

# VERTEX ADMINISTRATION LIMITED

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

Registered Office  
Jessop House  
Jessop Avenue  
Cheltenham  
Gloucestershire  
GL50 3SH  
United Kingdom



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COMPANIES HOUSE

Registered in England and Wales  
Company number: 02138853

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## Directors' report

The directors present the Annual Report and the audited financial statements of the company for the year ended 31 March 2015. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption under s416/417 of the Companies Act 2006. Accordingly, a strategic report has not been prepared.

### Principal activity and going concern

The company's principal activity was the provision of administration and outsourcing services to clients within the regulated financial services industry. At the current time the company has no clients and is not trading. Consequently these financial statements have been prepared on a basis other than that of a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to meet any obligations that may fall due in the foreseeable future.

The directors have also received confirmation from Vertex Data Science Limited, that whilst Vertex Administration Limited and Vertex Data Science Limited remain within the Vertex group, Vertex Data Science Limited 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.

### Profits and dividends

Loss for the year ended 31 March 2015 was £0.45 million (2014: £1.6 million profit).

Exceptional items in the year of £0.45 million related to provisions for contract claims. In the prior year the company sold its only trading subsidiary, Jessop Fund Managers Limited, to Vertex Mortgages Services Limited at its net asset value. This generated a profit of £0.9 million which was treated as an exceptional credit in the profit and loss account.

A dividend payment of £3.4 million was made during the year (2014: nil). There are no further recommended dividends (2014: nil).

### Future developments

The company has ceased to trade and is unlikely to recommence trading in the near future.

### Principal risks and uncertainties

As part of the Vertex group, the company continues to have 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. As the company is currently not trading the only risk relates to historic provisions which may crystallise in the future. The company reviews these provisions on a monthly basis and will put in place actions to attempt to mitigate losses should claims arise.

### Directors

The directors of the company during the year ended 31 March 2015, and to the date of this report, are set out below.

G K James  
C Thompson

## 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and

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  
13 July 2015

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

We have audited the financial statements of Vertex Administration Limited for the year ended 31 March 2015, which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholder's funds and the related notes 1 to 15. 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 member 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 member 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 member 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 2015 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

### **Emphasis of matter - financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.


### **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; and
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



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

13 July 2015

## Profit and loss account

For the year ended 31 March 2015

		Before exceptional items £'000	Exceptional items (note 5) £'000	31 March 2015 Total £'000	Before exceptional items £'000	Exceptional items (note 5) £'000	31 March 2014 Total £'000
	Note						
Turnover		-	-	-	1,062	-	1,062
Cost of sales		-	(446)	(446)	(513)	-	(513)
<b>Gross (loss) / profit, being operating (loss) / profit</b>		-	(446)	(446)	549	-	549
Profit on sale of subsidiary undertaking		-	-	-	-	858	858
Income from shares in group undertakings	6	-	-	-	200	-	200
<b>(Loss) / profit on ordinary activities before taxation</b>		-	(446)	(446)	749	858	1,607
Taxation charge on ordinary activities	7	-	-	-	-	-	-
<b>(Loss) / profit for the financial year</b>	12	-	(446)	(446)	749	858	1,607

See accompanying notes to the financial statements.

The company has no recognised gains or losses other than the loss for the current and the profit for the 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 discontinued operations.

## Balance sheet

As at 31 March 2015

		31 March 2015	31 March 2014
	Note	£'000	£'000
<b>Current assets</b>			
Debtors	9	771	4,186
<b>Total current assets</b>		<b>771</b>	<b>4,186</b>
<b>Liabilities</b>			
Provisions	10	(446)	-
<b>Total liabilities</b>		<b>(446)</b>	<b>-</b>
<b>Net assets</b>		<b>325</b>	<b>4,186</b>
<b>Capital and reserves</b>			
Called-up share capital	11	500	500
Profit and loss account	12	(175)	3,686
<b>Shareholder's funds</b>		<b>325</b>	<b>4,186</b>

See accompanying notes to the financial statements.

The financial statements for Vertex Administration Limited (Company N° 02138853) were approved by the Board of Directors and authorised for issue on 13 July 2015 and signed on its behalf by

  
G K James  
Director



## Reconciliation of movements in shareholder's funds

For the year ended 31 March 2015

		31 March 2015	31 March 2014
	Note	£'000	£'000
(Loss) / profit for the financial year		(446)	1,607
Dividends	8	(3,415)	-
Opening shareholder's funds		4,186	2,579
Closing shareholder's funds		325	4,186

# 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 have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards.

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. Additionally 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'.

