

Registered no: 03338182

P C Cox (Holdings) Limited
Annual report
for the year ended 31 December 2010

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P C Cox (Holdings) Limited

Annual report for the year ended 31 December 2010

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Directors' report for the year ended 31 December 2010

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

Principal activity

P C Cox (Holdings) Limited is the holding company of a group serving the chemical sealants and adhesives market worldwide

Review of business and future developments

The business of the company was as a holding company, and the Directors expect that it will continue to perform that function in future

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties are considered to relate to competition from international competitors, commodity prices and exchange rates

Financial risk management objectives and policies

The company uses various financial instruments including cash, equity investments and loans that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The main risks arising from the company's financial instruments are credit and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company receives financial support from its investors when necessary

Key performance indicators

Given that the company is an intermediate holding company the directors are of the opinion that an analysis using KPI's is not necessary for an understanding of the development, performance or position of the business

Results and dividends

The consolidated profit and loss account for the year is set out on page 7. The directors do not propose the payment of a dividend for the year ended 31 December 2010 (2009: £nil)

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below

R Hart
F J Lumb
P Crawford

Secretary

P Crawford

**Directors' report for the year ended 31 December 2010
(continued)**

Charitable donations

Charitable donations of £Nil (2009 £Nil) were made by the company during the year

Statement of directors' 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 prepared 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, 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.

The directors confirm, 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/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board


P Crawford
Director

Independent auditors' report to the members of P C Cox (Holdings) Limited

Independent Auditors' report to the members of P C Cox (Holdings) Limited

We have audited the financial statements of PC Cox (Holdings) Limited for the year ended 31 December 2010 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 statement of directors' responsibilities set out in 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.

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. In addition, we read all the financial and non-financial information in the directors' 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 December 2010 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 matter prescribed by the Companies Act 2006

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

**Independent auditors' report to the members of
P C Cox (Holdings) 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

Gavin Crawford (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
29 July 2011

Profit and loss account for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Income from shares in group undertakings		-	24
Interest receivable and similar income		850	816
Interest payable and similar charges	6	(409)	(698)
Other finance income	5	7,537	-
Profit on ordinary activities before taxation		7,978	142
Tax on Profit on ordinary activities	7	-	-
Profit for the financial year		7,978	142

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

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

Balance sheet as at 31 December 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments	8	7,132	7,132
		7,132	7,132
Current assets			
Debtors	9	10,043	7,915
		10,043	7,915
Creditors - Amounts falling due within one year	10	-	(1)
Net current assets		10,043	7,914
Total assets less current liabilities		17,175	15,046
Creditors - Amounts falling due after more than one year	11	-	(5,849)
Provisions for liabilities and charges	12	-	-
Net assets		17,175	9,197
Capital and reserves			
Called-up share capital	13	15,601	15,601
Share premium account	14	824	824
Profit and loss account	15	750	(7,228)
Total equity shareholders' funds	16	17,175	9,197

The financial statements on pages 7 to 18 were approved by the board of directors on July 29th 2011 and were signed on its behalf by



P Crawford
Director
P C Cox (Holdings) Limited
Registered no 03338182

**Notes to the financial statements for the year ended 31
December 2010**

1 Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by P C Cox Group Ltd, whose accounts are publicly available.

Investments

Fixed asset investments are stated at cost less provision for impairment in value. The Directors perform an impairment review at each balance sheet date.

Fees and issue costs

Share issue costs are written off against the share premium account. The costs of issue of capital instruments are charged to the profit and loss account over the life of the instrument. A corresponding amount is subsequently transferred from the profit and loss reserve to the share premium account.

Fees incurred directly in making the acquisitions are included in the cost of investment of the subsidiaries.

