

WYKO Holdings Limited

**Annual Report and Financial Statements for the
year ended 31 December 2016**

Company number 3776822



WYKO Holdings Limited

Annual Report and Financial Statements for the year ended 31 December 2016

Contents:

	Page(s)
Strategic report for the year ended 31 December 2016	1
Director's report for the year ended 31 December 2016	2 – 3
Statement of Directors' responsibilities	2 - 3
Independent auditor's report to the members of WYKO Holdings Limited	4
Profit and loss account for the year ended 31 December 2016	5
Statement of comprehensive income for the year ended 31 December 2016	5
Balance sheet as at 31 December 2016	6
Statement of changes in equity	7
Notes to the financial statements for the year ended 31 December 2016	8 - 13

WYKO Holdings Limited

Strategic report for the year ended 31 December 2016

The director presents his Strategic report for the company for the year ended 31 December 2016.

Principal activities

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

Review of the business

The profit for the financial year ended 31 December 2016 was £3,491,000 (2015: £4,104,000). At the year end the company had net assets of £139,495,000 (2015: £138,004,000). The director is satisfied with the performance of the company for the year.

Principal risks and uncertainties

As the company holds several investments, the carrying value of these investments is the principal risk within the entity. Management carry out an annual assessment of carrying values in order to mitigate this risk and regularly consider the impact of group reorganisation projects or transactions. Excluding financial risk considered in Directors' report, at the date of signing the financial statements the director is not aware of any further principal risks and uncertainties affecting the company.

Future outlook

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.

By order of the Board



M R Powell
Company Secretary
21 July 2017

WYKO Holdings Limited

Director's report for the year ended 31 December 2016

The director presents his report and audited financial statements of the company for the year ended 31 December 2016.

Director

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

D White (resigned 4 January 2016)
AMJ Fitchford

Independent auditor

KPMG LLP were appointed as auditor of the Company during 2015 and pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Financial risk management

The principal risk that could potentially affect the company is credit risk, which relates to the loss that the company could incur if an obligor or counterparty defaulted on a loan. However, the Director considers this risk to be minimal as all lending is to affiliate companies under a common ultimate parent (SHV Holdings N.V.). 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.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2015: nil)

Dividends proposed

A dividend on ordinary shares of £2,000,000 (2015: £5,500,000) was authorised by the members in general meeting and was paid during the year.

Statement of director's responsibilities

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

WYKO Holdings Limited

Director's report for the year ended 31 December 2016 *(continued)*

Statement of disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

By order of the Board



M R Powell
Company Secretary
21 July 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYKO HOLDINGS LIMITED.

We have audited the financial statements of WYKO Holdings Limited for the year ended 31 December 2016 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 set out on page 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements.


Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.


Xavier Timmermans (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B5 7PQ

21 July 2017

WYKO Holdings Limited

Profit and loss account for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Administrative Income		-	12
Other operating income		9	8
Operating profit	4	9	20
Income from shares in group undertakings	6	-	500
Interest receivable	7	3,482	3,584
Profit before taxation		3,491	4,104
Tax charge on profit	8	-	-
Profit for the financial year		3,491	4,104

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £000	2015 £000
Profit for the financial year		3,491	4,104
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,491	4,104

The above results all relate to continuing operations.

WYKO Holdings Limited

Balance sheet as at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	10	21,721	21,721
Current assets			
Debtors: amounts falling due within one year	11	115,374	113,894
Debtors: amounts falling due after more than one year	11	2,400	2,400
Cash at bank and in hand		-	-
		117,774	116,294
Creditors: amounts falling due within one year	12	-	(11)
Net current assets		117,774	116,283
Net assets		139,495	138,004
Capital and reserves			
Called up share capital	14	2,453	2,453
Share premium account		54,530	54,530
Capital reserve		32,000	32,000
Profit and loss account		50,512	49,021
Total shareholders' funds		139,495	138,004

Notes on the pages 8 to 13 form part of the financial statements

The financial statements on pages 5 to 13 were approved by director on date 21 July 2017 and were signed on its behalf by:

