

Company Registration No. 06279842

SELECTA HOLDING LIMITED

Annual Report and Financial Statements

Year ended 30 September 2013

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SELECTA HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS For the year ended 30 September 2013

CONTENTS

Officers and professional advisers	1
Directors' report	2
Strategic report	3
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

6

SELECTA HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Johns
D Jones

REGISTERED OFFICE

1st Floor
Spinnaker House
Lime Tree Way
Hampshire International Business Park
Basingstoke
Hampshire
RG24 8GG

BANKERS

National Westminster Bank PLC
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

AUDITORS

KPMG LLP
100 Temple Street
Bristol
BS1 6AG

SOLICITORS

Clyde & Co
Solicitors
1 Stoke Road
Guildford
GU1 4HN



SELECTA HOLDING LIMITED

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The results of the company for the year are shown in the profit and loss account on page 6. The loss for the year after taxation was £3,705,000 (2012: Loss of £5,116,000). No dividend has been proposed in the current year (2012: £Nil).

GOING CONCERN BASIS

The company has net assets of £ 16,428,000 (2012: net liabilities of £7,734,000). It is financed by a bank loan of £ 43,900,000 (2012: £43,900,000). This loan is guaranteed by Selecta AG. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. On 23 June 2014 the directors received a letter of support from Selecta AG confirming that they will continue to provide financial support in order that the company meets its financial obligations for a minimum of 12 months from the date of signing these accounts. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS

The directors who served during the period and to the date of this report, except as noted, were as follows:

AE Mee - resigned 15 October 2012

PR Johns

H Burrows - resigned 28 June 2013

C Blunt - appointed 28 June 2013, resigned 30th May 2014

D Jones - appointed 1 April 2014

CHARITABLE AND POLITICAL DONATIONS

The Company made no political contributions or charitable donations during the current or prior year.

DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

- (1) so far as the directors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- (2) The directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

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

AUDITOR

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors on

23rd June 2014 and signed on behalf of the Board:


P Johns
Director


D Jones
Director

SELECTA HOLDING LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity during the year was that of a holding company. The result for the year disclosed above includes interest costs on bank loans of £3,705,000 (2012: £5,116,000). The company is financed by third party loans which are guaranteed by its immediate parent company Selecta AG.

In September 2013 an additional loan of £23,061,720 was provided by Selecta AG. and was used to satisfy £23,061,720 of the debt to Selecta UK Limited. Also in September 2013, 27,866,282 new ordinary shares of £0.01 each were issued to Selecta AG, these were satisfied by the release of £27,866,282 of the debt to Selecta AG. As a result, shareholders' funds have been significantly improved reversing the deficit of prior years

In June 2014 the external loan of £43,900,000 together with accumulated interest was repaid by Selecta AG. 49,999,350 new ordinary shares of £0.01 each were issued to Selecta AG and these were satisfied by the release of the £49,999,350 debt to Selecta AG.

FUTURE PROSPECTS

The directors expect the company to continue to operate as a holding company.

Approved by the Board of Directors on 23rd June 2014 and signed on behalf of the Board:



P Johns
Director



D Jones
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial instruments 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any potential 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 proper accounting records that 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.

6

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELECTA HOLDING LIMITED

We have audited the financial statements of Selecta Holding Limited for the year ended 30 September 2013 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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

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 as at 30 September 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 and Strategic 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.



Nicholas Hall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street, Bristol, BS1 6AG

26 June 2014

SELECTA HOLDING LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 30 September 2013

	Note	2013 £000	2012 £000
Administrative expenses			
Operating profit			
Net interest payable	4	(3705)	(5,116)
Loss on ordinary activities before taxation	2,3	(3705)	(5,116)
Tax on loss on ordinary activities	5		
Loss for the financial period		(3705)	(5,116)

There are no recognised gains and losses for the current or preceding financial period other than as stated in the profit and loss account. Accordingly, a statement of total recognised gains and losses is not presented.

All the above results have been derived from continuing operations.

The notes on pages 8 to 13 form part of these financial statements

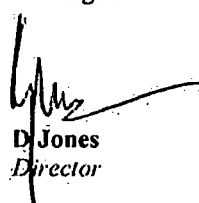
SELECTA HOLDING LIMITED

BALANCE SHEET As at 30 September 2013

	Note	2013 £000	2012 £000
Fixed assets			
Investments	6	<u>67,414</u>	<u>67,414</u>
Current assets			
Cash at bank and in hand		<u>5</u>	<u>5</u>
		5	5
Creditors: amounts falling due within one year	7	<u>(2,262)</u>	<u>(28,130)</u>
Net current liabilities		<u>(2,257)</u>	<u>(28,125)</u>
Total assets less current liabilities		65,157	39,289
Creditors: amounts falling due after more than one year	8	<u>(48,729)</u>	<u>(47,023)</u>
Net assets / (liabilities)		<u>16,428</u>	<u>(7,734)</u>
Capital and reserves			
Called up share capital	9	594	315
Share premium account	10	58,773	31,185
Profit and loss account deficit	10	<u>(42,939)</u>	<u>(39,234)</u>
Total shareholders' funds/(deficit)	10	<u>16,428</u>	<u>(7,734)</u>

The financial statements of Selecta Holding Limited, registered number 06279842, were approved and authorised for issue by the Board on 23rd June 2014 and signed on its behalf by:


P Johns
Director


D Jones
Director

The notes on pages 8 to 13 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current and preceding years.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern basis

Notwithstanding the loss for the year of £3,705,000 (2012: £5,116,000,) the directors have presented the financial statements on the going concern basis. It is their opinion that Selecta AG will continue to provide the funding necessary to support the business going forward. This opinion is based on the continued funding of the company since the balance sheet date and a confirmation of support from Selecta AG for at least 12 months from the signing date of these financial statements. As with any company placing reliance on group entities for financial support, the directors acknowledge that there can be no certainty to this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Taxation

Current and deferred taxation provisions are based on the results of the period and include all taxation liabilities accruing to the date of the accounts.

