

# **WYKO Holdings Limited**

## **Report and Financial Statements for the year ended 31 December 2009**

**Company Number 3776822**



# **WYKO HOLDINGS LIMITED**

## **Annual Report and Financial Statements for the year ended 31 December 2009**

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**Directors' report  
for the year ended 31 December 2009**

The directors present their Annual Report and audited financial statements of the Company for the year ended 31 December 2009

**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 profit after taxation for the year ended 31 December 2009 was £437,000 (2008 loss £127,000) A dividend on ordinary shares of £7 million (2008 £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 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 accounts 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 nv level The directors of Wyko Holdings Limited manage the Group's operations on a divisional basis For this reason, the company's directors believe 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 directors who served during the year and up to the date of the signing the financial statements, unless otherwise stated, were

W C N Wilson      resigned 28 February 2010

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 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 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

**Directors' report  
for the year ended 31 December 2009 (*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 accordance with Section 418, directors' reports shall include a statement, 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 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**  
**Secretary**  
**16 July 2010**

## **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 2009 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 Directors' Responsibilities Statement 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 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.

### **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 2009 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

19 July 2010.

**Profit and loss account  
for the year ended 31 December 2009**

	Notes	2009 £000	2008 £000
<b>Gross profit</b>		-	-
Selling and distribution costs		5	(9)
Administrative expenses		(295)	(292)
<b>Operating loss</b>	2	(290)	(301)
Investment income	4	1,250	-
Net interest payable	5	(564)	18
<b>Profit / (loss) on ordinary activities before taxation</b>		396	(283)
Tax credit on profit / (loss) on ordinary activities	6	41	156
<b>Profit / (loss) for the financial year</b>	14	437	(127)

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

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## Balance sheet as at 31 December 2009

	Notes	2009 £000	2008 £000
<b>Fixed assets</b>			
Investments	8	<u>116,095</u>	<u>116,095</u>
<b>Current assets</b>			
Debtors	9	84	172
Cash at bank and in hand		<u>187</u>	<u>93</u>
		271	265
<b>Creditors: amounts falling due within one year</b>	10	<u>(21,210)</u>	<u>(14,641)</u>
<b>Net current liabilities</b>		<u>(20,939)</u>	<u>(14,376)</u>
<b>Total assets less current liabilities</b>		<u>95,156</u>	<u>101,719</u>
<b>Net assets</b>		<u>95,156</u>	<u>101,719</u>
<b>Capital and reserves</b>			
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>6,173</u>	<u>12,736</u>
<b>Total shareholders' funds</b>	14	<u>95,156</u>	<u>101,719</u>

The financial statements on pages 4 to 12 were approved by the Board of Directors on 16 July 2010 and were signed on its behalf by



**D White**  
Director

**WYKO Holdings Limited**  
Registered number 3776822

**Notes to the financial statements for the  
year ended 31 December 2009****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.

**Group accounts**

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 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.

**Investments**

Investments in subsidiaries are stated at their original cost less provision for permanent diminution in value.

**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 2009 (continued)**

**2 Operating loss**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Operating loss is stated after charging / (crediting)		
Auditors' remuneration - audit services	5	5
- taxation services	4	4
Income from management services provided	<u>(640)</u>	<u>(812)</u>

**3 Directors and employees**

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

	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>
Group directors	<u>2</u>	<u>2</u>
Their aggregate payroll costs were	<b>£000</b>	<b>£000</b>
Wages and salaries	515	820
Social security costs	99	110
Other pension costs	<u>91</u>	<u>106</u>
	<u>705</u>	<u>1,036</u>

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

	<b>£000</b>	<b>£000</b>
Highest paid director		
Aggregate emoluments excluding pension contributions	<u>353</u>	<u>457</u>

One of the directors was members of the WYKO Group Retirement Benefit Scheme, a defined benefit pension scheme (2008 one) Further information in respect of the pension scheme is given in the accounts of the fellow subsidiary company, ERIKS Industrial services Limited

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

**4 Investment income**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Dividends received from subsidiary undertakings	<u>1,250</u>	<u>-</u>

**5 Net interest payable**

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Interest payable		
on bank loans and overdrafts	-	-
on loans from other Group companies	<u>(564)</u>	<u>(25)</u>
	<u>(564)</u>	<u>(25)</u>
Interest receivable	-	43
	<u>(564)</u>	<u>18</u>

**Notes to the financial statements for the  
year ended 31 December 2009 (continued)**

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

	<b>2009 £000</b>	<b>2008 £000</b>
UK corporation tax at 28.0% (2008: 28.5%)	-	-
Adjustments in respect of previous periods	(17)	112
Amount payable by fellow subsidiaries in respect of group relief	<u>58</u>	<u>44</u>
<b>Current year tax credit</b>	<b>41</b>	<b>156</b>
Deferred taxation		
Origination and reversal of timing differences	-	-
<b>Tax credit on profit / (loss) on ordinary activities</b>	<b>41</b>	<b>156</b>
The tax assessed for the year is lower (2008: higher) than the standard rate of UK corporation tax. The factors affecting tax credit for the year are:		
Profit / (loss) on ordinary activities before tax	<u>396</u>	<u>(283)</u>
Profit / (loss) on ordinary activities at the standard rate of corporation tax, 28.0% (2008: 28.5%)	(111)	80
Effects of:		
Income not chargeable to tax	350	-
Expenses not deductible for tax purposes	(2)	(2)
Creation of tax losses	(173)	-
Short term timing differences	(6)	(34)
Adjustments in respect of previous periods	<u>(17)</u>	<u>112</u>
<b>Current tax credit for the year</b>	<b>41</b>	<b>156</b>