AMJ 

AMJ Fitchford
Director
21 July 2017

WYKO Holdings Limited
Registered number 3776822

WYKO Holdings Limited

Statement of changes in equity

	Notes	Called-up share capital £000	Share Premium £000	Capital Reserve £000	Retained earnings £000	Total £000
Balance at 1 January 2015		2,453	54,530	32,000	50,417	139,400
Profit for the year		-	-	-	4,104	4,104
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	4,104	4,104
Dividends	9	-	-	-	(5,500)	(5,500)
Balance at 31 December 2015		2,453	54,530	32,000	49,021	138,004
Balance at 1 January 2016		2,453	54,530	32,000	49,021	138,004
Profit for the year		-	-	-	3,491	3,491
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	3,491	3,491
Dividends	9	-	-	-	(2,000)	(2,000)
Balance at 31 December 2016		2,453	54,530	32,000	50,512	139,495

WYKO Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

1 General information

WYKO Holdings Limited holds investments and provides management services to other members of the ERIKS UK group.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Amber Way, Halesowen West Midlands, B62 8WG.

2 Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention.

Going Concern

The company meets its day-to-day working capital requirements via its cash pooling arrangements with its fellow ERIKS UK subsidiary companies. The UK cash pool is headed by the ultimate UK holding company ERIKS UK Holdings Limited which is financed by two long-term group loans arranged with the group's ultimate holding company SHV Holdings NV and an additional on-demand facility with ERIKS NV. The company's forecasts and projections, taking account of a range of possible trading performances, show that the company should be able to operate within the level of currently available facility. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements.

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.

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. Deferred tax is measured on a non-discounted basis.

WYKO Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

3 Principal accounting policies (continued)

Foreign currencies

The company's functional and presentation currency is the pound sterling.

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.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest payable and receivable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

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's ultimate parent undertaking, SHV Holdings NV, includes the Company in its consolidated financial statements. The consolidated financial statements of SHV Holdings NV are prepared in accordance with Dutch Generally Accepted Accounting Principle and are available to the public and may be obtained from its registered office (note 17).

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and as the consolidated financial statements of SHV Holdings NV include the equivalent disclosures, the Company has applied the exemptions available under FRS 102 and has not prepared a cash flow statement.

Dividends

Dividends are recognised as a liability in the financial year in which they are approved or committed. These amounts are recognised in the statement of changes in equity.

4 Operating profit / (loss)

	2016	2015
	£000	£000
Operating profit / (loss) is stated after charging / (crediting):		
Audit fees payable to the company's auditor	6	6
Income from management services provided (included in 'Other operating income')	(9)	(8)

Included within fees paid for the audit of the financial statements is £2,000 (2015: £2,000) relating to the audit fee of fellow subsidiary and other group companies.

5 Directors and employees

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

	2016	2015
	Number	Number
Group director	1	1

The Directors 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. No directors were a member of the Wyko Group Retirement Benefit Scheme (2015 - one director), 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.

WYKO Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

6 Income from shares in group undertakings

	2016 £000	2015 £000
Dividends received from subsidiary undertakings	-	500

7 Interest receivable

	2016 £000	2015 £000
Interest receivable and similar income		
Interest on loans to ultimate UK parent company	3,482	3,569
Bank interest received	-	15
	3,482	3,584

8 Tax charge on profit

	2016 £000	2015 £000
Analysis of charge for the year:		
Current tax:		
UK corporation tax at 20.00% (2015: 20.25%)	-	-
Amount payable by other group undertakings in respect of group relief	-	-
Current year tax credit	-	-
Deferred taxation	-	-
Origination and reversal of timing differences (note 13)	-	-
Tax charge on profit	-	-

The tax assessed for the year is lower (2015: lower) than the standard effective rate of corporation tax in the UK for the year ended 2016 of 20.00% (2015: 20.25%). The factors affecting tax credit for the year are:

	2016 £000	2015 £000
Profit on before tax	3,491	4,104
Profit before tax at the standard rate of corporation tax, 20.00% (2015: 20.25%)	(698)	(831)
Effects of:		
Income not subject to tax	-	101
Tax rate changes	(157)	(270)
Utilisation of tax losses	854	1,000
Transfer pricing adjustments	1	-
Total tax charge for the year	-	-

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax assets and liabilities at 31 December 2016 have been calculated based on these rates.

