

VERTEX FINANCIAL SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2013

Registered Office.
Jessop House
Jessop Avenue
Cheltenham
GL50 3SH

Registered in England and Wales
Company number: 3008820



Contents

Directors' report	3 - 5
Independent auditor's report	6 - 7
Profit and loss account	8
Balance sheet	9
Reconciliation of movements in shareholder's funds	10
Notes to the financial statements	11 - 18

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2013

Principal activity

The company's principal activity during the year continued to be that of an intermediate holding company within the VTX Holdings Limited group of companies. On 28 February 2013 the company sold its subsidiaries to Vertex Group Limited. The sole activity of the company is that of a holder of property leases which are then sublet to other group and external companies.

Financial results

The results for the year are set out in the profit and loss account on page 8.

The overall loss for the year before tax is £8.1 million (2012: £29.6 million profit).

The balance sheet, on page 9, shows that the company's net liability position at 31 March 2013 is £5.2 million (2012: £2.9 million net asset) and net current assets of £2.2 million (2012: £3.2 million).

Income from shares in group undertakings is £0.007 million (2012: £19.6 million). The income from shares in group undertakings results from a distribution of profits from its immediate subsidiary undertakings, Vertex Administration Limited and Vertex Limited.

Exceptional items charged to the profit and loss account during the year were £8.2 million, arising from a disposal of investments in subsidiaries.

The directors are unable to recommend a dividend payment (2012: £75.0 million).

Post balance sheet events

Two of the three property leases held by the company have been surrendered in the period from the balance sheet date to the signing of these accounts. This leaves the company with one remaining lease property which expires on 22 July 2016 and is fully sub let until 24 April 2016.

Going concern

The company's business activities, together with its performance and position have been disclosed above. As a result of the net liabilities position of the company, the directors have sought confirmation from Vertex Data Science Limited, the immediate parent company, 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 consequently the accounts have been prepared on a going concern basis.

Directors

The directors of the company during the year ended 31 March 2013, and as at the date this report, are set out below:

G K James
S M Bailey

Directors' report (continued)

Principal risks and uncertainties

The company has an active and robust corporate governance programme designed to manage strategic and tactical risks which could impact the business. Risks are clearly identified and monitored on a regular basis

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 judgments and accounting estimates that are reasonable and prudent; 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

Directors' report (continued)

Auditor

Each person 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 should to have been 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.



S M Bailey
Director
26 March 2014

Independent auditor's report to the members of Vertex Financial Services Holdings Limited

We have audited the financial statements of Vertex Financial Services Holdings Limited for the year ended 31 March 2013, which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholder's 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, 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, 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 financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 2013 and of its 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 members of Vertex Financial Services Holdings Limited (continued)


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

31 March 2014

Profit and loss account

For the year ended 31 March 2013

		Before exceptional items	Exceptional items (Note 2)	31 March 2013 Total	Before exceptional items	Exceptional items (Note 2)	31 March 2012 Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Administrative expenses		(107)	(8,174)	(8,281)	(120)	9,927	9,807
Operating (loss) / profit	2	(107)	(8,174)	(8,281)	(120)	9,927	9,807
Income from shares in group undertaking	4	7	-	7	19,632	-	19,632
Other income receivable	5	133	-	133	143	-	143
(Loss) / profit on ordinary activities before taxation		33	(8,174)	(8,141)	19,655	9,927	29,582
Taxation charge on ordinary activities	6	-	-	-	-	-	-
Retained (loss) / profit for the year		33	(8,174)	(8,141)	19,655	9,927	29,582

See accompanying notes to the accounts

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

Balance sheet

As at 31 March 2013

		31 March 2013	31 March 2012
	Note	£000	£000
Fixed assets			
Investments	8	-	8,174
		-	8,174
Current assets			
Debtors	9	12,398	13,468
Cash at Bank and in hand		21	26
		12,232	13,494
Creditors, amounts falling due within one year	10	(10,232)	(10,260)
Net current assets		2,187	3,234
Total assets less current liabilities		2,187	11,408
Provisions for liabilities and charges	11	(7,409)	(8,489)
Net (liabilities)/assets		(5,222)	2,919
Capital and reserves			
Called-up share capital	12	2,275	2,275
Capital redemption reserve	13	6	6
Profit and loss account	13	(7,503)	638
Shareholders' (deficit)/funds		(5,222)	2,919

