year	-	467,672	467,672
At 31 December 2008	100	(116,551)	(116,451)

16. Financial commitments

At 31 December 2009, the Company had annual commitments under non-cancellable operating leases as set out below

	Plant and equipment	
	2009	2008
	£	£
Operating leases which expire		
Within one year	-	4,161

17. Post balance sheet event

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital. A special resolution was passed by the Company's sole member on 9 February 2010 to delete all provisions of the Company's Memorandum of Association, which by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association.

18. Ultimate parent and controlling company

The immediate parent undertaking is Dyno-Rod Limited, a wholly owned subsidiary of Dyno Holdings Limited. Dyno Holdings Limited is an indirect and wholly owned subsidiary undertaking of Centrica plc, a company registered in England and Wales. Centrica plc is the ultimate parent undertaking and ultimate controlling party. Copies of the Annual Report of Centrica plc, may be obtained from www.centrica.com or from the Company Secretary, Centrica plc, Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.