

WYKO Holdings Limited

Report and Financial Statements for the year ended 31 December 2008

Company Number 3776822

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WYKO HOLDINGS LIMITED

Annual Report and Financial Statements for the year ended 31 December 2008

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**Directors' report
for the year ended 31 December 2008**

The directors present their annual report and audited financial statements of the Company for the year ended 31 December 2008.

Principal activity and business review

The principal activity of the Company is the holding of investments and the provision of management services to other group companies.

Results for the year

The loss after taxation for the year ended 31 December 2008 was £127,000 (2007: £1,000). A dividend on ordinary shares of £15 million was authorised by the members in general meeting and was paid during the year.

The Company will continue to act as an intermediate holding company and provider of management services within the ERIKS Group of companies and it is not envisaged that it will undertake any other form of business activity. A full business review for the ERIKS Group of companies is given in the report and accounts of the ultimate holding company, ERIKS Group nv.

Financial risk management

The Company has no exposure to credit risk. Other risks relating to financing and funding are managed by the Group Treasury department at ERIKS Group nv level.

Directors

The directors who served during the period and up to the date of the signing the financial statements were:

W C N Wilson

M R G Dixon resigned 26 June 2009

D White

Auditors

PricewaterhouseCoopers LLP have expressed a willingness to remain as auditors of the Company.

Statement of directors' responsibilities

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

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

**Directors' report
for the year ended 31 December 2008 (*continued*)**

Statement of directors' responsibilities (*continued*)

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

- as far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board



M R Powell
Secretary
30 July 2009

Independent auditors' report to the members of WYKO HOLDINGS LIMITED

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We have audited the financial statements of WYKO Holdings Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Birmingham

7 August 2009

**Profit and loss account
for the year ended 31 December 2008**

	Notes	2008 £000	2007 £000
Gross profit		-	-
Selling and distribution costs		(9)	(1)
Administrative expenses		<u>(292)</u>	<u>1</u>
Operating loss	2	(301)	-
Net interest payable	4	<u>18</u>	<u>-</u>
Loss on ordinary activities before taxation		(283)	-
Tax credit / (charge) on loss on ordinary activities	5	<u>156</u>	<u>(1)</u>
Loss for the financial year	13	<u>(127)</u>	<u>(1)</u>

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of recognised gains and losses has been presented.

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

The above results all relate to continuing operations.

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Balance sheet as at 31 December 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Investments	7	<u>116,095</u>	<u>116,095</u>
Current assets			
Debtors	8	172	765
Cash at bank and in hand		<u>93</u>	<u>442</u>
		265	1,207
Creditors: amounts falling due within one year	9	<u>(14,641)</u>	<u>(456)</u>
Net current (liabilities) / assets		<u>(14,376)</u>	<u>751</u>
Net assets		<u>101,719</u>	<u>116,846</u>
Capital and reserves			
Called up share capital	11	2,453	2,453
Share premium account	12	54,530	54,530
Capital reserve	12	32,000	32,000
Profit and loss account	12	<u>12,736</u>	<u>27,863</u>
Total shareholders' funds	13	<u>101,719</u>	<u>116,846</u>

The financial statements on pages 4 to 12 were approved by the Board of Directors on 30 July 2009 and were signed on its behalf by:



D White
Director

**Notes to the financial statements for the
year ended 31 December 2008****1 Principal accounting policies**

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the principal policies which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention.

Group accounts

The Company is a wholly owned subsidiary of ERIKS Group nv, a company incorporated in The Netherlands, and as provided by S228 Companies Act 1985, is exempt from the preparation of group accounts.

Deferred taxation

In accordance with Financial Reporting Standard (FRS) 19, 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 to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange on the day of the transaction or at a contracted rate if it is covered by a forward contract. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling at the balance sheet date or, if appropriate, any forward contract rates. Exchange differences arising from these translations are taken to the profit and loss account.

Pensions

The Company operates a number of defined contribution pension schemes. The assets of these schemes are invested and managed independently of the finances of the Company. Contributions to the schemes have been charged to the profit and loss account in the year of payment.

Cash flow statement

The Company is a wholly owned subsidiary of ERIKS Group nv and the cash flows of the Company are included in the consolidated cash flow statement of that company. Consequently the Company is exempt under the terms of FRS 1 (revised 1996) from publishing a cash flow statement.