Notes to the financial statements for the year ended 31 December 2010 (continued)

1 Principal accounting policies (continued)

Deferred taxation

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 at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of 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. Deferred tax is measured on an undiscounted basis

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future periods has been entered into by the subsidiary

2 Directors' emoluments

No emoluments are received by any director for their services as directors of the company

3 Employee information

The company has no employees (2009 nil) and no employee costs (2009 nil)

4 Operating profit

The company had no ordinary operating expenses during the year

Audit fees and non-audit fees amounting to £3,000 (2009 £3,000) for the company were borne by P C Cox Limited, a subsidiary undertaking

5 Other finance income

There were two exceptional items recorded by the company during the year within financial income

In May 2010 full and final settlement of the 12% loan note was agreed with the loan note holder which resulted in a release of the remaining liability of £837,384

Release of the full £6,699,251 10% loan note liability, held and waived by the company's parent company, on September 31st 2010

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Interest payable and similar charges

	2010 £'000	2009 £'000
On debentures and other loans	409	698

7 Tax on loss on ordinary activities

	2010 £'000	2009 £'000
Current tax:		
UK and US corporation tax on loss for the year	-	-
Adjustment to tax charge in respect of prior years	-	-
Total current tax charge	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Adjustment of tax in respect of prior years	-	-
Total deferred tax credit	-	-
Tax on loss on ordinary activities	-	-

The tax charge for the year is lower (2009 lower) than the standard rate of corporation tax in the UK (28% 2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	7,978	118
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK 28% (2009 28%)	2,234	33
Effects of		
Expenses not deductible for tax purposes	(1,778)	-
Accelerated capital allowances and other timing differences	(456)	(33)
Tax charge for the financial year	-	-

A number of changes to the UK corporation tax system were announced in the March 2011 budget. These changes reduced the rate of corporation tax to 26% for the tax year beginning 1 April 2011, and propose to reduce the rates by three further percentage points to 23% by the tax year beginning 1 April 2014.

Notes to the financial statements for the year ended 31 December 2010 (continued)

8 Fixed asset investments

Company	Loans to subsidiary undertakings £'000	Interests in subsidiary undertakings £'000	Total £'000
Cost and net book amount at 1 January and 31 December 2010	7,047	85	7,132

Details of subsidiary undertakings, which have not been consolidated in these financial statements, are as follows

Name of undertaking	Country of registration/ incorporation	Description of shares held	Proportion of nominal value of ordinary shares held		Principal Activities
			Group	Company	
Cox North America LLP	United States of America	Unincorporated	100%	5%	Intermediate holding company
Cox North America Inc	United States of America	Ordinary \$1 shares	100%	-	Sale and distribution of sealant applicators
P C Cox Ltd	United Kingdom	Ordinary £1 shares	100%	100%	Manufacture of sealant applicators
Cox Plastics Technologies Limited	United Kingdom	Ordinary £1 shares	100%	-	Dormant

The address of the principal place of business of Cox North America LLP is 1013 Centre Road, Wilmington, Delaware 19805

Notes to the financial statements for the year ended 31 December 2010 (continued)

9 Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	10,043	7,915

The amounts owed by group undertakings are unsecured, have no fixed repayment date and interest is earned at a rate of 8% (2009 8%)

10 Creditors - Amounts falling due within one year

	2010 £'000	2009 £'000
Accruals and deferred income	-	1

11 Creditors - Amounts falling due after more than one year

	2010 £'000	2009 £'000
10% unsecured loan stock	-	4,658
12% secured loan stock 2007-2008 (secured)	-	1,191
	-	5,849
 Repayable as follows		
Between two and five years	-	5,849

The 12% secured loan stock was subordinated to the groups bank loans and therefore redemption would not be sought in 2010, accordingly the loan stock was classified and presented as repayable between two and five within the 2009 maturity profiles respectively The 12% loan note and accrued interest was partially repaid in May 2010, as part of a full and final settlement, with the balance of the liability therefore released by the loan note holder

The 10% unsecured loan stock previously held by CVC European Equity Partners LP was due for redemption on the contractual redemption date in 2006 The loan stock was acquired by PC Cox Group Ltd on September 28th 2009 The loan stock was subordinated to the bank loans and therefore PC Cox Group Ltd indicated that redemption would not be sought in 2010, accordingly the loan stock was presented as repayable between two and five years in 2009 within the maturity profile shown above The full balance of the loan note and accrued interest to date was released by PC Cox Group Ltd on September 31st 2010