See accompanying notes to the accounts

The financial statements for Vertex Financial Services Holdings Limited (Company N° 3008820) were approved by the board of directors and authorised for issue on 26 March 2014 and signed on its behalf by



S M Bailey
Director

Reconciliation of movements in shareholder's funds

		31 March 2013	31 March 2012
	Note	£000	£000
Retained (loss)/profit for the financial year		(8,141)	29,582
Dividends paid	7	-	(75,000)
Opening shareholders' funds		2,919	48,337
Closing shareholders' (deficit)/funds		(5,222)	2,919

Notes to the accounts (continued)

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.

(a) Basis of preparation of the financial statements

The financial statements set out on pages 8 to 18 have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards and with the Companies Act 2006.

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 year.

Actual results could differ from these estimates

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 subsidiary of VTX Holdings Limited, which prepares group accounts which are publicly available

The company is wholly owned by VTX Holdings Limited and is included within the consolidated financial statements of VTX Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'.

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 forecast 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 2013 the company had net liabilities of £5.2 million and net current assets of £2.2 million

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.

In light of the possibility of continuing net liabilities of the company, the directors have obtained a letter of support from Vertex Data Science Limited, the immediate parent company, which confirms an intention to provide such support as is necessary to enable the company to meet its liabilities to third parties as they fall due for a period of not less than one year from the date of approval of these financial statements, provided that the company remains a part of the VTX Holdings Limited group of companies

(b) Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Notes to the accounts (continued)

1. Accounting policies (continued)

(c) Fixed asset investments

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

(d) Income from shares in group undertakings

Income from shares in group undertakings is recognised when:

- it is probable that the economic benefits associated with the transaction will flow to the company.
- the amount of the income can be measured reliably, and
- the shareholder's right to receive payment is established.

(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 inclusion of 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.

Notes to the accounts (continued)

2. Operating (loss) / profit

Operating (loss)/profit is stated after charging/(crediting):

	31 March 2013	31 March 2012
	£000	£000
Fees payable to the company's auditor for the audit of the company's annual accounts	10	10
Exceptional items charged/(credited)	8,174	(9,927)
Operating lease costs - land and buildings	125	126
Depreciation - owned assets	-	-

Exceptional items charged to the profit and loss account during the year were £8.2 million arising from an impairment of an investment in subsidiaries.

For the year ended 31 March 2012 exceptional items credited to the profit and loss account were £9.9 million, comprising a reversal of a provision against a doubtful intercompany debt of £14.9 million, offset by an impairment of an investment in subsidiaries of £5.0 million.

The company has no employees in the year (2012: same)

3. Directors

The directors of the company were all employed and remunerated during the current and prior year by other companies within the VTX Holdings Limited group. 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. There were no other employees.

4. Income from shares in group undertakings

	31 March 2013	31 March 2012
	£000	£000
Dividends received	7	19,632

5. Other income receivable

	31 March 2013	31 March 2012
	£000	£000
Rent receivable	133	143

Notes to the accounts (continued)

6. Taxation

	31 March 2013 £000	31 March 2012 £000
Current tax:		
Group relief payable	-	-
Adjustments in respect of prior years	-	-
Total current tax charge	-	-

The table below reconciles the notional tax credit / (charge) at the standard UK corporation tax rate to the actual credit / (charge) for taxation.

	31 March 2013 £000	31 March 2012 £000
(Loss) / profit on ordinary activities before tax	(8,141)	29,582
Expected tax credit / (charge) at 24% (2012: 26%)	1,954	(7,691)
Non taxable income	(1,958)	2,581
Movement on tax losses	2	(2)
Franked investment income	2	5,104
Other timing differences	-	8
Actual current tax charge	-	-

Unprovided deferred tax assets at 31 March 2013 amounted to £215,525 (2012: £279,252), consisting of short term timing differences and tax losses carried forward. The deferred tax asset is not recognised as, in the opinion of the directors, insufficient certainty exists regarding future recoverability.

