

Registered No. 05381812

## **GoIndustry Dovebid Limited**

### **Report and Financial Statements**

30 September 2016



## **Company information**

### **Directors**

W P Angrick III  
G H Dudley  
E M H Maxted

### **Secretary**

O Powell

### **Auditors**

Ernst & Young LLP  
400 Capability Green  
Luton  
Bedfordshire LU1 3LU

### **Bankers**

Barclays Bank PLC  
Hatton Garden Business Centre  
99 Hatton Garden  
London EC1N 8DN

### **Registered Office**

Suite 107  
First Floor  
1 Alie Street  
London  
E1 8DE

## Strategic report

### Principal activities and review of the business

The company is a wholly owned subsidiary of Liquidity Services Inc. (LQDT) and operates as a holding company.

### Future developments

The company will continue to invest in its subsidiaries and look for future investments that will provide benefits for the company's shareholders

### Transition to FRS 102

During the year, the company transitioned from previously extant UK GAAP to FRS 102 and has taken advantage of the disclosure exemptions allowed under this standard. The company's ultimate parent undertaking, Liquidity Services Inc., was notified of and did not object to the use of FRS 102. The impact on the adoption of FRS 102 are explained in note 11.

### Principal risks and uncertainties

The company is a wholly owned subsidiary of Liquidity Services Inc. and as such the principal risks and uncertainties of the entity relate to the recoverability of loans to subsidiaries and the investment carrying value in those subsidiaries. The company manages this risk through guarantees of intercompany amounts from the ultimate parent company and the close monitoring of the performance and strategy of subsidiaries.

### Going concern

The company holds a letter of support from Liquidity Services Inc., which commits its continuing assistance to settle third party liabilities as they fall due and not seek repayment of amounts due to them through a loan given there are no available funds to settle this balance. Such support is in place for at least a period of 12 months from the approval of these financial statements and accordingly the directors have prepared the financial statements on a going concern basis.

By order of the Board



EMH Maxted  
Director

Date: 28/6/17

Registered No. 05381812

## Directors' report

The directors present their report and financial statements for the year ended 30 September 2016.

### Results and dividends

The loss for the year after taxation amounted to £2,222,000 (2015: £894,000 profit). The directors do not recommend a final dividend (2015 – £nil).

### Directors

The directors who served the company during the year were as follows:

W P Angrick III  
G H Dudley  
E M H Maxted (appointed 16 September 2016)  
C B Walsh (resigned 21 March 2016)


### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



EMH Maxted  
Director

Date: 28/11/17

## Statement of directors' 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditors' report**

## **to the members of GoIndustry Dovebid Limited**

We have audited the financial statements of GoIndustry Dovebid Limited for the year ended 30 September 2016 which comprise Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity and the related notes 1 to 12. 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), 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 4, 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**

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent auditors' report (continued)**  
to the members of GoIndustry Dovebid Limited

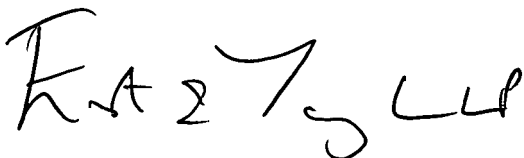
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and 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.



Fraser Bull (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Luton  
Date:

29 June 2017

## Statement of comprehensive income

for the year ended 30 September 2016

|  | Notes | 2016<br>£'000 | 2015<br>£'000 |
|--|-------|---------------|---------------|
| Administrative expenses  |       | -             | (148)         |
| Exceptional item – (impairment)/waiver of intercompany receivable          |       | (1,376)       | 1,042         |
| <b>Operating (loss)/profit</b>   | 2     | (1,376)       | 894           |
| Interest payable and similar charges                                       | 4     | (846)         | -             |
| <b>(Loss)/Profit on ordinary activities before taxation</b>                |       | (2,222)       | 894           |
| Tax  | 5     | -             | -             |
| <b>(Loss)/Profit for the financial year and total comprehensive income</b> |       | (2,222)       | 894           |

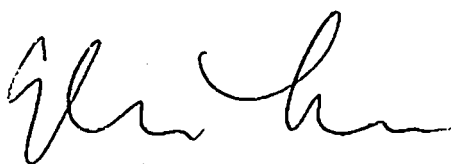


**Balance sheet**

at 30 September 2016

|   | Notes | 2016<br>£'000   | 2015<br>£'000   |
|---|-------|-----------------|-----------------|
| <b>Fixed assets</b>                                   |       |                 |                 |
| Investments   | 6     | -               | -               |
|   |       | <u>-</u>        | <u>-</u>        |
| <b>Current assets</b>                                 |       |                 |                 |
| Debtors   | 7     | 1               | -               |
|   |       | <u>1</u>        | <u>-</u>        |
| <b>Creditors: amounts falling due within one year</b> | 8     | (14,299)        | (12,076)        |
|   |       | <u>(14,298)</u> | <u>(12,076)</u> |
| <b>Net current liabilities</b>                        |       | <u>(14,298)</u> | <u>(12,076)</u> |
| <b>Net Liabilities</b>                                |       | <u>(14,298)</u> | <u>(12,076)</u> |
| <b>Capital and reserves</b>                           |       |                 |                 |
| Called up share capital                               | 9     | 100             | 100             |
| Share premium   |       | 23,105          | 23,105          |
| Profit and loss account                               |       | (86,650)        | (84,428)        |
| Capital redemption reserve                            |       | 28,609          | 28,609          |
| Other reserves  |       | 20,538          | 20,538          |
|   |       | <u>(14,298)</u> | <u>(12,076)</u> |
| <b>Shareholders deficit</b>                           |       | <u>(14,298)</u> | <u>(12,076)</u> |

