

**Seafox VFE 2 Limited**

Report and Financial Statements

Period Ended

31 December 2015

Company Number 09307990



## Seafox VFE 2 Limited

### Company Information

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<b>Directors</b>	R Kishor G Nicholson C White
<b>Registered number</b>	09307990
<b>Registered office</b>	27 Queensdale Place London W11 4SQ
<b>Independent auditors</b>	BDO LLP Two Snowhill Birmingham B4 6GA

# Seafox VFE 2 Limited

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# **Seafox VFE 2 Limited**

## **Directors' Report For the Period Ended 31 December 2015**

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The directors present their report together with the audited financial statements for the period ended 31 December 2015.

### **Incorporation and principal activity**

The Company was incorporated on 12 November 2014 and these financial statements present the information for the period from the date of incorporation to 31 December 2015.

During the period the Company's principal activity was that of an intermediary holding company to its subsidiary Vacuum Furnace Engineering Limited.

On 12 December 2014, the Company purchased 100% of the share capital of Vacuum Furnace Engineering Limited for a consideration of £6.6m.

### **Results and dividends**

The loss for the period, after taxation, amounted to £336,496.

The directors do not propose a dividend.

### **Directors**

The directors who served during the Period were:

R Kishor (appointed 12 December 2014)  
G Nicholson (appointed 12 November 2014)  
C White (appointed 12 December 2014)  
A Bayliss (appointed 12 November 2014, resigned 12 December 2014)

### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Post balance sheet events**

There have been no significant events affecting the Company since the period end.

## Seafox VFE 2 Limited

### Directors' Report For the Period Ended 31 December 2015

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#### Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

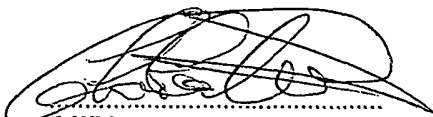
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

#### Auditors

The auditors, BDO LLP, were appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies exemption.

This report was approved by the board on 8 September 2016 and signed on its behalf.



C White  
Director

# Seafox VFE 2 Limited

## Independent Auditor's report to the members of Seafox VFE 2 Limited

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We have audited the financial statements of Seafox VFE 2 limited for the period ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 31 December 2015 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.

### Opinion on other matters 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.

## Seafox VFE 2 Limited

### Independent Auditor's report to the members of Seafox VFE 2 Limited

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#### 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; or
- the directors were not entitled to prepare the financial statements and the directors report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

8/10 LVS  
8 September 2012

**Thomas Lawton** (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Birmingham  
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Seafox VFE 2 Limited

## Statement of Comprehensive Income For the Period Ended 31 December 2015

	Note	2015 £
Administrative expenses		(148,134)
<b>Operating loss</b>	4	(148,134)
Interest receivable and similar income		19
Interest payable and expenses	6	(188,381)
<b>Loss before tax</b>		(336,496)
Tax on loss	7	-
<b>Loss for the Period</b>		(336,496)
Other comprehensive income		-
<b>Total comprehensive deficit for the Period</b>		(336,496)

The notes on pages 8 to 16 form part of these financial statements.

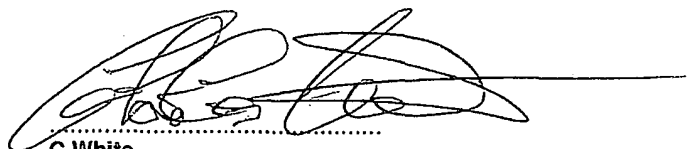


**Seafox VFE 2 Limited**  
Registered number:09307990

**Statement of Financial Position**  
**As at 31 December 2015**

	Note	2015 £
<b>Fixed assets</b>		
Investments	9	6,603,268
<b>Current assets</b>		
Cash at bank and in hand	10	45
		<u>45</u>
<b>Current liabilities</b>		
Creditors: amounts falling due within one year	11	(2,981,480)
<b>Net current liabilities</b>		<u>(2,981,435)</u>
<b>Total assets less current liabilities</b>		<u>3,621,833</u>
Creditors: amounts falling due after more than one year	12	(1,856,174)
<b>Net assets</b>		<u><u>1,765,659</u></u>
<b>Capital and reserves</b>		
Called up share capital	14	1
Profit and loss account	15	1,765,658
<b>Shareholders' funds</b>		<u><u>1,765,659</u></u>

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



C White  
Director

8/9/16

The notes on pages 8 to 16 form part of these financial statements.