9 Dividends

	2016 £000	2015 £000
Dividends paid during the year:		
Ordinary shares at £0.817 per share (2015: £2.247 per share)	389	1,068
A Ordinary shares at £0.817 per share (2015: £2.247 per share)	1,611	4,432
	2,000	5,500

WYKO Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

10 Investments

Investments in subsidiaries	£000
Cost and net book value at 31 December 2015 and 31 December 2016	21,721

The director believes that the carrying value of the investments is supported by their underlying net assets. A full list of the company's subsidiary and related undertakings is given in note 18.

11 Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Amounts owed by parent company	115,361	113,880
Amounts owed by other group undertakings	-	1
Called-up share capital not paid	13	13
	<u>115,374</u>	<u>113,894</u>
Amounts falling due after more than one year:		
Deferred taxation (note 13)	2,400	2,400
	<u>117,774</u>	<u>116,294</u>

The amounts owed by the company's UK parent company accrue interest at an average rate of 3.05% per annum calculated quarterly in arrears (2015: 3.07%), are unsecured and repayable on demand. The amounts owed by other group undertakings are interest free (2015: free), unsecured and repayable on demand.

12 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Accruals and deferred income	-	11
	<u>-</u>	<u>11</u>

13 Deferred tax

Deferred taxation	£000
At 1 January 2016	-
Transfer from debtors	2,400
Charge to profit and loss account	-
	<u>2,400</u>
Transfer to debtors (note 11)	(2,400)
At 31 December 2016	<u>-</u>

Full provision has been made for deferred taxation at 17% reflecting the expected timing of the reversal of the balance (2015: 18%) in respect of:

	2016 £000	2015 £000
Accumulated losses	<u>2,400</u>	<u>2,400</u>

A deferred tax asset of £1,891,000 calculated at 17% (2015: £2,771,000 at 18%) has not been recognised in respect of accumulated losses, as it is not clear when these amounts will be utilised in the foreseeable future. There are no other unrecognised deferred tax assets or liabilities as at 31 December 2016 (2015: nil).

WYKO Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

14 Called up share capital

	Number	£000
Allotted 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 2015 and 2016	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 2015 and 2016	54,535,417	5
Total at 31 December 2015 and 2016	56,983,325	2,453

The rights relating to each class of share in issue at 31 December 2016 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 FRS 102 section 22, all issued share capital is equity in nature.

15 Financial Instruments

The company has the following financial instruments:

	Notes	2016 £000	2015 £000
Financial assets valued through profit or loss		-	-
Financial assets that are debt instruments measured at amortised cost			
- Loans to ultimate UK parent company	11	115,361	113,880
- Amounts owed by fellow subsidiary undertakings	11	-	1
- Called-up share capital not paid	11	13	13
		115,374	113,894
Financial liabilities measured at fair value through profit or loss		-	-
Financial liabilities measured at amortised cost		-	-

WYKO Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (*continued*)

16 Related parties

The company has taken advantage of the exemption, allowed by paragraph 33.1A of FRS 102, not to disclose transactions and balances with related party undertakings which are wholly owned by the Group.

17 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 largest group in which the results of the Company are consolidated is that headed by SHV Holdings N.V. 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

The smallest group in which they are consolidated is that headed by ERIKS N.V, incorporated in The Netherlands.

Copies of the financial statements of ERIKS N.V. may be obtained from the company at the following address:

ERIKS N.V
P.O. Box 19108
3501 DC Utrecht
The Netherlands

18 Subsidiaries and related undertakings

The company had the following subsidiary and related undertakings at 31 December 2016 (all interests are 100% unless otherwise stated):

<u>Company</u>	<u>Activity</u>	<u>Country of incorporation</u>
WYKO Investments Limited	Holding Company	England
Lilleshall Limited *	Holding Company	England
Abberplace Limited *	Dormant	England
Ball Valves UK Limited *	Dormant	England
Brymill Limited *	Dormant	England
Crystalware Products Limited *	Dormant	England
Econosto UK Limited *	Dormant	England
Lilleshall Building products Limited *	Non-trading	England
Lilleshall International Holdings Limited *	Holding Company	England
Lilleshall Pension Trustees Limited *	Dormant	England

Subsidiaries and related undertakings marked * are held via intermediate holding companies.

All of the above subsidiaries are registered at the following address: Amber Way, Halesowen, West Midlands, B62 8WG.