

Volvox Group Limited

Directors' report and financial statements

For the year ended 30 September 2013

Registered number 5394180

SATURDAY



A3A014X7

A25

14/06/2014

#254

COMPANIES HOUSE

Contents

	Page
Company information	1
Directors' report	2
Strategic report	3
Independent auditor's report to the members of Volvox Group Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

Company information

Directors

J M Hall
K N Hawkins

Registered office

Volvox House
Gelder 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 2013.

Principal activity

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

Dividends

During the year the Company paid an interim dividend of £5.75 per £1 'A' ordinary share (2012: £6.50).

Directors

The directors who served during the year were:

J M Hall
K N Hawkins

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

The directors are responsible for preparing the Strategic Report and 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 options as are reasonably open to them to safeguard

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.

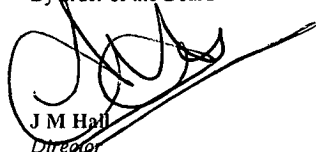
Disclosure of information to the auditor

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

18 December 2013

Strategic report

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.

By order of the Board



J M Hall
Director



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 2013 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 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 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 at 30 September 2013 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 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.

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

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

18 December 2013

Profit and loss account
for the year ended 30 September 2013

	Note	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Operating costs	2	(3)	(18)
Loss on ordinary activities before interest		(3)	(18)
Investment income	5	1,164	1,219
Interest receivable	6	-	4
Interest payable	7	-	(3)
Profit on ordinary activities before taxation		1,161	1,202
Tax on profit on ordinary activities	8	-	(98)
Profit for the financial year		1,161	1,104

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

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

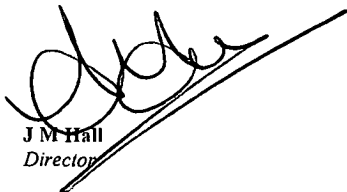
There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

Balance sheet
at 30 September 2013

	Note	30 September 2013 £'000	30 September 2012 £'000
Fixed assets			
Investments	10	<u>720</u>	<u>3,555</u>
Current assets			
Debtors	11	2,090	1,572
Cash at bank and in hand		857	-
Creditors: amounts falling due within one year	12	(27)	(1,498)
Net current assets		<u>2,920</u>	<u>74</u>
Total assets less current liabilities		<u>3,640</u>	<u>3,629</u>
Net assets		<u>3,640</u>	<u>3,629</u>
Capital and reserves			
Called-up share capital	14	460	460
Capital redemption reserve	15	3,095	3,095
Profit and loss account	15	85	74
Shareholder's funds		<u>3,640</u>	<u>3,629</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 18 December 2013 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 £2,922,000 (2012: £74,000). 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 2013 £'000	Year ended 30 September 2012 £'000
Administrative costs	<u>3</u>	<u>18</u>
<i>Operating loss is stated after charging:</i>		
	2013 £'000	2012 £'000
Auditor's remuneration	3	3
Other fees payable to KPMG LLP and its associates	<u>-</u>	<u>2</u>

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 2013 Number	Year ended 30 September 2012 Number
Distribution & production	-	-
Selling & marketing	-	-
Administration	-	5
	<u>-</u>	<u>5</u>

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

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Wages & salaries	-	51
Social security costs	-	7
Other pension costs	-	5
	<u>-</u>	<u>64</u>

4 Emoluments of directors

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Emoluments	-	43
Contributions to money purchase schemes	-	3
	<u>-</u>	<u>46</u>

All directors who served during the year were remunerated by other group undertakings. No charge has been made in the financial statements for their services as directors of the Company.

Highest paid director

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

	2013 £'000	2012 £'000
Emoluments	-	18
Pension contributions	-	2
	<u>-</u>	<u>20</u>

Notes to the financial statements (continued)

5 Investment income

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Dividends received from subsidiary undertakings	<u>1,164</u>	<u>1,219</u>

6 Interest receivable

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Bank interest receivable	<u>-</u>	<u>4</u>

7 Interest payable

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
Bank loans & overdrafts	<u>-</u>	<u>3</u>

8 Taxation

	Year ended 30 September 2013 £'000	Year ended 30 September 2012 £'000
<i>Current taxation</i>		
Corporation tax on profit for the year at 23.5% (2012: 25%)	(1)	(2)
Adjustments in respect of prior periods	-	97
	<u>(1)</u>	<u>95</u>
<i>Deferred taxation</i>		
Origination and reversal of timing differences	1	3
	<u>-</u>	<u>98</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 2013	Year ended 30 September 2012
Profit on ordinary activities before tax	<u>1,161</u>	<u>1,202</u>
Tax on profit on ordinary activities at standard rate - 23.5% (2012: 25%)	273	300
<i>Factors affecting charge for the year:</i>		
Group dividend income not subject to corporation tax	(274)	(305)
Expenses not deductible for tax purposes:	-	3
Current taxation charge for the year	<u>(1)</u>	<u>(2)</u>

Notes to the financial statements (continued)

9 Dividends

	30 September 2013 £'000	30 September 2012 £'000
Interim dividend of £5.75 per £1 'A' ordinary share (2012: £6.50)	<u>1,150</u>	<u>1,300</u>

10 Fixed asset investments

	Company £'000
<i>Investment in subsidiary undertakings</i>	
<i>Cost</i>	
At 1 October 2012	3,555
Redemption of A preference shares	(2,835)
At 30 September 2013	<u>720</u>

Investment in subsidiary undertakings

At 30 September 2013 the parent undertaking or its subsidiary undertaking owned 100% of the issued ordinary share capital 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

On 31 July 2013 Volvox Leeds (2012) redeemed 2,835,000 A preference shares of £1 at face value.

11 Debtors

	30 September 2013 £'000	30 September 2012 £'000
Amounts owed by group undertakings	1,527	907
Group relief due from other group undertakings	484	587
Deferred taxation (note 13)	-	1
Prepayments and other debtors	79	77
	<u>2,090</u>	<u>1,572</u>

12 Creditors: amounts falling due within one year

	30 September 2013 £'000	30 September 2012 £'000
Bank overdrafts and short term bank loans	-	1,411
Other taxation and social security costs	23	23
Other creditors and accruals	4	64
	<u>27</u>	<u>1,498</u>

Notes to the financial statements (continued)

13 Deferred taxation

Movements in deferred taxation assets during the year are as follows:

	30 September 2013 £'000	30 September 2012 £'000
At start of year	1	4
Charged during the year	(1)	(3)
At 30 September	-	1

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 September 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

14 Called-up share capital

<i>Called up, allotted and fully paid</i>	Number of Shares	30 September 2013 £'000	30 September 2012 £'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
		460	460

The respective rights in respect of the share capital in issue at 30 September 2013 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 2012	3,095	74
Profit for the financial year	-	1,161
Dividends paid	-	(1,150)
At 30 September 2013	<u>3,095</u>	<u>85</u>

16 Reconciliation of movements in shareholder's funds

	30 September 2013 £'000	30 September 2012 £'000
Profit for the financial year	1,161	1,104
Dividends	(1,150)	(1,300)
Retained profit/(loss)	<u>11</u>	<u>(196)</u>
Opening shareholder's funds	3,629	3,825
Closing shareholder's funds	<u>3,640</u>	<u>3,629</u>

17 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 2013 the liability under this guarantee amounted to £5,466,000 (2012: £10,148,000).

At 30 September 2013 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.

18 Ultimate parent company

At 30 September 2013 Volvox Group (Leeds) 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 2013. 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.

The Group is 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.

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