## Seafox VFE 2 Limited

### Statement of Changes in Equity For the Period Ended 31 December 2015

	Share capital £	Profit and loss account £	Total equity £
<b>Comprehensive income for the Period</b>			
Loss for the Period	-	(336,496)	(336,496)
<b>Total comprehensive income for the Period</b>	-	(336,496)	(336,496)
Dividends received from subsidiary: Equity capital	-	2,102,154	2,102,154
Shares issued during the Period	1	-	1
<b>Total transactions with owners</b>	1	2,102,154	2,102,155
<b>At 31 December 2015</b>	1	1,765,658	1,765,659

# Seafox VFE 2 Limited

## Notes to the Financial Statements For the Period Ended 31 December 2015

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### 1. General information

Seafox VFE 2 Limited is a Company incorporated in England & Wales under the Companies Act. The address of the registered office is 27 Queensdale Place, London, W11 4SQ. The nature of the Company's operations and its principal activities can be found in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

#### 2.2 Going concern

The Company has net current liabilities of £2,981,435 and is dependent on the continued support of other group companies to continue as a going concern. The directors have received confirmation from the directors of other group companies that amounts due to other group companies will not be requested for payment within 12 months of the date of approval of these financial statements. In addition the directors of the parent company have confirmed that any funding required by the Company will be made available from other group companies to ensure that the Company is able to meet its obligations for at least 12 months from the date of approval of these financial statements.

The directors have reviewed detailed profit and cashflow forecasts which show that the group is able to operate within its facilities for a period of at least 12 months from the date of these financial statements. On this basis the directors are satisfied that the Company will be able to continue trading and meet its liabilities as they fall due for at least 12 months following the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

The following principal accounting policies have been applied consistently:

#### 2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Fox Investments Limited as at 31 December 2015 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

# **Seafox VFE 2 Limited**

## **Notes to the Financial Statements For the Period Ended 31 December 2015**

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### **2. Accounting policies (continued)**

#### **2.4 Consolidated financial statements**

The financial statements contain information about Seafox VFE 2 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt from preparing consolidated financial statements on the grounds that.....

#### **2.5 Related party transactions**

The Company is a wholly owned subsidiary of Fox Investments Limited and has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with Fox Investments Limited or other wholly owned subsidiaries within the group.

#### **2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

# Seafox VFE 2 Limited

## Notes to the Financial Statements For the Period Ended 31 December 2015

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### 2. Accounting policies (continued)

#### 2.7 Financial instruments

##### *Basic Financial Instruments*

##### *Financial assets*

Financial assets comprise cash at bank and in hand and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The Company considers evidence of impairment for all individual trade and other debtors and any subsequent impairment is recognised in profit or loss.

##### *Impairment of financial assets carried at amortised cost*

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial and the present value of the expected future cash receipts from that asset.

##### *Financial liabilities*

Financial liabilities comprise other creditors; there are initially recorded at cost on the date they originate and are subsequently carried at amortised cost under the effective interest rate method.

#### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

# Seafox VFE 2 Limited

## Notes to the Financial Statements For the Period Ended 31 December 2015

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### 2. Accounting policies (continued)

#### 2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred. Arrangement fees are capitalised and released to the statement of comprehensive income over the term of the loan that they relate to.

#### 2.14 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. These judgements and estimates affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. In preparing these financial statements, the directors have made the following key judgements and estimates as follows:

#### *Valuation of investments*

At each reporting date, the carrying value of investments are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the investment is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

### 4. Operating loss

Audit fees in the period are borne by a subsidiary undertaking, Vacuum Furnace Engineering Limited

## Seafox VFE 2 Limited

### Notes to the Financial Statements For the Period Ended 31 December 2015

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#### 5. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

#### 6. Interest payable and similar charges

	2015 £
Bank interest payable	<u>188,381</u>

#### 7. Taxation

	2015 £
Total current tax	<u>-</u>
Deferred tax	<u>-</u>
Total deferred tax	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>

# Seafox VFE 2 Limited

## Notes to the Financial Statements For the Period Ended 31 December 2015

### 7. Taxation (continued)

#### Factors affecting tax charge for the period

The tax assessed for the Period is different to the standard rate of corporation tax in the UK of 20.29%. The differences are explained below:

	2015 £
Profit on ordinary activities before tax	(336,496)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.29%	(68,275)
<b>Effects of:</b>	
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,579
Deferred tax not recognised	3,454
Group relief surrendered	71,037
Transfer pricing adjustments	(10,795)
<b>Total tax charge for the Period</b>	<b>-</b>

#### Factors that may affect future tax charges

A number of changes in the UK corporation tax system were announced in the March 2016 Budget, including that the main rate of corporation tax would reduce to 17% with effect from 1 April 2020. These tax rate reductions have not been substantively enacted to date and therefore have not been reflected in the financial statements.

### 8. Dividends

	2015 £
Dividends received	(2,102,154)

### 9. Fixed asset investments

	Group undertakings £
<b>Cost</b>	
Additions	6,603,268
At 31 December 2015	6,603,268



# Seafox VFE 2 Limited

## Notes to the Financial Statements For the Period Ended 31 December 2015

### 9. Fixed asset investments (continued)

The undertakings in which the Company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Vacuum Furnace Engineering Limited	UK	Ordinary	100%	Specialist in supply, design, overhaul, repair and service vacuum furnaces

### 10. Cash and cash equivalents

	2015 £
Cash at bank and in hand	45

### 11. Creditors: Amounts falling due within one year

	2015 £
Bank loans (secured)	326,145
Amounts owed to group undertakings	2,649,506
Accruals and deferred income	5,829
	<u>2,981,480</u>

Although amounts due to group companies are technically due for repayment in less than one year the directors do not expect to make a substantial repayment within 12 months of the date of approval of the financial statements. The amounts owed to group companies are not secured and do not bear interest.

### 12. Creditors: Amounts falling due after more than one year

	2015 £
Bank loans	<u>1,856,174</u>

#### Secured loans

The bank loans are secured over the assets of the entity and its parent and subsidiary undertaking.

## Seafox VFE 2 Limited

### Notes to the Financial Statements For the Period Ended 31 December 2015

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#### 13. Loans

Analysis of the maturity of loans is given below:

	2015 £
<b>Amounts falling due within one year</b>	
Bank loans	326,145
<b>Amounts falling due 1-2 years</b>	
Bank loans	326,146
<b>Amounts falling due 2-5 years</b>	
Bank loans	<u>1,530,028</u>

Bank loans are stated net of arrangement fees.

Bank loans consist of a variable rate senior term loan facility of £1,487,500 and a variable rate growth capital loan facility of £1,040,236.

The senior term loan is repayable in quarterly payments of £87,500 with a final payment of £175,000 on final payment date of 31 December 2019. Interest is charged at a rate of 3% per annum plus LIBOR and is payable to the lender on a quarterly basis.

The growth capital loan facility and all accrued interest is repayable in one instalment on 31 December 2019. Interest is accrued quarterly at a rate of 5% per annum plus LIBOR and added to the amount outstanding on the loan. This loan has been repaid in full by the company since the year end date.

As part of the terms of the senior term loan, the company entered into a side agreement which fixed the interest rate on the loan to 4.75% for a period of 5 years. The value of this agreement at the statement of financial position date was £12,134 in the favour of the lending institution. The directors have not recorded the fair value loss on the balance sheet as it is regarded as not material to either the results of financial position of the company.

The bank loans are secured over the assets of the entity and its parent and subsidiary undertaking.

# Seafox VFE 2 Limited

## Notes to the Financial Statements For the Period Ended 31 December 2015

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### 14. Share capital

	2015 £
<b>Allotted, called up and fully paid</b>	
1 Ordinary shares share of £1	<u>1</u>

During the period one ordinary share of £1 was issued at par value.

### 15. Reserves

The Company's reserves are as follows:

#### Share capital

Called up share capital reserve represents the nominal value of the shares issued.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

### 16. Ultimate parent company and parent undertaking of a larger group

The Company's immediate parent company is Seafox VFE LLP incorporated in the United Kingdom.

Fox Investments Limited is regarded by the directors as being the company's ultimate controlling parent company.

Fox Investments Limited is the parent of the smallest and largest group to consolidate these financial statements. Copies of Fox Investments Limited consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.