

WYKO Holdings Limited

Report and Financial Statements for the year ended 31 December 2011

Company number 3776822

THURSDAY



A1C0BF4I

A36

28/06/2012

#131

COMPANIES HOUSE

WYKO Holdings Limited

Annual Report and Financial Statements for the year ended 31 December 2011

Contents:

	Page(s)
Director's report for the year ended 31 December 2011	1 - 2
Independent auditors' report to the members of WYKO Holdings Limited	3
Profit and loss account for the year ended 31 December 2011	4
Balance sheet as at 31 December 2011	5
Notes to the financial statements for the year ended 31 December 2011	6 - 11

**Director's report
for the year ended 31 December 2011**

The director presents his Annual report and audited financial statements of the company for the year ended 31 December 2011

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 and future developments

The profit for the financial year ended 31 December 2011 was £8,410,000 (2010 £422,000 loss). A dividend on ordinary shares of £5,000,000 (2010 £3,000,000) was authorised by the members in general meeting and was paid during the year. The director is satisfied with the performance of the company for the year.

The company will continue to act as an intermediate holding company and provider of management services within the ERIKS UK 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 financial statements of the ultimate holding company, SHV Holdings N.V.

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 N.V. level. The directors of the ERIKS Group of Companies, which includes WYKO Holdings Limited, manage operations on a divisional basis. For this reason, the company's director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business.

Directors

The director who served during the year and up to the date of the signing the financial statements, unless otherwise stated, was

D White

Independent auditors

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

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

**Director's report
for the year ended 31 December 2011 (*continued*)**

Statement of directors' responsibilities (*continued*)

- 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,
- 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the director's report is approved under section 418 of the Companies Act 2006, the following applies:

- (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 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 auditors are aware of that information.

By order of the Board



M R Powell
Company Secretary
7 June 2012

Independent auditors' report to the members of WYKO Holdings Limited

3

We have audited the financial statements of WYKO Holdings Limited for the year ended 31 December 2011 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 on pages 1 and 2 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 2011 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.

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.



Neil Philpott (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

11 June 2012

**Profit and loss account
for the year ended 31 December 2011**

	Notes	2011 £000	2010 £000
Distribution costs		(4)	(69)
Administrative expenses		(636)	(464)
Other operating income		449	373
Operating loss	2	(191)	(160)
Income from shares in group undertakings	4	9,250	-
Interest payable and similar charges	5	(914)	(635)
Profit / (loss) on ordinary activities before taxation		8,145	(795)
Tax credit on profit / (loss) on ordinary activities	6	265	373
Profit / (loss) for the financial year	13	8,410	(422)

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 profit/(loss) on ordinary activities before taxation and the retained profit /(loss) for the year stated above, and their historical cost equivalents

The above results all relate to continuing operations


WYKO Holdings Limited

5

Balance sheet as at 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Investments	8	<u>116,095</u>	<u>116,095</u>
Current assets			
Debtors	9	354	418
Cash at bank and in hand		<u>136</u>	<u>173</u>
		490	591
Creditors: amounts falling due within one year	10	<u>(21,441)</u>	<u>(24,952)</u>
Net current liabilities		<u>(20,951)</u>	<u>(24,361)</u>
Total assets less current liabilities		<u>95,144</u>	<u>91,734</u>
Net assets		<u>95,144</u>	<u>91,734</u>
Capital and reserves			
Called up share capital	12	2,453	2,453
Share premium account	13	54,530	54,530
Capital reserve	13	32,000	32,000
Profit and loss account	13	<u>6,161</u>	<u>2,751</u>
Total shareholders' funds	14	<u>95,144</u>	<u>91,734</u>

The financial statements on pages 4 to 11 were approved by the Board of Directors on 7 June 2012 and were signed on its behalf by



D White
Director
7 June 2011

WYKO Holdings Limited
Registered number 3776822

Notes to the financial statements for the year ended 31 December 2011**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 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. The UK ultimate parent company, ERIKS UK Holdings Limited, has provided assurances that it will provide such funding as required to enable the Company to meet its financial obligations as they fall due for at least the next twelve months.

Consolidation

The company is a wholly owned subsidiary of SHV Holdings N V, a company incorporated in The Netherlands, and as provided by S400 Companies Act 2006, is exempt from the preparation of group financial statements.

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 assets are recognised to the extent that they are regarded recoverable and that there will be suitable taxable profits from which the future reversal 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.

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.

Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Cash flow statement

The company is a wholly owned subsidiary of SHV Holdings N V 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.

**Notes to the financial statements for the
year ended 31 December 2011 (continued)**

2 Operating loss

	2011 £000	2010 £000
Operating loss is stated after charging / (crediting)		
Services provided by the company's auditor:		
Fees payable for the audit	5	5
Fees payable for other services – tax compliance	11	19
Income from management services provided	<u>(449)</u>	<u>(373)</u>

3 Directors and employees

The average number of persons employed by the company during the year was

	2011 Number	2010 Number
Group directors	<u>1</u>	<u>1</u>
Their aggregate payroll costs were	£000	£000
Wages and salaries	-	394
Social security costs	-	37
Other pension costs	-	-
	<u>-</u>	<u>431</u>
Director's remuneration	£000	£000
Salaries and other benefits	-	394
Highest paid director		
Aggregate emoluments excluding pension contributions	<u>-</u>	<u>52</u>

The Director did not receive any remuneration from the company during the year for his services. No payments have been made to a money purchase pension scheme in respect of any director. The director was a member of the Wyko Group Retirement Benefit Scheme (2010-member), a defined benefit pension scheme. Further information in respect of the pension scheme is given in the financial statements of the fellow subsidiary company, ERIKS Industrial Services Limited.