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Notes to the financial statements for the year ended 31 December 2008 (continued)

2 Operating loss

	2008 £000	2007 £000
Operating loss is stated after charging / (crediting):		
Auditors' remuneration - audit services	5	4
- taxation services	4	3
Income from management services provided	<u>(812)</u>	<u>(769)</u>

3 Directors and employees

The average number of persons employed by the Company during the year was:

	2008 Number	2007 Number
Group directors	<u>2</u>	<u>2</u>
Their aggregate payroll costs were:	£000	£000
Wages and salaries	820	719
Social security costs	110	66
Other pension costs	<u>106</u>	<u>93</u>
	<u>1,036</u>	<u>878</u>

All of the remuneration shown above was in respect of the Company's directors.

	£000	£000
Highest paid director:		
Aggregate emoluments excluding pension contributions	<u>457</u>	<u>442</u>

None of the directors were members of the WYKO Group Retirement Benefit Scheme, a defined benefit pension scheme (2007: nil).

No payments have been made to a money purchase pension scheme in respect of any director.

4 Net interest payable

	2008 £000	2007 £000
Interest payable:		
on bank loans and overdrafts	-	-
on loans from other Group companies	(25)	-
Amortisation of debt issue costs	<u>-</u>	<u>(6)</u>
	<u>(25)</u>	<u>(6)</u>
Interest receivable	<u>43</u>	<u>6</u>
	<u>18</u>	<u>-</u>

**Notes to the financial statements for the
year ended 31 December 2008 (continued)**

5 Tax credit / (charge) on loss on ordinary activities

	2008 £000	2007 £000
UK corporation tax at 28% (2007: 30%)	-	-
Adjustments in respect of previous periods	112	(1)
Amount payable by fellow subsidiaries in respect of group relief	44	-
Current year tax credit / (charge)	156	(1)
Deferred taxation:		
Origination and reversal of timing differences	-	-
Tax credit / (charge) on loss on ordinary activities	156	(1)
The tax assessed for the year is higher (2007: lower) than the standard rate of UK corporation tax. The factors affecting tax charge for the year are:		
Loss on ordinary activities before tax	(283)	-
Loss on ordinary activities at the standard rate of corporation tax, 28.5% (2007: 30%)	80	-
Effects of:		
Expenses not deductible for tax purposes	(2)	(2)
Utilisation of tax losses	-	2
Short term timing differences	(34)	-
Adjustments in respect of previous periods	112	(1)
Current tax credit / (charge) for the year	156	(1)

6 Dividends

	2008 £000	2007 £000
Dividends paid during the year:		
Ordinary shares at £6.13 per share (2007 £0.00 per share)	2,914	-
A Ordinary shares at £6.13 per share (2007 £0.00 per share)	12,086	-
	15,000	-

7 Investments

Investments in subsidiaries	£000
Cost at 31 December 2007 and 2008	116,095

The Company's principal subsidiaries, which are all 100% owned, are as follows:

	Activity	Country of Incorporation
WYKO Group Limited	Holding Company	England
WYKO Investments Limited	Holding Company	England

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Notes to the financial statements for the year ended 31 December 2008 (continued)

7 Investments (continued)

	Activity	Country of Incorporation
ERIKS Industrial Services Limited *	Industrial Services	England
WYKO Tire Technology Limited *	Manufacture of tyre building tooling	England
Revolvco Limited *	Manufacture of specialist bearings	England
Pioneer Weston International Limited *	Manufacture of seals and sealing products	England
Seals Packings & Gaskets Limited *	Manufacture of gaskets	England
Flexible Hose Supplies Limited *	Manufacture of industrial hoses	England
WYKO Inc *	Manufacture of tyre building tooling	USA
ERIKS Industrial Services (Ireland) Ltd *	Industrial Services	Ireland
ERIKS s.r.o. *	Industrial Services	Slovakia
ERIKS s.r.o. *	Industrial Services	Czech Republic
ERIKS Industrial Services (Nigeria) Ltd *	Industrial Services	Nigeria

Subsidiaries marked * are held via intermediate holding companies

8 Debtors

	2008 £000	2007 £000
Amounts due within one year:		
Amounts owed by parent company	-	750
Corporation tax recoverable	156	-
Called-up share capital not paid	13	13
Prepayments and accrued income	3	2
	<u>172</u>	<u>765</u>

The amounts owed by the Company's parent company bear interest at 7% per annum, calculated quarterly in arrears.

