

**Volvox Group Limited**

**Directors' report and financial statements**

**For the year ended 30 September 2012**

**Registered number 5394180**

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## Contents

	Page
Company information	1
Directors' report	2
Report of the independent auditor	4
Profit and loss account	5
The primary source of income during the period was dividends received from its subsidiary undertakings	6
Notes to the financial statements	7

## **Company information**

### **Directors**

J M Hall  
I A Pollitt (appointed 4 November 2011, resigned 29 June 2012)  
A F Welham (resigned 4 November 2011)  
K Pacey (resigned 4 November 2011)  
C Wilkinson (resigned 4 November 2011)  
K N Hawkins (appointed 3 July 2012)

### **Registered office**

Volvox House  
Gelderd Road  
Leeds  
LS12 6NA

### **Auditor**

KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

## Directors' report

The directors present their report and the financial statements for the year ended 30 September 2012

### Principal activity

The Company's principal activity during the year was that of a holding company

### Business Review

The primary source of income during the period was dividends received from its subsidiary undertakings  
Income was distributed via dividend to Volvox Leeds Limited

Full details of the results are shown in the profit and loss account on page 5

On 4 November 2011 the whole of the issued share capital of Volvox Group Limited was acquired by Volvox Leeds Limited (formerly Venus Bidco Limited) and consequently from that date the ultimate parent company of the Company became Volvox Group (Leeds) Limited (formerly Venus Topco Limited)

### Dividends

During the year the Company paid an interim dividend of £6.50 per £1 'A' ordinary share (2011: £nil)

### Directors

The directors who served during the year were

J M Hall  
I A Pollitt (appointed 4 November 2011, resigned 29 June 2012)  
A F Welham (resigned 4 November 2011)  
K Pacey (resigned 4 November 2011)  
C Wilkinson (resigned 4 November 2011)  
K N Hawkins (appointed 3 July 2012)

### Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements

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 Accounting Standards and applicable law, (United Kingdom Generally Accepted Accounting Practice). 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 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, 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.

### Related party disclosures

The Company has taken advantage of the dispensation within FRS8 not to disclose transactions with other group companies (other than turnover) and investees of the group qualifying as related parties on the grounds that 100% of the voting rights are controlled by Volvox Group (Leeds) Limited which includes the Company in its own published consolidated financial statements.

The Company is a member of a Group controlled by Elysian Capital I LP, on the basis that it holds a controlling interest in the voting rights of the share capital in Volvox Group (Leeds) Limited (formerly Venus Topco Limited).

## Directors' report *(continued)*

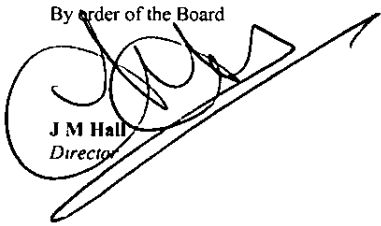
### Disclosure of information to the auditor

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

### Auditor

Pursuant to section 487 of the Companies Act 2006 (the "Act"), the auditor will be deemed to be re-appointed annually by the Company and KPMG LLP will therefore continue in office until further notice

By order of the Board



J M Hall  
Director

19 December 2012



KPMG LLP  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
United Kingdom

## **Independent auditor's report to the members of Volvox Group Limited**

We have audited the financial statements of Volvox Group Limited for the year ended 30 September 2012 set out on pages 5 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).

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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit on the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs at 30 September 2012 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.