Deferred taxation is provided using the liability method in respect of all material timing differences to the extent that they are expected to reverse in the future without being replaced, with the exception of pension timing differences which are provided in full, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonable certain. Deferred tax assets and liabilities are not discounted.

Group accounts

The company is exempt from the obligation to prepare and deliver consolidated financial statements under s400 of the Companies Act 2006. This is due to the fact that it is included in the consolidated financial statements prepared by Allianz SE, the ultimate parent company.

Cash flow

The Company is exempt from the requirement of FRS 1 (Revised) to include a cash flow statement as part of its financial statements because the consolidated accounts of the ultimate parent company in which the subsidiary is included are publicly available.

Related parties

Selecta Holding Limited is taking advantage of an exemption conferred by FRS8 which provides exemption for disclosure of transactions between two or more members of a group, provided that all subsidiaries which are party to the transaction are wholly owned by the same group.

Interest bearing borrowings

Immediately after issue, debt is stated at the fair value of consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate.

SELECTA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2013

2. AUDITORS REMUNERATION

The audit fees of £1,923 (2012: £1,937) for the year were borne by Selecta UK Limited.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees. The amount of remuneration received by the directors for their services as directors to the company is £Nil (2012: £Nil). The directors are remunerated by other group undertakings. No specific allocation has been made for their services to the company given that the level of service completed by them to the company is minor in relation to their responsibilities at other group undertakings.

4. INTEREST PAYABLE

	September 2013 £000	September 2012 £000
Bank loans interest	2,600	3,978
Amortisation of loan arrangement fee (note 8)	238	238
Intercompany interest payable	867	900
	<u>3,705</u>	<u>5,116</u>

5. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of charge in the year

	2013 £000	2012 £000
Current tax		
UK corporation tax charge	<u>-</u>	<u>-</u>

b) Reconciliation of the UK statutory tax rate to the effective current tax rate

The current tax charge is higher (2012: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(3,705)	(5,116)
Tax at 23% (2012: 25%)	(852)	(1,279)
Effects of:		
Group relief not paid for	-	(198)
Increase in unutilised losses	<u>852</u>	<u>1,477</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

SELECTA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2013

5. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is approximately £ 8,500,000 (2012: £6,900,000).

This will reduce the company's future current tax charge accordingly. The deferred tax asset which has not been recognised at 30 September 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

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.

6. INVESTMENTS HELD AS FIXED ASSETS

	September 2013 £000	September 2012 £000
<i>Cost</i>		
As at 1 October 2012	96,772	96,772
As at 30 September 2013	96,772	96,772
<i>Provisions for impairment</i>		
As at 1 October 2012 and at 30 September 2013	29,358	29,358
<i>Net book value</i>		
As at 30 September 2013	67,414	67,414
As at 30 September 2012	67,414	67,414

The following information relates to the principal subsidiary undertakings of the company:

Name of company	Country of registration (or incorporation) and operation	Holding	Proportion of voting rights and shares held	Principal activity
Selecta UK Limited	England & Wales	Ordinary shares	100%	Drinks vending

SELECTA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2013

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	September 2013 £000	September 2012 £000
Interests payable	95	98
Amounts due to subsidiary undertakings	1,569	23,061
Amount due to immediate parent company	598	4,971
	<u>2,262</u>	<u>28,130</u>

Interest has been charged at a rate of 3.031% (2012: 3.488%) on intercompany loans.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	September 2013 £000	September 2012 £000
Long term loans	<u>48,729</u>	<u>47,023</u>

According to FRS 4, the initial arrangement fee for the loan of £2,022,000 has been set against the loan balance. This amount is to be amortised over the term of the loan. The amortisation charged in current period was £238,000 (2012: £238,000), with the unamortised arrangement fee being £536,223 at year end.

The above balance also comprised interest of £5,365,025 (2012: £3,896,531) at an interest rate of 4.25 % (2012: 4.25%). This interest has been included within the interest payable in Note 4, and will be accumulated and repaid with the loan capital of £43,900,000. The loan capital and the accumulated interests are repayable within than five years. The loan reaches full maturity in June 2017 and is repayable in the following instalments; £20,500,000 in June 2015, £11,500,000 in December 2016 and £11,900,000 in June 2017. The bank loan is guaranteed by Selecta AG.

SELECTA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2013

9. CALLED UP SHARE CAPITAL

Issued and fully paid:
59,366,282 ordinary shares of £0.01 each

September 2013 £000	September 2012 £000
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594

315



SELECTA HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2013

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Called up share capital £000	Share premium account £000	Profit and loss account deficit £000	Total £000
Balance at 1 October	315	31,185	(39,234)	(7,734)
Loss for the period	-		(3,705)	(3,705)
Issue of new shares	279	27,588		27,867
	<u>594</u>	<u>58,773</u>	<u>(42,939)</u>	<u>16,428</u>

27,866,282 ordinary shares of £0.01 each were issued to Selecta AG in September 2013

11. PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a wholly owned subsidiary of Selecta AG, a company incorporated in Switzerland. The company's ultimate parent undertaking, which is regarded as the ultimate and controlling party, Allianz SE, is registered in Germany. Copies of these group accounts are available from Koeniginstasse 28, 80802 Munich, Germany.

The smallest group into which the company was consolidated was Selecta Group BV, a company incorporated in the Netherlands. The largest group into which the company was consolidated was Allianz SE, a company incorporated in Germany.