

# **VERTEX ADMINISTRATION LIMITED**

## **ANNUAL REPORT**

**AND**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

THURSDAY



\*A3CRSBR6\*

A19

24/07/2014

#65

COMPANIES HOUSE

**Registered Office:**  
Jessop House,  
Jessop Avenue,  
Cheltenham,  
Gloucestershire  
GL50 3SH

**Registered in England and Wales**  
**Company number: 2138853**

# Contents

Strategic report	3 - 5
Directors' report	6 - 7
Independent auditor's report	8 - 9
Profit and loss account	10
Balance sheet	11
Reconciliation of movements in shareholders' funds	12
Notes to the financial statements	13 - 20

## Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### Review of the business

During the year the company satisfactorily exited and transferred the final of its existing outsourcing contracts and the associated employees back to the relevant client. The directors are therefore actively seeking further business in the area of provision of administration and outsourcing services to clients within the regulated financial services industry.

The company sold its only trading subsidiary, Jessop Fund Managers Limited to Vertex Mortgages Services Limited at its net asset value during the current year. This generated a profit from the disposal of its investment of £0.9 million (2013: £nil), which has been treated as an exceptional credit in the profit and loss account in the year.

Turnover for the year ended 31 March 2014 decreased to £1.1 million (2013: £1.5 million).

Gross profit was £0.5 million (2013: losses of £0.2 million).

No dividends were paid during the current year (2013: nil), with dividends received of £0.2m (2013: £1.6 million).

The balance sheet, on page 11 of the financial statements, shows that the company's net asset position at 31 March 2014 is £4.2 million (2013: £2.6 million).

### Key performance indicators

Key performance indicators for the company are a combination of financial targets and operational metrics, with the latter substantiating the robustness of internal controls and the quality of the services provided to the company's clients:

- Year on year revenue growth;
- Operating profit targets;
- Working capital control;
- Client contract related service levels; and
- Upheld reportable complaints.

The financial indicators are reviewed in the above section of the Strategic report.

The company has a debtor day target of 30 days, which for the year ended 31 March 2014 was zero (2013: 23 days).

There were no material regulatory breaches during the current year (2013: nil).

There were no upheld reportable complaints for the year ended 31 March 2014 (2013: nil).

### Future developments and events after the balance sheet date

The directors expect the general level of activity to decrease in comparison to the year ended 31 March 2014 in the forthcoming year. This is as a result of the exit and transfer of the final of the company's outsourcing contracts and the associated employees back to the relevant client. Further opportunities are being actively sought in the area of provision of administration and outsourcing services to clients within the regulated financial services industry.

## Strategic report (continued)

### Principal risks and uncertainties

The company has an active and robust corporate governance programme designed to manage strategic and tactical risks that could impact the business. Risks are clearly identified and monitored on a regular basis. The key risks and uncertainties facing the business should it be successful in winning new business are as follows:

#### *Regulatory risk*

The company operates in the financial services industry and this industry is regulated by the Financial Conduct Authority (FCA). The main risk to the company is non-compliance with the FCA industry regulations. To manage this risk the company operates continuous improvement in the areas of customer facing processes and procedures and regularly measures its performance in these areas.

#### *Execution risk*

The company continues to strive to extend its operations with the signing of new contracts with major customers where possible. This could potentially expose the company to new business and transaction risks. These will tend to be specific to each contract or customer. The company's formalised bid review process incorporating independent review and challenge of financial models, risks or proposals provides reasonable but not absolute assurance that such risks will be identified and mitigated.

#### *Operating risk*

Managing the company's business is dependent upon the ability to process a large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, employee errors, failure to properly document transactions or to obtain proper internal authorisation, failure to comply with regulatory requirements and business principles, resource shortages, equipment failures, natural disasters or the failure of external systems.

Although the company has implemented risk controls and loss mitigation actions, and resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in controlling the operational risks faced by the company.

#### *Market risk*

The profitability of contracts with clients in the financial services sector may be impacted by recent developments in the financial markets. Whilst current contracts are generally protected from volume changes the opportunities to win new business of the same type in the short term may be affected.

