

syncreon UK Holdings Limited

Directors' Report and Financial Statements

15 Month Period Ended 31 December 2011

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DIRECTORS AND OTHER INFORMATION

Board of Directors

B Enright
C Van Landschoot

Secretary and Registered Office

Mr Kenneth Pocius
Unit 5 Logix Park
Wathing Street
Hickley
L610 3H2
United Kingdom

Registered Number: 07029846

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

DIRECTORS' REPORT

The directors have pleasure in presenting their report and the financial statements of the company for the 15 month period ended 31 December 2011

Principal activities and business review

The company is an investment holding company with the syncreon group. The syncreon group provides end-to-end logistics and supply chain solutions based on leading edge technology, innovative thinking and are designed to deliver cost savings and competitive advantage to its customers. The group has operations in Ireland, UK, the Netherlands, Germany, Hungary, Belgium, United States, Canada and Brazil.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of increased interest rates and/or inflation having an adverse impact on served markets.

The risk of unrealistic increases in wages or infrastructural cost impacting adversely on competitiveness of the company and its principal customers.

These risks are managed by innovative product sourcing and strict control of costs.

Competitor risk

The directors of the company manage competition risk through close attention to customer service levels and product innovation.

Financial risk

Each of the companies within the group has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

Results

The results for the 15 months and the company's financial position at the end of the 15 month period are shown in the attached financial statements.

Subsequent events

There were no subsequent events to disclose in the financial statements.

Dividends

The directors do not recommend payment of a dividend in the current or previous period.

Research and development

The company did not engage in any research and development during the period.

DIRECTORS' REPORT - continued

The directors and secretary and their interests in the shares of the parent company

The directors and secretary who served the company during the year together with their beneficial interests, including family holdings, in the shares and debentures of the ultimate parent company at 31 December 2011, syncreon Holdings Limited were as follows

		Beneficial interests in syncreon Holdings Limited At 31 December 2011
	Class of share	
Wychwood Trust	Ordinary share of €1 each	<u>28,943,647</u>

Mr M Enright a director of the company and his family members are the potential beneficiaries of the Wychwood Trust

		Beneficial interests in syncreon Holdings Limited At 31 December 2011
	Class of share	
Tresor Trust	Ordinary share of €1 each	<u>6,845,936</u>

Mr B Enright a director of the company and his family members are the potential beneficiaries of the Tresor Trust

Statement of directors' responsibilities

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 prepared 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 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.

DIRECTORS' REPORT - continued

Books of account

The measures taken by the directors to secure compliance with the company's obligations to keep proper books of account are the use of systems and procedures appropriate to the business and the employment of competent and reliable persons

The books of account of the company are maintained at Unit 5 Logix Park, Wathing Street, Hickley, L610 3H2, United Kingdom

Disclosure of information to auditors

The directors who held office at the date of 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 auditors are unaware, and each director has taken all the 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 auditors are aware of that information

Political and charitable contributions

The company made no political contributions or donations to UK Charities during the current year or prior year

Transactions involving directors

There are no contracts or arrangements of any significance in relation to the business of the company in which the directors had any interest, at any time during the 15 months ended 31 December 2011

Auditors

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the board



Brian Enright
Director

syncreon UK Holdings Limited
Registered Number 07029846

20 November 2012



Independent auditors' report to the members of syncreon UK Holdings Limited

We have audited the financial statements of syncreon UK Holdings Limited for the 15 months ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

Opinion of 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 2011 and of its loss for the 15 months 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.

*PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland, I D E Box No 137
T +353 (0) 1 792 6000, F +353 (0) 1 792 6200, www.pwc.com/ie*

Chartered Accountants



Independent auditors' report to the members of syncreon UK Holdings Limited - continued

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

A handwritten signature in black ink, appearing to read 'John Dunne'.