7. Dividends

	31 March 2013 £000	31 March 2012 £000
Amounts recognised as distributions to equity shareholders in the year:		
Final dividend	-	75,000

The amount of dividend per share for the year ended 31 March 2013 was nil (2012: £0.33)

Notes to the accounts (continued)

8. Investments

	Shares in group undertakings £000
Cost	
At 1 April 2012	96,408
Disposals	(96,408)
At 31 March 2013	-
Provision for impairment	
At 1 April 2012	88,234
Impairment charge	8,174
Disposals	(96,408)
At 31 March 2013	-
Net book value	
31 March 2013	-
At 31 March 2012	8,174

The impairment provision relates to the investment held in Vertex Financial Services Limited and Vertex Limited.

On 28 February 2013 the company sold all of its subsidiaries to Vertex Group Limited for £1

9. Debtors

	31 March 2013 £000	31 March 2012 £000
Amounts owed by group undertakings	12,398	13,468
Amounts falling due within one year	12,398	13,468

Notes to the accounts (continued)

10. Creditors: amounts falling due within one year

	31 March 2013 £000	31 March 2012 £000
Amounts owed to group undertakings	10,033	10,058
Accruals and deferred income	199	202
Amounts falling due within one year	10,232	10,260

11. Provisions for liabilities and charges

	Property £000
At 1 April 2012	8,489
Utilised in the year	(1,080)
At 31 March 2013	7,409

Property provisions relate to onerous leasehold contracts and dilapidations legally owned by the company and are expected to be utilised over the next 10 years. These provisions are recharged in full to a fellow group company to reflect the operational usage of these buildings.

In April 2013 and October 2013 two property leases held by the company were surrendered back to the respective landlords. All costs of this surrender were borne by a fellow Group company. Following this transaction the company has one remaining lease property which runs until 2016.

12. Share capital

	31 March 2013 £000	31 March 2012 £000
Allotted, called-up and fully paid		
227,506,106 (2012: 227,506,106) ordinary shares of £0.01 each	2,275	2,275

Notes to the accounts (continued)

13. Reserves

	Share premium account	Capital redemption reserve	Profit and loss account
	£000	£000	£000
At 1 April 2012	-	6	638
Loss for the year	-	-	(8,141)
At 31 March 2013	-	6	(7,503)

14. Operating leases

The company is committed to making the following payments under operating leases during the next 12 months

	31 March 2013	31 March 2012
	Land and buildings	Land and buildings
	£'000	£'000
Leases which expire		
- Between two and five years	1,708	1,752
- After five years	1,208	1,333
	2,916	3,085

15. Related party transactions

The company has taken advantage of the exemption under FRS 8 'Related Party Disclosures', as a wholly-owned subsidiary of VTX Holdings Limited, not to disclose related party transactions with other wholly-owned members of the group

There were no other related party transactions that require disclosure in the year.

Loan balances outstanding at 31 March 2013 and 31 March 2012 with related parties were as follows:

Owing to	31 March 2013	31 March 2012
	£'000	£'000
VTX Subco Limited	(14)	(12)
Total	(14)	(12)

Notes to the accounts (continued)

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 accounts for the year ended 31 March 2013.

Copies of the VTX Holdings Limited group financial statements may be obtained from the Company Secretary, VTX Holdings Limited, Jessop House, Jessop Avenue, Cheltenham, 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 Cooperative U.A., a cooperative association registered in the Netherlands.

The immediate parent company is Vertex Data Science Limited, a company registered in England and Wales. Vertex Data Science Limited will prepare consolidated group accounts for the year ended 31 March 2013

17. Guarantees

The company no longer has a cross guarantee of indebtedness with other group subsidiaries in relation to external bank borrowings (2012 US\$76.2 million cross guarantee).