#### *Credit risk*

The company's principal financial assets are bank balances and cash and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The company monitors its cash flows from its customers on a daily basis to minimise its exposure to credit risk.

## Strategic report (continued)

### Principal risks and uncertainties (continued)


#### *Litigation risk*

The company can be engaged in litigation in the ordinary course of operations, such as contract disputes, personal injury claims and workers' compensation claims. The company does not believe that any such litigation, either individually or in aggregate, is material. The company maintains insurance and, to the extent that the amounts in dispute may not be covered by such insurance, maintains provisions in those situations where management deems it appropriate in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

#### *Liquidity risk*

The company has a low exposure to liquidity risks and has sufficient liquid assets to manage any short term liquidity issues. However the company continues to monitor its commitments and liabilities to ensure that the company is not exposed to liquidity risks.

Signed on behalf of the Board of Directors

  
G K James  
Director  
30<sup>th</sup> June 2014

## **Directors' report**

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

### **Principal activity**

The company's principal activity during the year continued to be the provision of administration and outsourcing services to clients within the regulated financial services industry and the directors expect this to remain the same principal activity for the foreseeable future.

During the year the company disposed of its main trading subsidiary, Jessop Fund Managers Limited, to a fellow group company.

### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The directors believe that the company is well-placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors' have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Furthermore the company is in excess of its requirements for capital adequacy as defined by the Financial Conduct Authority.

The directors' are actively seeking further opportunities and on this basis they have sought confirmation from Vertex Data Science Limited, that it will continue to ensure sufficient resources are available to allow the company to meet its liabilities as they fall due for a period of 12 months from the date of signing these accounts. This confirmation has been received and accordingly, the directors' continue to adopt the going concern basis in preparing the annual report and financial statements.

Given the current uncertain economic circumstances and the guidance issued by the Financial Reporting Council, additional disclosures are presented in note 1 to the financial statements around the basis on which the directors have continued to adopt the going concern basis in preparing these financial statements

### **Dividends**

No dividend payments were made during the year (2013: nil). There are no further recommended dividends (2013: nil).

### **Charitable and political donations**

There were no charitable or political donations during the year (2013: £nil).

### **Future developments and events after the balance sheet date**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic report on page 3 and form part of this report by cross-reference.

### **Directors**

The directors of the company during the year ended 31 March 2014, and to the date of this report, are set out below.

R C Coyle (resigned 31 December 2013)  
G K James  
C Thompson (appointed 14 October 2013)

## Directors' report (continued)

### Directors' responsibilities statement

The directors are responsible for preparing the annual 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 these 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;
- 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 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.

### Auditor


Each of the persons who is a director at the date of approval of this 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 audit 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 section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue as the company's auditor and a resolution to re-appoint them has been passed in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the Board of Directors.



G K James  
Director  
30<sup>th</sup> June 2014

## **Independent auditor's report to the members of Vertex Administration Limited**

We have audited the financial statements of Vertex Administration Limited for the year ended 31 March 2014, which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 17. 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, 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, 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, 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 of the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 March 2014 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

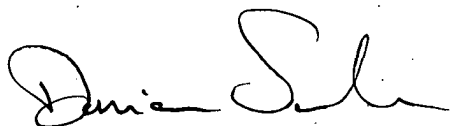


## Independent auditor's report to the members of Vertex Administration Limited (continued)

### 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.



**Damian Sanders (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester  
United Kingdom

30th June 2014

## Profit and loss account

For the year ended 31 March 2014

		Before exceptional items	Exceptional items	31 March 2014 Total	31 March 2013 Total
	Note	£'000	£'000	£'000	£'000
Turnover		1,062	-	1,062	1,527
Cost of sales		(513)	-	(513)	(1,706)
<b>Gross profit, being operating profit</b>	3	<b>549</b>	<b>-</b>	<b>549</b>	<b>(179)</b>
Profit on sale of subsidiary undertaking	13	-	858	858	-
Income from shares in group undertakings	6	200	-	200	1,590
<b>Profit on ordinary activities before taxation</b>		<b>749</b>	<b>858</b>	<b>1,607</b>	<b>1,411</b>
Taxation charge on ordinary activities	7	-	-	-	-
<b>Profit for the financial year</b>	12	<b>749</b>	<b>858</b>	<b>1,607</b>	<b>1,411</b>

See accompanying notes to the accounts.