The financial statements were approved by the Board on 28 June 2017 and signed on its behalf by



EMH Maxted

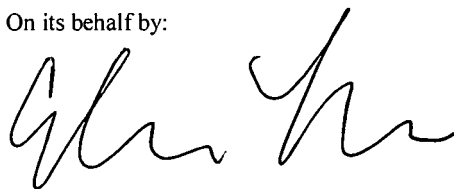
Director

## Statement of Changes in Equity

at 30 September 2016

|  | Called<br>up<br>capital<br>£000 | Share<br>premium<br>£000 | Capital<br>redemption<br>reserve<br>£000 | Other<br>Reserves<br>£000 | Profit and<br>loss account<br>£000 | Total<br>Equity<br>£000 |
|--|---------------------------------|--------------------------|--|---------------------------|------------------------------------|-------------------------|
| At 1 October 2014                                  | 100                             | 23,105                   | 28,609                                   | 20,538                    | (85,322)                           | (12,970)                |
| Profit for the year and total comprehensive income | -                               | -                        | -  | -                         | 894                                | 894                     |
| Equity dividends paid                              | -                               | -                        | -  | -                         | -                                  | -                       |
| <b>At 1 October 2015</b>                           | <b>100</b>                      | <b>23,105</b>            | <b>28,609</b>                            | <b>20,538</b>             | <b>(84,428)</b>                    | <b>(12,076)</b>         |
| Loss for the year and total comprehensive income   | -                               | -                        | -  | -                         | (2,222)                            | (2,222)                 |
| Equity dividends paid                              | -                               | -                        | -  | -                         | -                                  | -                       |
| <b>At 30 September 2016</b>                        | <b>100</b>                      | <b>23,105</b>            | <b>28,609</b>                            | <b>20,538</b>             | <b>(86,650)</b>                    | <b>(14,298)</b>         |

The financial statements were approved by the Board of Directors on 28 June 2017 and signed  
On its behalf by:



EMH Maxted  
Director

## Notes to the financial statements

at 30 September 2016

### 1. Accounting policies

#### General information

GoIndustry Dovebid Limited is a limited liability company incorporated in England. The registered office address is Suite 107, First Floor, 1 Alie Street, London, E1 8DE.

#### Statement of compliance

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 30 September 2016.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 October 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

#### Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in this note. The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards under FRS 102, which was a change to the prior year where the financial statements were prepared under extant UK GAAP.

#### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. GoIndustry Dovebid Limited is a qualifying entity as its results are consolidated into the financial statements of Liquidity Services Inc, a United States listed Company incorporated in United States and whose financial statements are publicly available.

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions for qualifying entities, such as:

- the requirements of Section 7 with regards preparation of a cash flow statement
- the requirements of Section 33, with regards disclosure of related party transactions with and between wholly-owned subsidiaries
- certain requirements of Section 11, with regards disclosures relating to financial instruments

#### Going concern

The company holds a letter of support from Liquidity Services Inc., which commits its continuing assistance to settle third party liabilities as they fall due and not seek repayment of amounts due to them given there are no available funds to settle the £14,299,000 balance owed. Given the support provided the Directors have prepared the financial statements on a going concern basis.

## Notes to the financial statements

at 30 September 2016

### **Group financial statements**

The company is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. Accordingly, these financial statements present the results and financial position of the company and not of its group.

### **Statement of cash flows**

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows.

### **Goodwill**

Goodwill is the difference between the cost of an acquired business and the aggregate of the fair value of that business' identifiable assets and liabilities.

Purchased goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **Foreign currencies**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Exchange differences are taken to the profit and loss account.

### **Leasing and hire purchase commitments**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight-line basis.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

### **Critical accounting judgements and key sources of estimation uncertainty**

#### **Impairment of investments**

The company considers whether investments in subsidiary undertakings are impaired. Where an indication of impairment is identified the estimation of recoverable value requires an assessment of the recoverable value of cash generating units (CGUs), which in turn requires assumptions to be made about the future cash flows from the CGUs and the appropriate discount rates in order to calculate the net present value of those cash flows. This is the only critical accounting judgement in the opinion of the directors.

## Notes to the financial statements

at 30 September 2016

### 2. Operating loss

This is stated after charging:

|   | 2016<br>£'000 | 2015<br>£'000 |
|---|---------------|---------------|
| Auditors' remuneration – audit services | -             | 2             |

The audit fee for the year ended 30<sup>th</sup> September 2016 has been borne by Liquidity Services UK Limited

### 3. Directors' remuneration

There was no remuneration paid to directors in the current or previous year.

