

**ZENITH VEHICLE CONTRACTS GROUP  
LIMITED**

**Report and Financial Statements**

**31 March 2014**

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# **ZENITH VEHICLE CONTRACTS GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 31 MARCH 2014**

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# **ZENITH VEHICLE CONTRACTS GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 31 MARCH 2014**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

M T Phillips  
T P Buchan  
R A Butler

#### **SECRETARY**

S E Jones

#### **REGISTERED OFFICE**

Anglia House  
Holly Park Mills  
Calverley  
Leeds  
LS28 5QS

#### **BANKERS**

National Westminster Bank Plc  
Bradford

#### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds

# **ZENITH VEHICLE CONTRACTS GROUP LIMITED**

## **STRATEGIC REPORT**

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the Company is that of an intermediate holding company. The directors anticipate that it will continue as an intermediate holding company for the foreseeable future.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Given the principal activity of the Company is that of a holding company, the risks and uncertainties it faces are in respect of the performance of its subsidiaries and can be found in the Strategic Report of those subsidiaries financial statements.

Approved by the Board of Directors  
and signed on behalf of the Board



M. T. Phillips

Director

29 July 2014

# ZENITH VEHICLE CONTRACTS GROUP LIMITED

## DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the audited financial statements, for the year ended 31 March 2014.

### RESULTS AND DIVIDENDS

The Company made a profit before tax of £10,912,000 for the year ended 31 March 2014 (2013: £9,311,000).

Dividends on equity shares of £45.23 per share (2013: £37 per share) amounting to £11,000,000 in total were paid during the year (2013: £9,000,000).

### GOING CONCERN

The directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements. Further detail is given in note 1 to the financial statements.

### DIRECTORS

The directors, who held office during the year were as follows:

A I Cope (Resigned 28 February 2014)

M T Phillips

T P Buchan

R A Butler

### AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- a) so far as the director is aware, there is no relevant audit information of which the auditor is unaware; and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



M T Phillips

Director

29 July 2014

## **ZENITH VEHICLE CONTRACTS GROUP LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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 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;
- 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 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 ZENITH VEHICLE CONTRACTS GROUP LIMITED**

We have audited the financial statements of Zenith Vehicle Contracts Group Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet 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).

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, 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 annual 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 31 March 2014 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.



Christopher Powell FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, UK

29 July 2014

# ZENITH VEHICLE CONTRACTS GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Returns on investments	2	10,912	9,311
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>10,912</u>	<u>9,311</u>
Tax on profit on ordinary activities	3	8	(7)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	8	<u>10,920</u>	<u>9,304</u>

There are no recognised gains and losses for the current financial year other than as stated in the profit and loss account, accordingly no statement of total recognised gains and losses has been presented.

All activity is from continuing operations.

The accompanying notes 1 to 12 are an integral part of this consolidated profit and loss account.



# ZENITH VEHICLE CONTRACTS GROUP LIMITED

## COMPANY BALANCE SHEET 31 March 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Investments	4	18,647	18,647
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	5	6,357	7,427
Cash at bank and in hand		-	250
		6,357	7,677
Creditors: amounts falling due within one year	6	(205)	(1,445)
<b>NET CURRENT ASSETS</b>		6,152	6,232
<b>Total assets less current liabilities</b>		24,799	24,879
<b>NET ASSETS</b>		24,799	24,879
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	24,318	24,318
Share premium		185	185
Profit and loss account	8	296	376
<b>TOTAL SHAREHOLDERS' FUNDS</b>	9	24,799	24,879

The accompanying notes 1 to 12 are an integral part of this company balance sheet.

These financial statements of Zenith Vehicle Contacts Group Limited, company number 6028406, were approved by the Board of Directors on 29 July 2014.

Signed on behalf of the Board of Directors



M T Phillips

Director

# ZENITH VEHICLE CONTRACTS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

### 1. ACCOUNTING POLICIES

A summary of the principal accounting policies that have been consistently applied throughout the current year and the prior year is set out below.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom laws and accounting standards.

A cash flow statement has not been prepared under the exemption given in FRS 1 "Cash flow statements (Revised)", as the Company's parent company, Zenith Leasedrive Acquisitionco 1 Limited, produces financial statements which are available to the public and which consolidate the results and cash flows of the Company.

The company is a wholly owned subsidiary of a company incorporated in the United Kingdom and has taken advantage of the exemption in FRS 2 "Accounting for subsidiary undertakings" from the requirement to prepare consolidated financial statements.

#### **Going Concern**

The Directors have considered the adoption of the going concern basis in preparing the financial statements given the current economic climate and have formed the conclusion that there are no material uncertainties with respect to the Group's abilities to continue as a going concern for the foreseeable future. In forming this view, the Directors have considered the Group budgets and trading forecast and committed bank facilities available to the Group together with forecast headroom against those borrowing facilities including the impact of reasonable sensitivities. Accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Investments**

Fixed asset investments are shown at cost less provision for impairments.