**Johnathan Pass (Senior Statutory Auditor)**  
for and behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

21 December 2012

**Profit and loss account**  
*for the year ended 30 September 2012*

	Note	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Operating costs	2	(18)	(393)
<b>Loss on ordinary activities before interest</b>		<b>(18)</b>	<b>(393)</b>
Investment income	5	1,219	418
Interest receivable	6	4	12
Interest payable	7	(3)	-
<b>Profit on ordinary activities before taxation</b>		<b>1,202</b>	<b>36</b>
Tax on profit on ordinary activities	8	(98)	97
<b>Profit for the financial year</b>		<b>1,104</b>	<b>134</b>

The notes to the financial statements on pages 7 to 12 form an integral part of these financial statements

**Recognised gains and losses**

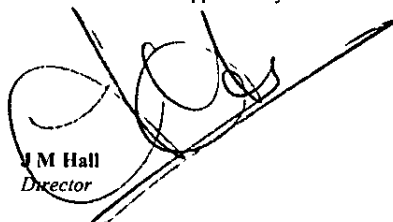
There are no recognised gains or losses in the current or preceding financial year other than those reported above

**Balance sheet**  
*at 30 September 2012*

	Note	30 September 2012 £'000	30 September 2011 £'000
<b>Fixed assets</b>			
Investments	10	<u>3,555</u>	<u>3,555</u>
<b>Current assets</b>			
Debtors	11	1,572	1,401
Cash at bank and in hand		-	-
<b>Creditors</b> amounts falling due within one year	12	<u>(1,498)</u>	<u>(1,131)</u>
<b>Net current assets</b>		<u>74</u>	<u>270</u>
<b>Total assets less current liabilities</b>		<u>3,629</u>	<u>3,825</u>
<b>Net assets</b>		<u>3,629</u>	<u>3,825</u>
<b>Capital and reserves</b>			
Called-up share capital	14	460	460
Capital redemption reserve	15	3,095	3,095
Profit and loss account	15	74	270
<b>Shareholder's funds</b>		<u>3,629</u>	<u>3,825</u>

The notes to the financial statements on pages 7 to 12 form an integral part of these financial statements

The accounts were approved by the Board of Directors on 19 December 2012 and signed on its behalf by

  
J M Hall  
Director



## Notes to the financial statements

### 1 Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the financial statements, except for the adoption of new financial reporting standards introduced during the year. The effect of these are disclosed where relevant.

#### *Basis of preparation*

The accounts have been prepared in accordance with applicable UK accounting standards and under the historical cost accounting rules.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking, Volvox Group (Leeds) Limited, includes the Company in its own published consolidated financial statements.

At 30 September the Company had net current assets of £74,000 (2011: £270,000). Future projections prepared by management indicate that the company will be able to meet its obligations as they fall due for at least 12 months from the date of these financial statements. On this basis, the directors consider it appropriate to prepare the accounts on a going concern basis.

#### *Group accounts*

The Company is a wholly owned subsidiary of Volvox Group (Leeds) Limited and has taken advantage of the exemption from preparing group accounts available under section 408 of the Companies Act 2006. Consequently the information presented in these financial statements refers to the Company as an individual undertaking.

#### *Dividends Payable*

In accordance with FRS 21 - *Events after the balance sheet date*, dividends payable on ordinary share capital are recognised in the financial statements as follows:

- interim dividends - when declared by the directors of the Company
- final dividends - when approved by shareholder resolution

#### *Capital instrument finance costs*

The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

#### *Deferred taxation*

In accordance with FRS 19 "Deferred Tax", deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in years different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### *Goodwill and Brands*

In accordance with FRS 10 "Goodwill and Intangible Assets", goodwill, being the excess of the fair value of the purchase consideration over the fair value of the net assets at the time of the purchase of the business, is capitalised and amortised over a maximum estimated useful life of 20 years on a straight line basis. The directors consider annually whether a provision against the value of goodwill on an individual investment basis is required.

Acquired brands which are controlled through custody or legal rights and could be sold separately from the rest of the business are capitalised and written off over 10 years on a straight line basis.