4 Income from shares in group undertakings

	2011 £000	2010 £000
Dividends received from subsidiary undertakings	<u>9,250</u>	<u>-</u>

5 Interest payable and similar charges

	2011 £000	2010 £000
Interest payable		
on loans from other group undertakings	<u>(914)</u>	<u>(635)</u>

Notes to the financial statements for the year ended 31 December 2011 (continued)

6 Tax credit on profit / (loss) on ordinary activities

	2011 £000	2010 £000
Analysis of charge for the period		
Current tax		
UK corporation tax at 26.5% (2010: 28.0%)	-	-
Adjustments in respect of previous years	(1)	176
Amount payable by other group undertakings in respect of group relief	266	197
Current year tax credit	265	373
Tax credit on profit/(loss) on ordinary activities	265	373

The tax assessed for the year is lower (2010: lower) than the standard effective rate of corporation tax in the UK for the year ended 2011 of 26.5% (2010: 28%). The factors affecting tax credit for the year are:

Profit/(loss) on ordinary activities before tax	8,145	(795)
Profit/(loss) on ordinary activities at the standard rate of corporation tax, 26.5% (2010: 28.0%)	(2,158)	223
Effects of:		
Income not chargeable to tax	2,451	-
Expenses not deductible for tax purposes	(1)	(1)
Short term timing differences	(26)	(25)
Adjustments in respect of previous years	(1)	176
Total current tax credit for the year	265	373

The standard rate of Corporation Tax in the UK changed from 28% to 26% with effect from 1 April 2011. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 26.5%. Deferred tax balances have also been remeasured during the year as a result of the change in the UK main corporation tax rate to 25%, which was substantively enacted on 5 July 2011 and was due to be effective from 1 April 2012.

Additional reductions to the UK corporation tax rate were announced in the March 2012 Budget. The changes, which are expected to be enacted separately each year, propose to further reduce the rate to 24% on 1 April 2012, with a reduction of 1% per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

7 Dividends

	2011 £000	2010 £000
Dividends paid during the year		
Ordinary shares at £2.042 per share (2010: £1.226 per share)	971	583
A Ordinary shares at £2.043 per share (2010: £1.226 per share)	4,029	2,417
	5,000	3,000

**Notes to the financial statements for the
year ended 31 December 2011 (*continued*)**

8 Investments

Investments in subsidiaries

£000

Cost at 1 January 2011 and 31 December 2011

116,095

The directors believe that the carrying value of the investments is supported by their underlying net assets. 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
ERIKS Industrial Services Limited *	Industrial Services	England
Revolvo Limited *	Manufacture of specialist bearings	England
Seals Packings & Gaskets Limited *	Manufacture of gaskets	England
ERIKS Hose Technology Limited *	Manufacture of industrial hoses	England
ERIKS Industrial Services (Ireland) Ltd *	Industrial Services	Ireland
ERIKS s r o *	Industrial Services	Slovakia
ERIKS Industrial Services (Nigeria) Ltd *	Industrial Services	Nigeria

Subsidiaries marked * are held via intermediate holding companies

9 Debtors

	2011 £000	2010 £000
Amounts falling due within one year:		
Amounts owed by other group undertakings	76	32
Corporation tax recoverable	265	373
Called-up share capital not paid	13	13
	354	418

The amounts due from other group undertakings are interest free (2010: free), unsecured and repayable on demand.

10 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to parent company	21,325	24,833
Accruals and deferred income	116	119
	21,441	24,952

The amounts owed to the company's UK parent company accrue interest at 3% per annum (2010: 3%) calculated quarterly in arrears, and are unsecured and repayable on demand.

11 Deferred tax

A deferred tax asset of £9,377,000 calculated at 25% (2010: £10,127,000 at 27%) has not been recognised in respect of accumulated losses, as it is not clear whether these amounts will be utilised in the foreseeable future. There are no other unrecognised deferred tax assets or liabilities as at 31 December 2011 (2010: nil).

**Notes to the financial statements for the
year ended 31 December 2011 (*continued*)**

12 Called up share capital

	Number	£000
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 2010 and 2011	<u>2,447,908</u>	<u>2,448</u>
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 2010 and 2011	<u>54,535,417</u>	<u>5</u>
Total at 31 December 2010 and 2011	<u>56,983,325</u>	<u>2,453</u>

The rights relating to each class of share in issue at 31 December 2011 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,
- iv) the ordinary shares carry one vote per share and the A ordinary shares carry ten votes per share,
- v) The Director considers that in accordance with Financial Reporting Standard (FRS) 25, all issued share capital is equity in nature

Notes to the financial statements for the year ended 31 December 2011 (continued)

13 Reserves

	Share premium account £000	Capital reserve £000	Profit and loss account £000
At 1 January 2011	54,530	32,000	2,751
Profit for the year	-	-	8,410
Dividends paid (note 7)	-	-	(5,000)
At 31 December 2011	54,530	32,000	6,161

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

14 Reconciliation of movements in total shareholders' funds

	2011 £000	2010 £000
Profit/(loss) for the financial year	8,410	(422)
Dividends paid (note 7)	(5,000)	(3,000)
	<u>3,410</u>	<u>(3,422)</u>
Opening total shareholders' funds	91,734	95,156
Closing total shareholders' funds	95,144	91,734

15 Related parties

The company has taken advantage of the exemption, allowed by Financial Reporting Standard No 8, "Related Party Disclosures", not to disclose transactions and balances with related party undertakings which are wholly owned by the Group.

16 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 ultimate parent company and controlling party is SHV Holdings N V, a company registered in the Netherlands.

The financial statements of the company are consolidated within the financial statements of SHV Holdings N V, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of SHV Holdings N V may be obtained from the company at the following address:

SHV Holdings N V
Rijnkade 1
3511 LC Utrecht
The Netherlands