9 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to parent company	14,332	-
Amounts owed to fellow subsidiaries	18	237
Corporation tax	-	1
Other taxation and social security	3	3
Other creditors	-	-
Accruals and deferred income	288	215
	<u>14,641</u>	<u>456</u>

The amounts owed to fellow subsidiaries bear no interest.

10 Deferred taxation

A deferred tax asset of £10,502,000 calculated at 28% (2007: £10,500,000) has not been recognised in respect of accumulated losses, as it is not clear whether these amounts will be utilised in the foreseeable future.

**Notes to the financial statements for the
year ended 31 December 2008 (continued)**

11 Called up share capital

	Number	£000
Authorised		
Ordinary share capital		
Ordinary shares of £1 each	475,558	476
'A' ordinary shares of £1 each	2,155,630	2,155
At 31 December 2007 and 2008	2,631,188	2,631
Preference share capital		
'A' Preference shares of £0.0001 each	2,500,000	-
'B' Preference shares of £0.0001 each	52,035,417	5
At 31 December 2007 and 2008	54,535,417	5
Total authorised Share capital at 31 December 2007 and 2008	57,166,605	2,636
Allotted, called-up and fully paid		
Ordinary share capital		
Ordinary shares of £1 each – fully paid	462,650	463
Ordinary shares of £1 each – part paid	12,908	13
'A' ordinary shares of £1 each	1,972,350	1,972
At 31 December 2007 and 2008	2,447,908	2,448
Preference share capital		
'A' Preference shares of £0.0001 each	2,500,000	-
'B' Preference shares of £0.0001 each	52,035,417	5
At 31 December 2007 and 2008	54,535,417	5
Total at 31 December 2007 and 2008	56,983,325	2,453

The rights relating to each class of share in issue at 31 December 2008 are as follows:

- i) the ordinary shares and A ordinary shares rank pari passu as if one class of share for the purposes of income;
- ii) the A and B preference shares carry no right to participate in or receive any dividends;
- iii) in the event of winding up the Company or otherwise reducing capital, the assets shall be applied;
 - first in repaying to the holders of the A preference shares the amounts paid up on such shares (including any premium);
 - secondly in repaying the holders of the B preference shares the amounts paid up on such shares (including any premium);
 - thirdly in paying the holders of A ordinary shares £1 per share together with any arrears or accruals of dividends on the shares; then
 - in paying the holders of ordinary shares £1 per share; then
 - the balance of the assets, up to £1,000,000 per share shall be distributed amongst the holders of the A ordinary share and ordinary shares pari passu as if the shares constituted one class;

**Notes to the financial statements for the
year ended 31 December 2008 (continued)**

11 Called up share capital (continued)

- iv) the ordinary shares carry one vote per share and the A ordinary shares carry ten votes per share.
- v) The Directors consider that in accordance with Financial Reporting Standard (FRS) 25, all issued share capital is equity in nature.

12 Reserves

	Share premium account £000	Distributable reserves	
		Capital reserve £000	Profit and loss account £000
At 1 January 2008	54,530	32,000	27,863
Loss for the year	-	-	(127)
Dividend paid	-	-	(15,000)
At 31 December 2008	54,530	32,000	12,736

13 Reconciliation of movements in total shareholders' funds

	2008 £000	2007 £000
Loss for the financial year	(127)	(1)
Deed of Gift	-	32,000
Dividend paid	(15,000)	-
	(15,127)	31,999
Opening total shareholders' funds	116,846	84,847
Closing total shareholders' funds	101,719	116,846

On 8 January 2007 the Company received an additional capital contribution of £32 million from its parent company, ERIKS UK Holdings Ltd. The contribution was made by way of an unconditional Deed of Gift and as provided by FRS 4 is a distributable reserve

14 Related parties

The Company has taken advantage of the exemption, allowed by Financial Reporting Standard No. 8, not to disclose transactions and balances with related party undertakings which are at least 90% owned by the Group.

**Notes to the financial statements for the
year ended 31 December 2008 (*continued*)**

15 Ultimate parent company and controlling party

The Company's immediate parent company is ERIKS UK Holdings Limited, a company registered in England and Wales.

The Company's ultimate parent company and controlling party is ERIKS Group nv, a company registered in The Netherlands.

Copies of the ERIKS Group nv consolidated financial statements may be obtained from the company at the following address:

ERIKS Group nv
Arcadialaan 14
Victory Building
PO Box 1088
1810 KB Alkmaar
The Netherlands