#### *Post-retirement benefits*

The Company and the Group operate defined contribution pension schemes. The assets of the schemes are held separately from those of the Company and Group in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

## Notes to the financial statements (continued)

### 2 Operating costs

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Administrative costs	18	393
<i>Operating loss is stated after charging</i>		
	2012 £'000	2011 £'000
Auditor's remuneration	3	3
Other fees payable to KPMG LLP and its associates	2	-

### 3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows

	Year ended 30 September 2012 Number	Year ended 30 September 2011 Number
Distribution & production	-	-
Selling & marketing	-	-
Administration	5	5
	5	5

The aggregate payroll costs of these persons (including directors emoluments) was

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Wages & salaries	51	560
Social security costs	7	73
Other pension costs	5	47
	64	680

### 4 Emoluments of directors

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Emoluments	43	480
Contributions to money purchase schemes	3	32
	46	512

In the current year the directors were remunerated for one month through Volvox Group Limited, thereafter they were remunerated by other group companies

#### Highest paid director

Details of the highest paid director whose costs were charged in these financial statements are

	2012 £'000	2011 £'000
Emoluments	18	245
Pension contributions	2	18
	20	263

**Notes to the financial statements (continued)**

**5 Investment income**

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Dividends received from subsidiary undertakings	<u>1,219</u>	<u>418</u>

**6 Interest receivable**

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Bank interest receivable	<u>4</u>	<u>12</u>

**7 Interest payable**

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
Bank loans & overdrafts	3	-
Finance costs	-	-
	<u>3</u>	<u>-</u>

**8 Taxation**

	Year ended 30 September 2012 £'000	Year ended 30 September 2011 £'000
<i>Current taxation</i>		
Corporation tax on profit for the year at 25% (2011: 27%)	(2)	(97)
Adjustments in respect of prior periods	97	-
	<u>95</u>	<u>(97)</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	3	-
	<u>98</u>	<u>(97)</u>

The actual tax charge for the year differs to the standard rate of tax for the reasons set out in the following reconciliation

	Year ended 30 September 2012	Year ended 30 September 2011
Profit on ordinary activities before tax	<u>1,202</u>	<u>36</u>
Tax on profit on ordinary activities at standard rate - 25% (2011: 27%)	300	10
<i>Factors affecting charge for the year</i>		
Group dividend income not subject to corporation tax	(305)	(113)
Expenses not deductible for tax purposes	3	6
<b>Current taxation charge for the year</b>	<u>(2)</u>	<u>(97)</u>

## Notes to the financial statements (continued)

### 9 Dividends

	30 September 2012 £'000	30 September 2011 £'000
Interim dividend of £6.50 per £1 'A' ordinary share (2011: £nil)	<u>1,300</u>	<u>-</u>

### 10 Fixed asset investments

	Company £'000
<i>Investment in subsidiary undertakings</i>	
<i>Cost</i>	
At 1 October 2011 and 30 September 2012	<u>3,555</u>

#### *Investment in subsidiary undertakings*

At 30 September 2012 the parent undertaking or its subsidiary undertaking owned 100% of the issued ordinary and preference share capitals of the following undertakings registered in England and Wales:

<i>Subsidiary undertaking</i>	<i>Principal activity</i>
<i>Owned directly</i>	
Volvox Leeds (2012) Limited	Holding Company
<i>Owned via Volvox Leeds (2012) Limited</i>	
Arctic Products Ltd	Pipe freezing equipment and gas and plumbing consumables distributor
BMAC Limited	Transportation lighting equipment assembler and distributor
Lighten Point Corporation Europe Ltd	Dormant
Ring Automotive Limited	Automotive parts and lighting distributor
Van-Line Limited	Wholesaler of automotive and industrial consumables

### 11 Debtors

	30 September 2012 £'000	30 September 2011 £'000
Amounts owed by group undertakings	907	770
Group relief due from other group undertakings	587	538
Deferred taxation (note 13)	1	4
Prepayments and other debtors	77	89
	<u>1,572</u>	<u>1,401</u>

### 12 Creditors: amounts falling due within one year

	30 September 2012 £'000	30 September 2011 £'000
Bank overdrafts and short term bank loans	1,411	650
Amounts owed to group undertakings	-	267
Other taxation and social security costs	23	32
Other creditors and accruals	64	182
	<u>1,498</u>	<u>1,131</u>