**7 Dividends**

	<b>2009 £000</b>	<b>2008 £000</b>
Dividends paid during the year:		
Ordinary shares at £2.86 per share (2008: £6.13 per share)	1,360	2,914
A Ordinary shares at £2.86 per share (2008: £6.13 per share)	<u>5,640</u>	<u>12,086</u>
	<u>7,000</u>	<u>15,000</u>

**8 Investments**

Investments in subsidiaries	£000
Cost at 1 January 2009 and 31 December 2009	<u>116,095</u>

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

**Notes to the financial statements for the  
year ended 31 December 2009 (continued)**

**8 Investments (continued)**

	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
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
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**

	2009 £000	2008 £000
<b>Amounts due within one year:</b>		
Amounts owed by fellow subsidiary undertakings	26	-
Corporation tax recoverable	41	156
Called-up share capital not paid	13	13
Prepayments and accrued income	4	3
	<u>84</u>	<u>172</u>

**10 Creditors: amounts falling due within one year**

	2009 £000	2008 £000
Amounts owed to parent company	21,139	14,332
Amounts owed to fellow subsidiaries	-	18
Other taxation and social security	2	3
Accruals and deferred income	69	288
	<u>21,210</u>	<u>14,641</u>

The amounts owed to the Company's ultimate UK parent undertaking, ERIKS UK Holdings Ltd, are repayable on demand and bear interest at 3% per annum, calculated quarterly in arrears. The amounts owed to fellow subsidiaries do not bear interest. All of the balances are unsecured.

**11 Deferred taxation**

A deferred tax asset of £10,675,000 calculated at 28% (2008: £10,502,000) 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 2009 (continued)**

**12 Called up share capital**

	Number	£000
<b>Authorised</b>		
Ordinary share capital		
Ordinary shares of £1 each	475,558	476
'A' ordinary shares of £1 each	2,155,630	2,155
<b>At 31 December 2008 and 2009</b>	<b>2,631,188</b>	<b>2,631</b>
Preference share capital		
'A' Preference shares of £0 0001 each	2,500,000	-
'B' Preference shares of £0 0001 each	52,035,417	5
<b>At 31 December 2008 and 2009</b>	<b>54,535,417</b>	<b>5</b>
<b>Total authorised Share capital at 31 December 2008 and 2009</b>	<b>57,166,605</b>	<b>2,636</b>
<b>Allotted, called-up and fully paid</b>		
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
<b>At 31 December 2008 and 2009</b>	<b>2,447,908</b>	<b>2,448</b>
Preference share capital		
'A' Preference shares of £0 0001 each	2,500,000	-
'B' Preference shares of £0 0001 each	52,035,417	5
<b>At 31 December 2008 and 2009</b>	<b>54,535,417</b>	<b>5</b>
<b>Total at 31 December 2008 and 2009</b>	<b>56,983,325</b>	<b>2,453</b>

The rights relating to each class of share in issue at 31 December 2009 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 2009 (continued)**

**12 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

**13 Reserves**

	Share premium account £000	Distributable reserves	
		Capital reserve £000	Profit and loss account £000
At 1 January 2009	54,530	32,000	12,736
Profit for the year	-	-	437
Dividend paid (note 7)	-	-	(7,000)
<b>At 31 December 2009</b>	<b>54,530</b>	<b>32,000</b>	<b>6,173</b>

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 Reconciliation of movements in total shareholders' funds**

	2009 £000	2008 £000
Profit / (loss) for the financial year	437	(127)
Dividend paid (note 7)	(7,000)	(15,000)
	(6,563)	(15,127)
Opening total shareholders' funds	101,719	116,846
<b>Closing total shareholders' funds</b>	<b>95,156</b>	<b>101,719</b>

**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.

**Notes to the financial statements for the  
year ended 31 December 2009 (*continued*)****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

**17 Post balance sheet events**

A number of changes to the UK Corporation Tax system were announced in the 2010 Budget Report which have been enacted in the 2010 Finance Act. The impact of these is not considered to be material to the future tax charge in the UK.

Further changes were announced in the UK Government's Emergency Budget on 22 June 2010. This included a reduction in the main corporation tax rate from the current 28% to 24% comprising a 1% per annum reduction over the course of a four year period commencing from 1 April 2011. In addition, the rates of capital allowances on assets in the main and special pools are expected to fall from 20% to 18% and from 10% to 8% respectively from 1 April 2012. The Directors are in the process of evaluating the impact these changes will have on future tax charges.