The company has no recognised gains or losses other than the profit for the current and prior year. Accordingly, a separate statement of total recognised gains and losses has not been prepared.

The transactions in the current and prior year arise from continuing operations.

## Balance sheet

As at 31 March 2014

		31 March 2014	31 March 2013
	Note	£'000	£'000
<b>Fixed assets</b>			
Investments	8	-	500
		-	500
<b>Current assets</b>			
Debtors	9	4,186	2,417
		4,186	2,417
Creditors: amounts falling due within one year	10	-	(338)
<b>Net current assets</b>		<b>4,186</b>	<b>2,079</b>
<b>Total assets less current liabilities</b>		<b>4,186</b>	<b>2,579</b>
<b>Net assets</b>		<b>4,186</b>	<b>2,579</b>
<b>Capital and reserves</b>			
Called-up share capital	11	500	500
Profit and loss account	12	3,686	2,079
<b>Shareholder's funds</b>		<b>4,186</b>	<b>2,579</b>

See accompanying notes to the accounts.

The financial statements for Vertex Administration Limited (Company N° 2138853) were approved by the Board of Directors and authorised for issue on 30 June 2014 and signed on its behalf by

G K James  
Director



## Reconciliation of movements in shareholders' funds

For the year ended 31 March 2014

	31 March 2014	31 March 2013
	£'000	£'000
Profit for the financial year	1,607	1,411
Opening shareholders' funds	2,579	1,168
Closing shareholders' funds	4,186	2,579

# Notes to the financial statements

## 1. Accounting policies

The following accounting policies have been applied consistently throughout the current and prior year.

### (a) Basis of preparation of the financial statements

The financial statements of the company set out on pages 9 to 20 have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

The preparation of financial statements in conformity with generally accepted accounting principles in the United Kingdom requires management to make estimates and assumptions that affect the:

- reported amounts of assets and liabilities;
- disclosure of contingent assets and liabilities at the date of the financial statements; and
- reported amounts of revenues and expenses during the reporting period.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006, not to prepare consolidated accounts, as it is a wholly owned subsidiary of VTX Holdings Limited which prepares group accounts that are publicly available.

For this reason the company has also taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 '(revised 1996) Cash flow statements'.

In addition, all costs are considered to be fully attributable to the primary purpose of the company and have been classified as such in the Profit and loss account.

### Going concern

In carrying out their duties in respect of going concern, the directors have carried out a review of the company's financial position and cash flow forecasts for a period of 12 months from the date of signing these financial statements. These have been based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the uncertainties brought about by the current economic environment.

At 31 March 2014 the company had net assets and net current assets of £4.2 million. Furthermore, the company is in excess of its requirements for capital adequacy as defined by the Financial Conduct Authority. The group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and ensuring sufficient funds are available for each group entity.

The directors' are actively seeking further opportunities and on this basis they have sought confirmation from Vertex Data Science Limited, that it will continue to ensure sufficient resources are available to allow the company to meet its liabilities as they fall due for a period of 12 months from the date of signing these accounts. This confirmation has been received and accordingly, the directors' continue to adopt the going concern basis in preparing the annual report and financial statements.

In coming to their conclusion the directors have considered the following risks and uncertainties:

- failure to generate the forecast levels of revenue and profit; this is mitigated by the continuous review of the financial outcomes of all company's customer contracts and the associated decisions to curtail or terminate loss making contracts
- the company's exposure to significant credit risk, which is mitigated through the nature and diversification of its customers and its policies for monitoring and managing credit risk; and

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

#### (a) Basis of preparation of the financial statements (continued)

##### Going concern (continued)

- customers can typically terminate contracts only in the case that there are material and consistent breaches by the company. The company regularly reviews service level compliance in order to identify and respond to areas of risk.