### 4. Interest payable and similar charges

|                               | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------|---------------|---------------|
| Intercompany interest payable | 846           | -             |

### 5. Tax

The charge for corporation tax used in these accounts has been calculated at the rate of 19.5% (2015: 20.5%)

#### (a) Tax on profit/(loss) on ordinary activities

There was no tax charge in the current or previous year. Or any movement in recognised deferred tax balance.

#### (b) Factors affecting the current tax for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.5% (2015 – 20.5%). The differences are explained below:

## Notes to the financial statements

at 30 September 2016

### 5. Tax (continued)

|  | 2016<br>£'000 | 2015<br>£'000 |
|--|---------------|---------------|
| Profit/(Loss) on ordinary activities before tax  | (2,222)       | 894           |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2015 – 20.5%) | (433)         | 183           |
| <i>Effects of:</i>   |               |               |
| Expenses not deductible for tax purposes   | 433           | (183)         |
| Depreciation in excess of capital allowances   | -             | -             |
| Group relief claim   | -             | -             |
| Tax losses carried forward   | -             | -             |
| Current tax for the year   | -             | -             |

#### (c) Deferred tax

No deferred tax asset has been recognised in respect of trading losses as the directors cannot foresee with sufficient certainty the period over which these differences are expected to be utilised

#### (d) Factors that may affect future tax charges.

In his budget of 2015, the Chancellor of the Exchequer proposed a decrease in the rate of main UK corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. These rates were substantively enacted on 26 October 2015 and, in accordance with accounting standards, has been reflected in the company's financial statements in the current year. In March 2016, a further decrease in the rate to 17% from 1 April 2020 was announced, however this change was not substantively enacted until after the balance sheet date.

## Notes to the financial statements

at 30 September 2016

### 6. Investments

|                      | <i>Subsidiary<br/>undertakings<br/>£'000</i> |
|----------------------|--|
| Cost:                |  |
| At 1 October 2015    | 21,959                                       |
| Additions            | —  |
| At 30 September 2016 | <u>21,959</u>                                |
| Impairment:          |  |
| At 1 October 2015    | 21,959                                       |
| Charge for the year  | —  |
| At 30 September 2016 | <u>21,959</u>                                |
| Net book value:      |  |
| At 30 September 2016 | <u>—</u>                                     |
| At 1 October 2015    | <u>—</u>                                     |

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows (\* denotes held indirectly)

| Name of company               | Country | Holding         | Proportion of<br>voting rights and<br>shares held | Nature of Business       |
|-------------------------------|---------|-----------------|---|--------------------------|
| GoIndustry AG                 | Germany | Ordinary shares | 100%  | Asset sales and services |
| Liquidity Services France SAS | France  | Ordinary shares | 100%*   | Asset sales and services |

### 7. Debtors

|                                | <i>2016<br/>£'000</i> | <i>2015<br/>£'000</i> |
|--------------------------------|-----------------------|-----------------------|
| Prepayments and accrued income | <u>1</u>              | <u>—</u>              |
|                                | <u>1</u>              | <u>—</u>              |

## Notes to the financial statements

at 30 September 2016

### 8. Creditors: amounts falling due within one year

|                                       | 2016<br>£'000 | 2015<br>£'000 |
|---------------------------------------|---------------|---------------|
| Trade creditors                       | 1             | 7             |
| Amounts owed to group undertakings    | 14,253        | 11,929        |
| Other taxes and social security costs | 7             | 7             |
| Accruals                              | 38            | 133           |
|                                       | <u>14,299</u> | <u>12,076</u> |

### 9. Issued share capital

|   | 2016<br>£'000 | 2015<br>£'000 |
|---|---------------|---------------|
| <i>Allotted, called up and fully paid</i> |               |               |
| 9,993,923 Ordinary shares of 1p each      | <u>100</u>    | <u>100</u>    |

### 10. Related party transactions

The company has taken advantage of the exemption under FRS 8 'Related Party Transactions' not to disclose transactions with other group companies that are 100% owned by the ultimate parent undertaking.



## **Notes to the financial statements**

**at 30 September 2016**

### **11. Transition to FRS 102**

For all periods up to and including the year ended 30 September 2015, the company prepared its financial statements in accordance with previously extant United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements, for the year ended 30 September 2016, are the first the company has prepared in accordance with FRS 102.

Accordingly, the company has prepared financial statements which comply with FRS 102 applicable for periods beginning on or after 1 October 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

As a result of adoption the directors have identified no adjustments to be required to the balance sheet at 1 October 2014 or 30 September 2016 or to the Income Statement for the year ended 30 September 2015 and accordingly the tables reconciling the re-stated figures are not required.

### **12. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking is Liquidity Services Inc., a company registered in the United States of America. The largest and smallest group in which the results of the company are group is that headed by Liquidity Services Inc. and copies of its group financial statements are available from 1920 L Street NW, 6th Floor, Washington DC, United States of America.

The controlling party is W P Angrick III.