#### **Taxation**

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **Finance costs**

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

#### **Debt**

Debt is initially stated at the amount of net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

# ZENITH VEHICLE CONTRACTS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

### 1. ACCOUNTING POLICIES (continued)

#### Profit and loss account

There was no directors' remuneration and the audit fee of £1,000 (2013: £1,000 including the consolidated accounts) has been borne by another Group company. There were no non-audit fees in either period relevant to company only services. There are no employees other than the directors.

### 2. RETURNS ON INVESTMENTS

	2014 £'000	2013 £'000
Interest income on intercompany loans	312	311
Dividends from subsidiary undertaking	10,600	9,000
	<u>10,912</u>	<u>9,311</u>

### 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2014 £'000	2013 £'000
<b>Current tax</b>		
UK Corporation tax	3	7
Adjustment in respect of prior period	(11)	-
Total current tax	<u>(8)</u>	<u>7</u>
<b>Deferred tax</b>		
Current year	-	-
Adjustments in respect of prior period	-	-
Total deferred tax charge	<u>-</u>	<u>-</u>
Total tax (credit)/charge for the year	<u>(8)</u>	<u>7</u>

# ZENITH VEHICLE CONTRACTS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2014

### 3. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £'000	2013 £'000
<b>Profit on ordinary activities before tax</b>	10,912	9,311
Tax on profit on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%)	2,510	2,235
<b>Effects of:</b>		
Adjustments to tax charge in respect of previous periods	(11)	-
Effects of other tax rates/credits	(1)	-
Group relief	(68)	(67)
Non taxable income	(2,438)	(2,160)
Effect of small companies rate	-	(1)
<b>Current tax (credit)/charge for the year</b>	(8)	7

### 4. INVESTMENTS

	£'000
<b>Cost</b>	
At 1 April 2013	18,647
Additions during the year	-
<b>At 31 March 2014</b>	18,647
<b>Net book value</b>	
At 31 March 2014	18,647
At 31 March 2013	18,647

#### Principal Group Investments

The parent Company and the Group have investments in the following subsidiary undertakings which principally affected the profits or net assets of the Group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

	Class of shares held	Principal activity	Percentage of shares held
Zenith Intermediate Holdings Limited	Ordinary £1	Holding company	100%
ZVC Group Limited	Ordinary £1	Holding company	100%*
ZVC Holdings (UK) Limited	Ordinary £1	Holding company	100%*
Zenith Vehicle Contracts Limited	Ordinary £1	Vehicle leasing and related activities	100%*
Provecta Car Plan Limited	Ordinary £1	Vehicle leasing and related activities	100%*

All the companies are incorporated in England and Wales and operate principally in their country of registration.

\*The shares in the undertakings marked with an asterisk are held by subsidiary undertakings.

# ZENITH VEHICLE CONTRACTS GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2014

### 5. DEBTORS

	2014 £'000	2013 £'000
Amounts owed by group undertakings	6,357	7,427

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Bank loans and overdrafts	151	-
Amounts owed to group undertaking	-	1,369
Other creditors:		
UK Corporation tax	3	24
Other	51	52
	205	1,445

### 7. SHARE CAPITAL

	2014 £'000	2011 £'000
<b>Allotted, called up and fully paid</b>		
<i>Equity</i>		
24,317,614 A ordinary shares of £1 each (2013: 24,317,614)	24,318	24,318

### 8. RESERVES

	2014 £'000	2013 £'000
Distributable		
- profit and loss account	296	376

The movement in reserves during the year was as follows:

	2014 £'000	2013 £'000
At beginning of year	376	72
Dividends paid on equity shares	(11,000)	(9,000)
Profit for the financial year	10,920	9,304
End of year	296	376

## ZENITH VEHICLE CONTRACTS GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2014

#### 9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' (DEFICIT)/FUNDS

	2014 £'000	2013 £'000
Brought forward shareholders' funds	24,879	24,575
Profit for the financial year	10,920	9,304
Dividends paid on equity shares	(11,000)	(9,000)
Net movement in shareholders' funds	(80)	304
Closing shareholders' funds	24,799	24,879

#### 10. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

##### Contingent liabilities

The Group's banking facilities are subject to a standard cross guarantee with the subsidiary undertakings. At 31 March 2014 the amount secured under this guarantee was £2,075,000 (31 March 2013: £7,614,000).

#### 11. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with other members of the group headed by Zenith Leasedrive Acquisitionco 1 Limited. There were no other related party transactions in the year (year to 31 March 2013: none).

#### 12. ULTIMATE CONTROLLING PARTY

The largest and smallest group in which Zenith Vehicle Contracts Group Limited is consolidated is that headed by Zenith Leasedrive Acquisitionco 1 Limited.

The Company's ultimate parent undertaking is Zenith Leasedrive Holdings Limited, a company registered in England and Wales with company registration number 08793619. According to the register of members maintained by that company, a number of limited partnerships which are managed by Hg Pooled Management Limited (holding through a nominee company) held a significant interest in the ordinary shares of the company at the balance sheet date and continue to do so at the date of this report. The directors of Zenith Leasedrive Holdings Limited deem there not to be an ultimate controlling party as none of the limited partners in the limited partnerships managed by Hg Pooled Management Limited has an ownership of more than 20% of the issued share capital of the company.