## Notes to the financial statements (continued)

### 13 Deferred taxation

Movements in deferred taxation assets during the year are as follows

	30 September 2012 £'000	30 September 2011 £'000
At start of year	4	4
Charged during the year	(3)	-
<b>At 30 September</b>	<b>1</b>	<b>4</b>

Other than the deferred taxation asset disclosed, the Company had no other deferred taxation assets or liabilities recognised or unrecognised at either 30 September 2012 or 2011

### 14 Called-up share capital

<i>Called up allotted and fully paid</i>	<b>Number of Shares</b>	30 September 2012 £'000	30 September 2011 £'000
Equity shares			
'A' ordinary shares of £1 each	200,000	200	200
'B' ordinary shares of £1 each	204,286	204	204
'C' ordinary shares of £1 each	55,714	56	56
		<b>460</b>	<b>460</b>

The respective rights in respect of the share capital in issue at 30 September 2012 are as follows

#### *Dividends*

All classes of the ordinary share rank equally in respect of dividends

#### *Return of capital*

On a return of capital of the Company on a liquidation or otherwise (other than a redemption of shares or the purchase by the Company of its own shares) the surplus assets and retained profits of the Company will be applied in the following order

Priority	Class	Amount to be paid
1	'A' ordinary shares	Paid up capital
2	'B' ordinary shares	Paid up capital
3	'C' ordinary shares	Paid up capital
4	'A', 'B' and 'C' ordinary shares	Any surplus to be paid in the following proportions A, 'B' and 'C' ordinary shares, 58%, 33% and 9% respectively, pro rata to their respective holdings in each class

#### *Voting*

The 'A' ordinary shares have 49% of the voting rights attaching to all the issued 'A', 'B' and 'C' ordinary shares and such percentage can under certain circumstances increase to 95%

The 'C' ordinary shareholders do not have the right to vote at general meetings

#### *Exit proceeds*

In the event of an Exit the proceeds shall be distributed as follows

Class	Percentage
'A' ordinary shares	58%
'B' ordinary shares	33%
'C' ordinary shares	9%

## Notes to the financial statements *(continued)*

### 15 Reserves

	Capital redemption reserve £'000	Profit and loss account £'000
At 1 October 2011	3,095	270
Profit for the financial year	-	1,104
Dividends paid	-	(1,300)
<b>At 30 September 2012</b>	<b>3,095</b>	<b>74</b>

### 16 Contingent liabilities

The Company, as part of the overall cross-group banking facility arrangements, guarantees loans, bank overdrafts and letters of credit raised of all group undertakings. At 30 September 2012 the net liability under this guarantee amounted to £10,148,000.

At 30 September 2012 the guarantee was secured by a fixed charge over the assets of the Group of which the Company is a member, headed by Volvox Group (Leeds) Limited (formerly Venus Topco Ltd).

### 17 Ultimate parent company

At 30 September 2012 Volvox Group (Leeds) Limited (formerly Venus Topco Limited) was the Company's ultimate parent company and was both the largest and smallest parent undertaking of the Group of which the Company is a member and for which group financial statements were prepared for the year ended 30 September 2012. Copies of its financial statements may be obtained from the Company's registered office at Volvox House, Gelderd Road, Leeds LS12 6NA. The immediate parent company is Volvox Leeds Limited (formerly Venus Bidco Limited).

On 4 November 2011 the whole of the issued share capital of Volvox Group Limited was acquired by Venus Bidco Limited (name changed to Volvox Leeds Limited on 3 July 2012) and consequently from that date the ultimate parent company of the Company became Venus Topco Limited (name changed 3 July 2012 to Volvox Group (Leeds) Limited).

The Group is controlled by Elysian Capital LLP, on the basis that it holds a controlling interest in the voting rights of the share capital in Volvox Group (Leeds) Limited.

The largest group in which the results of the Group are consolidated is that headed by Volvox Group (Leeds) Limited.