Having taken all of the above factors into consideration the directors have reached a conclusion that the company is able to manage its business risks despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### (b) Turnover

Turnover is stated net of VAT and is recognised in line with activity and performance, normally using amounts specified in contractual obligations and when collection is reasonably assured.

In general:

- variable revenues, for example, revenues dependent upon customer volumes in the period, are recognised only when those variable activities are performed;
- performance incentives are recognised in revenue only to the extent that incentives have been earned;
- revenue received in advance of performance is deferred and recognised when performance occurs; and
- set up fees received from clients as contributions to costs are credited to deferred income when received and recognised in revenue:
  - (i) as costs are incurred for fees identified as being against transition costs; or
  - (ii) over the expected life of fixed assets if the fees are received as a contribution to assets; or
  - (iii) over the period of the contract in line with activity or performance levels for fees not contractually identified against delivered services.

#### (c) Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment.

#### (d) Pensions

The company makes contributions to defined contribution pension schemes on behalf of its employees. The amount charged against profits represents the contributions payable in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### e) Taxation

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

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 that result in an obligation to pay more tax in

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

#### e) Taxation (continued)

the future or a right to pay less tax in the future have occurred. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax balance is not measured on a discounted basis.

### 2. Segmental information

The company operates within one business segment, the provision of administration and outsourcing services to clients within the financial services industry within the United Kingdom.

### 3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	31 March 2014	31 March 2013
	£'000	£'000
Staff costs (note 4)	79	511

Auditor's remuneration for the audit of the company's statutory accounts is £12,000 (2013: £12,000) and is borne by other group companies. Fees payable to Deloitte LLP and its associates for non-audit services during the period were £nil (2013: £nil).

### 4. Staff costs

Staff costs comprise:

	31 March 2014	31 March 2013
	£'000	£'000
Wages and salaries	73	464
Social security costs	5	38
Pension charge (note 14)	1	9
	79	511

## Notes to the financial statements (continued)

### 4. Staff costs (continued)

The average monthly number of employees was:

	Number	Number
Operations	2	22
Administration	-	4
Average monthly number of employees	2	26

Recharges for staff costs amounting to £nil (2013: £288,000) were received during the year from other group companies.

### 5. Directors

The directors of the company were all employed and remunerated by other companies within the Vertex group during the current and prior year. The majority of the directors' time is engaged by other group companies and, consequently, no recharge was made to the company for the directors' services, as it is not practicable to reallocate (2013: £nil).

### 6. Income from shares in group undertakings

	31 March 2014 £'000	31 March 2013 £'000
Dividends received	200	1,590

### 7. Taxation

	31 March 2014 £'000	31 March 2013 £'000
<b>Current tax:</b>		
Adjustments in respect of prior periods	-	-
<b>Total current tax charge</b>	-	-

The table below reconciles the expected tax charge at the UK corporation tax rate for the current period to the actual tax charge.

	31 March 2014 £'000	31 March 2013 £'000
Profit on ordinary activities before tax	1,607	1,411
Expected tax charge at 23% (2013: 24%)	370	339
Franked investment income not taxable	(46)	(382)
Movement on tax losses	(324)	-
Unrecognised deferred tax assets on trading losses	-	43
<b>Current tax charge for the year</b>	-	-



## Notes to the financial statements (continued)

### 7. Taxation (continued)

At the year-end unrecognised deferred tax assets were £424,675 (2013: £812,208). These assets relate to capital allowances in excess of depreciation of £181,540 (2013: £208,771) and tax losses of £243,135 (2013: £603,437). The deferred tax assets are not recognised as there is insufficient certainty over recoverability.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. Deferred tax balances at 31 March 2014 have been calculated based on the rates of 21% and 20% substantively enacted at the balance sheet date.