### Going concern

The company has no clients and is not trading. Consequently these financial statements have been prepared on a basis other than that of a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

### (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.

### (c) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

### d) 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 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.

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

#### d) Taxation (continued)

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. Operating loss / profit

Operating (loss) / profit is stated after charging:

	31 March 2015 £'000	31 March 2014 £'000
Staff costs (note 3)	-	79

Auditor's remuneration for the audit of the company's statutory accounts is £1,000 (2014: £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 (2014: £nil).

### 3. Staff costs

Staff costs comprise:

	31 March 2015 £'000	31 March 2014 £'000
Wages and salaries	-	73
Social security costs	-	5
Pension charge (note 13)	-	1
	-	79

The average monthly number of employees was nil (2014: 2 operational staff).

### 4. Directors

The directors of the company were all employed and remunerated by other companies within the VTX Holdings Limited 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 (2014: £nil).

## Notes to the financial statements (continued)

### 5. Exceptional items

	31 March 2015 £'000	31 March 2014 £'000
(Charged) / credited	(446)	858

The exceptional charge in the year to 31 March 2015 relates to liabilities in respect of prior year onerous contracts.

The exceptional credit in the year to 31 March 2014 relates to the profit on disposal of a subsidiary undertaking, Jessop Fund Managers Limited.

### 6. Income from shares in group undertakings

	31 March 2015 £'000	31 March 2014 £'000
Dividends received	-	200

### 7. Taxation

	31 March 2015 £'000	31 March 2014 £'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 2015 £'000	31 March 2014 £'000
(Loss) / profit on ordinary activities before tax	(466)	1,607
Expected tax (credit) / charge at 21% (2014: 23%)	(98)	370
Timing differences	98	-
Investment income not taxable	-	(46)
Movement on tax losses	-	(324)
<b>Current tax charge for the year</b>	-	-

## Notes to the financial statements (continued)

### 7. Taxation (continued)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will have no effect on the company's future current tax charge.

At the year-end unrecognised deferred tax assets, at a tax rate of 20%, were £561,000 (2014: £425,000). These assets relate to capital allowances in excess of depreciation of £182,000 (2014: £182,000) and tax losses of £379,000 (2014: £243,000).

The deferred tax assets are not recognised as there is insufficient certainty over recoverability.

### 8. Dividends

	31 March 2015 £'000	31 March 2014 £'000
Amounts recognised as distributions to equity shareholders in the year:		
Final dividend (£6.83 per share)	3,415	-

### 9. Debtors

	31 March 2015 £'000	31 March 2014 £'000
Other debtors	-	2
Amounts owed by other group undertakings	771	4,184
Amounts falling due within one year	771	4,186

### 10. Provisions

	Contract provisions £'000	Total £'000
At 1 April 2014	-	-
Charged to the profit and loss account	446	446
At 31 March 2015	446	446

Contract provisions relate to future losses and commitments on expired contracts with expected utilisation of £90,000 during the forthcoming year and the remainder over the subsequent seven years.

## Notes to the financial statements (continued)

### 11. Called-up share capital

	31 March 2015	31 March 2014
	£'000	£'000
<b>Allotted, called-up and fully paid</b>		
500,000 (2014: 500,000) ordinary shares of £1 each	500	500

### 12. Profit and loss account

	31 March 2015	31 March 2014
	£'000	£'000
At 1 April	3,686	2,079
(Loss) / profit for the financial year	(446)	1,607
Dividend paid	(3,415)	-
<b>At 31 March</b>	<b>(175)</b>	<b>3,686</b>

### 13. 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 £nil (2014: £1,000). There were no outstanding contributions at the year-end (2014: £nil).

### 14. 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.

### 15. 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 accounts for the year ended 31 March 2015.

Vertex Group Limited heads the smallest group preparing consolidated financial statements for which the results of the company are included.

Copies of the VTX Holdings Limited and Vertex Group 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 immediate parent company is Vertex Group Limited, a company registered in England and Wales. The ultimate parent company is VTX Holdings Limited.