

GoIndustry Dovebid Limited

Report and Financial Statements

Year ended 30 September 2013



Registered number: 5381812

Administrative Details

Directors

W P Angrick III
T Burton
C Walsh

Secretary

O Powell

Auditor

Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

Bankers

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

Registered office

Suite 107
1st 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 stakeholders.

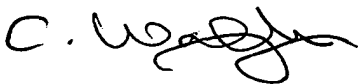
Principal risks and uncertainties

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 in the event 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



C Walsh

Director

Date: 21 August 2014

Directors' report

The directors present their report and audited financial statements for the year ended 30 September 2013.

Results and dividends

The loss for the year after taxation amounted to £10,460,000 (2012: £36,605,000 loss). The directors do not recommend the payment of a dividend (2012: £Nil).

Directors

The directors who served during the period and subsequently were:

W P Angrick III

T Burton

H Schwarz (resigned 20 August 2014)

C Walsh (appointed 28 January 2014)

Disclosure of information to the auditor

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, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

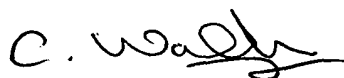
Small Company exemption

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution to appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



C. Walsh

Director

Date: 21 August 2014

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 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 Auditor's report to the members of GoIndustry Dovebid Limited

We have audited the financial statements of GoIndustry Dovebid Limited for the year ended 30 September 2013 which comprises the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 16. 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).

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 Strategic Report and Director's 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 30 September 2013 and of its loss for the period 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.

Independent Auditor's report to the members of GoIndustry Dovebid Limited (continued)

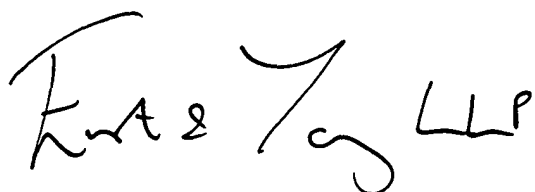
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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:

21 August 2014

Profit and Loss account for the year ended 30 September 2013

		Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
	Note		
Turnover		-	438
Cost of sales		-	-
Gross Profit		-	438
Administrative expenses		17	(2,692)
Exceptional item - impairment of investments	8	-	(21,959)
Exceptional item - impairment of intercompany receivable		(10,477)	(12,278)
Other operating income		-	-
Operating loss	2	(10,460)	(36,491)
Exceptionals		-	-
Loss on ordinary activities before interest		(10,460)	(36,491)
Interest payable	5	-	(164)
Interest receivable	6	-	50
Loss on ordinary activities before taxation		(10,460)	(36,605)
Tax on loss on ordinary activities	7	-	-
Loss for the financial period	14	(10,460)	(36,605)

All amounts derive from continuing activities.

Statement of total recognised gains and losses

There were no recognised gains or losses other than the loss attributable to shareholders of the company of £10,460,000 in the year ended 30 September 2013 and loss of £36,605,000 in the 9 month period ended 30 September 2012.

The accompanying notes form an integral part of these financial statements.

Balance Sheet as at 30 September 2013

	Notes	30 September 2013 £000	30 September 2012 £000
Fixed assets			
Loans to Group Companies		-	-
Investments	8	-	-
		-	-
Current assets			
Debtors	9	6	218
Cash at bank and in hand	10	5	128
		11	346
Creditors - Amounts falling due within one year	11	(18,772)	(8,647)
Net current liabilities		(18,761)	(8,301)
Total assets less net current liabilities		(18,761)	(8,301)
Net liabilities		(18,761)	(8,301)
Capital and reserves			
Share Capital	12	100	100
Share Premium	13	23,105	23,105
P&L Account	14	(91,113)	(80,653)
Capital redemption reserve	14	28,609	28,609
Other reserves	14	20,538	20,538
Equity shareholders' deficit	14	(18,761)	(8,301)

The financial statements were approved and authorised for issue by the board on 21 August 2014 and were signed on its behalf by:



C Walsh
Director

Notes to the financial statements

1. Accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies are set out below.

Group financial statements

The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006 as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Liquidity Services, Inc., a company incorporated in the USA. As such the financial statements present the information about the company as an individual undertaking and not about its group.

Revenue recognition

The primary business of the company is the provision of management and support services to other companies that formerly comprised the GoIndustry-Dovebid Group and income is derived by the fair value recharge of costs for the provision of these services to those companies.

Cash flow statement

The company has taken advantage of the exemption available under FRS 1 not to prepare a cash flow statement as it is a wholly owned subsidiary of another company whose consolidated financial statements, in which the company is included, are publicly available.

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 have occurred that will result in an obligation to pay more, or a right to pay less tax. 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 recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Going concern

The company holds a 'letter of support' from Liquidity Services Inc., which commits its continuing assistance to settle 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. Given the support provided the directors have prepared the financial statements on a going concern basis.