### 8. Investments

	Shares in subsidiary undertakings £'000
<b>Cost:</b>	
At 1 April 2013	5,234
Disposal (note 13)	(500)
<b>At 31 March 2014</b>	<b>4,734</b>
<b>Provision for impairment:</b>	
At 1 April 2013	(4,734)
Charge for the year	-
<b>At 31 March 2014</b>	<b>(4,734)</b>
<b>Net book value</b>	
At 31 March 2014	-
At 31 March 2013	500

During the year the company disposed of its investment in Jessop Fund Managers Limited.

The subsidiaries of the company at 31 March 2014, all of which were unlisted and incorporated in Great Britain, were as follows:

Subsidiary	Principal activity	Proportion of ordinary share capital owned
Vertex Life and Pensions Limited	Dormant	100%
Otter Risk Solutions Limited	Dormant	100%

## Notes to the financial statements (continued)

### 9. Debtors

	31 March 2014	31 March 2013
	£'000	£'000
Trade debtors	-	95
Other debtors	2	86
Amounts owed by other group undertakings	4,184	2,236
Amounts falling due within one year	4,186	2,417

### 10. Creditors: amounts falling due within one year

	31 March 2014	31 March 2013
	£'000	£'000
Amounts owed to other group undertakings	-	223
Accruals and deferred income	-	115
	-	338

### 11. Share capital

	31 March 2014	31 March 2013
	£'000	£'000
Allotted, called-up and fully paid		
500,000 (2013: 500,000) ordinary shares of £1 each	500	500

### 12. Reserves

	31 March 2014	31 March 2013
	£'000	£'000
At 1 April	2,079	668
Profit for the financial year	1,607	1,411
At 31 March	3,686	2,079

## Notes to the financial statements (continued)

### 13. Disposal of Subsidiary

On the 31 October 2013 the company sold its 100 per cent interest in the ordinary share capital of Jessop Fund Managers Limited. The legal aspect of the transaction completed on the 3 December 2013. The profit of Jessop Fund Managers Limited up to the date of disposal was £348,000, and for its last financial year was £550,000.

Net assets disposed of and the related sale proceeds were as follows:

	Total £'000
Current assets	1,697
Creditors: amounts falling due within one year	(339)
<b>Net assets</b>	<b>1,358</b>
Investment	(500)
<b>Profit on disposal of a business</b>	<b>858</b>

The net consideration of £1,358,000 remains within amounts owed by other group undertakings and is outstanding at year end (see note 9).

### 14. Pensions

The assets of the pension schemes to which the company contributes on behalf of its employees are held within administered funds. The schemes are all defined contribution and thus the company's obligation is solely to make contributions based on a percentage of salaries.

The total contributions charged in the year were £1,000 (2013: £9,000). There were no outstanding contributions at the year end (2013: £nil).

### 15. Related party transactions

The company has taken advantage of the exemption under FRS 8 'Related party disclosures', as a wholly-owned subsidiary of Vertex Group Limited, not to disclose related party transactions with other wholly owned members of the group.

### 16. Details of parent undertakings

The financial statements of the company are consolidated into the group financial statements of VTX Holdings Limited, a company registered in England and Wales. VTX Holdings Limited is the largest company within the group preparing consolidated financial statements for the year ended 31 March 2014. Vertex Group Limited is the smallest company within the group preparing consolidated financial statements for the year ended 31 March 2014.

Copies of the VTX Holdings Limited group financial statements may be obtained from the Company Secretary, VTX Holdings Limited, Jessop House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3SH.

In the opinion of the directors, the ultimate controlling party is a consortium of US-based private equity firms led by Oak Hill Capital Partners and also including GenNx360 and Carval.

The ultimate parent company is VTX Holdings Coöperatief U.A., a cooperative association registered in the Netherlands.

The immediate parent company is Vertex Group Limited, a company registered in England and Wales.

## Notes to the financial statements (continued)

### 17. Guarantees

There are no guarantees in place. In the prior year the company had a cross guarantee of indebtedness with several subsidiaries in relation to external bank borrowings of US\$40.5 million taken out by Vertex Canada Holdings II Limited, a fellow subsidiary of Vertex Group Limited.