Notes to the financial statements for the year ended 31 December 2010 (continued)

12 Provision for liabilities and charges

Deferred taxation provided in the financial statements and the amount un-provided of the total potential liability/(asset) are as follows

	Amount provided		Amount un-provided	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Tax effect of short term timing differences	-	-	-	(900)
Losses	-	-	(169)	(625)
	-	-	(169)	(1,525)

13 Called-up share capital

	2010	2009
	£'000	£'000
Authorised		
1,000,000 (2009 1,000,000) ordinary shares of 1p each	10	10
Allotted, called-up and fully paid		
1,000,000 (2009 1,000,000) ordinary shares of 1p each	10	10

	2010	2009
	£'000	£'000
Authorised		
16,218,561 (2009 16,218,561) deferred shares of £1 each	16,219	16,219
Allotted, called-up and fully paid		
£15,590,659 (2009 £15,590,659) deferred shares of £1 each	15,591	15,591

The holders of the deferred shares do not have the right to receive notice of any general meeting of the Company, nor the right to attend, speak or vote at any such general meeting

Notes to the financial statements for the year ended 31 December 2010 (continued)

14 Share premium account and reserves

	Share premium account £'000	Profit and loss £'000
At 1 January 2010	824	(7,228)
Profit for the financial year	-	7,978
At 31 December 2010	824	750

The balance of the profit and loss account represents distributable earnings

15 Reconciliation of movements in shareholders' deficit

	2010 £'000	2009 £'000
Profit for the financial year	7,978	142
Shareholders loan note conversion to equity	-	1,219
Net increase to shareholders' funds	7,978	1,361
Equity shareholders' funds as at 1 January	9,197	7,836
Equity shareholders' funds as at 31 December	17,175	9,197

16 Contingent liabilities

Cross guarantees exist in respect of bank loans and overdrafts in other group companies At 31 December 2010 bank loans and overdrafts in other group companies amounted to £1,885,000 (2009 £3,631,000)

Notes to the financial statements for the year ended 31 December 2010 (continued)

17 Ultimate controlling party and related party disclosures

Prior to September 28th 2009 the directors regarded CVC European Equity Partners LP as the ultimate controlling party

Since September 28th 2009 the directors regard PC Cox Group Ltd, a company registered in England and Wales, as the ultimate parent company and ultimate controlling party

In 1997, CVC European Equity Partners LP made a loan of £3,849,500 to the company. This loan was repayable on 9 May 2006 and formerly bore interest at 14% per annum. The interest rate was reduced to 10% with effect from December 31st 2007. The loan stock was acquired by PC Cox Group Ltd on September 28th 2009. The loan stock is subordinated to the bank loans and therefore PC Cox Group Ltd has indicated that redemption would not be sought in 2010, accordingly the loan notes were presented as repayable within the maturity profile outlined in Note 16 for 2009. The total interest charged to the company profit and loss account during the year until September 31st was £348,816 (2009 full year £423,446). On September 31st 2010 the balance of the loan note liability, including interest to date, was released by PC Cox Group Ltd. At 31 December 2010, the amount due to PC Cox Group Ltd was £Nil (2009 £4,657,898).

In 1997, CVC European Equity Partners LP made a loan of £1,301,775 to the group subsidiary PC Cox Ltd. This loan was repayable on 9 May 2006 and formerly bore interest at 14% per annum. The interest rate was reduced to 10% with effect from December 31 2007. The loan stock was acquired by PC Cox Group Ltd on September 28th 2009. The loan stock was subordinated to the bank loans and therefore PC Cox Group Ltd had indicated that redemption would not be sought in 2010. On September 29th 2010 the loan note liability including interest to date was novated from PC Cox Ltd to PC Cox (Holdings) Ltd. On September 30th 2010 the loan note liability was released by PC Cox Group Ltd. At 31 December 2010, the amount due to PC Cox Group Ltd by the company was £Nil (2009 £Nil).