Interest payable

Interest payable comprises the interest payable on intercompany borrowings. Interest is recognised as it accrues over the period.

Notes to the financial statements

1. Accounting policies continued

Fixed asset investments

Fixed asset investments are carried at cost. Their carrying values are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Cash at bank and in hand

Cash at bank and in hand includes deposits held at call with banks and monies held under guarantee.

2. Operating Loss

Year ended 30 September 2013	9 months ended 30 September 2012
£000	£000

Operating loss is stated after charging/(crediting):

Auditor's remuneration - audit of the company's financial statements and tax services	21	20
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3. Directors' emoluments

Year ended 30 September 2013	9 months ended 30 September 2012
£000	£000

Emoluments	-	336
Compensation for loss of office	-	549
Company contributions paid to defined contribution pension schemes	-	23
	-	908

Year ended 30 September 2013	9 months ended 30 September 2012
No.	No.

Members of defined contribution pension schemes	-	2
Members of defined benefit pension schemes	-	-

The average weekly number of persons (excluding executive directors) employed by the company during the year was nil (2012: 2). The directors received no remuneration or other emoluments for their services to the company during the year.

Year ended 30 September 2013	9 months ended 30 September 2012
£000	£000

The amounts in respect of the highest paid director are as follows:

Emoluments	-	144
Compensation for loss of office	-	336
Company contributions paid to defined contribution pension schemes	-	10
	-	490

Notes to the financial statements

4. Staff costs

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Wages and salaries	-	873
Social security costs	-	82
Other pension costs	-	23
	-	978

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

	Year ended 30 September 2013 No.	9 months ended 30 September 2012 No.
Administration	-	4
	-	4

5. Interest payable

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Interest payable:		
Bank loans	-	(150)
Loans from fellow subsidiaries	-	(14)
	-	(164)

6. Interest receivable

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Interest receivable:		
Loans to fellow subsidiaries	-	50

Notes to the financial statements

7. Taxation

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Loss on ordinary activities before tax	(10,460)	(36,605)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2012: 26.5%)	(2,458)	(9,700)
Effects of:		
Expenses not deductible for tax purposes	2,454	9,072
Other timing differences	4	628
Current tax charge for the year	-	-

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Current tax charge for the period	-	-
Deferred tax charge for the period	-	-
Total tax charge for the period	-	-

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.

Notes to the financial statements

8. Investments

	Total £000
COST	
At 1st October 2012 and 30th September 2013	21,959
Impairment	
At 1st October 2012	(21,959)
Impairment in year	-
At 30th September 2013	(21,959)
At 30th September 2013	-
At 30th September 2012	-

The following are the subsidiary undertakings of the company:

Company	Country of Incorporation	Class of shares held	% class held	Activity
GoIndustry AG	Germany	Ordinary	100	Asset sales and services
AT Inc.	USA	Ordinary	100	Holding Company
GoIndustry Dovebid Inc.	USA	Ordinary	100*	Dormant
GoIndustry SAS	France	Ordinary	100*	Dormant
GoIndustry Polska Spoilka z.o.o.	Poland	Ordinary	100*	Dormant
GoIndustry Dovebid (Nordic) AB	Sweden	Ordinary	100	Dormant

Indirect holding *

9. Debtors

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Intercompany receivable	-	-
Prepayments and accrued income	6	218
	6	218

Notes to the financial statements

10. Cash at bank and in hand

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Own cash at bank and in hand	5	128
	5	128

11. Creditors - Amounts falling due within one year

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
Trade creditors	2	-
Amounts due to group undertakings	18,669	8,348
Other taxes and social security costs	7	7
Accruals	94	292
	18,772	8,647

12. Share Capital

Allotted, called up and fully paid

	Year ended 30 September 2013 £000	9 months ended 30 September 2012 £000
9,993,923 ordinary shares of 1p each (2012: 9,993,923)	100	100
	100	100

13. Share Capital and Share Premium

	Share Capital £000	Share Premium £000
At 1 October 2012	100	23,105
Shares issued	-	-
At 30 September 2013	100	23,105

Notes to the financial statements

14. Movements in share capital and reserves

	Share Capital £000	Share Premium £000	P&L Account £000	Capital redemption reserve £000	Other Reserves £000	Total £000
At 1 January 2012	98	22,983	(44,048)	28,609	20,538	28,180
Loss for the period	-	-	(36,605)	-	-	(36,605)
Share issue	2	122	-	-	-	124
At 30 September 2012	100	23,105	(80,653)	28,609	20,538	(8,301)
Loss for the year	-	-	(10,460)	-	-	(10,460)
At 30 September 2013	100	23,105	(91,113)	28,609	20,538	(18,761)

15. Ultimate parent undertaking

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.

16. Related Party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other wholly owned members of the Liquidity Services, Inc. Group.