**John Dunne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin**

21 November 2012

PROFIT AND LOSS ACCOUNT
15 Month Period Ended 31 December 2011

	Notes	15 month period 31 December 2011 £
Other operating income	1	449
Interest payable, receivable and similar charges		<u>(5,621,373)</u>
Loss on ordinary activities before taxation	2	(5,620,924)
Tax credit on loss on ordinary activities	3	<u>885,295</u>
Loss for the financial year		<u>(4,735,629)</u>

All of the activities of the company are classed as continuing

There are no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been prepared

BALANCE SHEET
As at 31 December 2011

	Notes	31 December 2011 £
Fixed assets		
Financial fixed assets	4	80,463,950
Current assets		
Debtors	5	891,601
Creditors' amounts falling due within one year	6	<u>(66,050,623)</u>
Net current assets		<u>(65,159,022)</u>
Total assets less current liabilities		<u>15,304,928</u>
Capital and reserves		
Called-up share capital	8	2,009
Share premium account	9	20,038,548
Profit and loss account	9	<u>(4,735,629)</u>
Total shareholders' funds	9	<u>15,304,928</u>

The financial statements on pages 8 to 14 were approved by the Board of Directors on _____ and were signed on its behalf of by


Brian Enright
Director

syncreon UK Holdings Limited
Registered Number 07029846

20 November 2012

ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

The significant accounting policies and estimation techniques adopted by the company are as follows

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The company has availed of exemption under Financial Report Standard No. 1 "Cashflow Statements" which permits qualifying subsidiaries not to prepare cashflow statements for inclusion in their financial statements.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Taxation

Corporation tax is calculated on the profits for the period.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Timing differences are differences between the profit as computed from taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date, and revenues, costs and non-monetary assets are translated at the exchange rate ruling at the dates of the transactions.

Profit and losses arising from foreign currency translation and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account.

Monetary assets are money held and amounts to be received in money, all other assets are non-monetary assets.

Financial fixed assets

Financial fixed assets are stated at cost less provision for any diminution in value.

NOTES TO THE FINANCIAL STATEMENTS

1 Other operating income

Other operating income represents management fee charges made to other group companies

2 Loss on operating activities before tax

15 months
ended
31 December
2011
£

Operating loss is stated after charging

Auditors' fee for statutory purpose only*

Intercompany interest expense

-
5,620,924

* Auditors' fee of £7,229 was paid by syncreon Technology (UK) Limited

3 Taxation on profit on ordinary activities

15 months
ended
31 December
2011
£

(a) Analysis of charge in the year

Current tax

Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.8%

-

Deferred tax

Origination and reversal of timing differences

885,295

Tax on profit on ordinary activities

-

Total current tax credit

885,295

(b) Factors affecting current tax charges

The tax assessed on the profit on ordinary activities

Loss on ordinary activities

(5,620,924)

Loss on ordinary activities multiplied by the standard rate of corporation tax of 26.8%

(1,506,408)

Expenses not deductible for tax purposes

-

Timing differences arising on profits chargeable

621,113

Losses carried forward

885,295

Total current tax credit

-

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Financial assets	No of shares held	% shareholding	Net assets of investment company as at 31 December 2011	Shareholding results for year ended 31 December 2011	Value at par per share	Total investment 2011
Investments Held by syncreon UK Holding Company Limited						
syncreon Automotive (UK) Limited						
Registered Address						
Unit 5 Logix Park	1,000	100%	£2,356,559	£900,805	£1 00	£6,770,172
Watling Street						
Hinckley						
LE10 3HZ						
UK						
Activity Transport and Logistics						
syncreon Technology (UK) Limited						
Registered Address	1,000	100%	£15,921,344	£4,482,366	£1 00	£73,392,021
Unit 5 Logix Park						
Watling Street						
Hinckley						
LE10 3HZ						
UK						
Activity Transport and Logistics						
Compuspar UK Limited						
Registered Address	1,000	100%	£494,059	(£155,063)	£1 00	£301,757
Unit 5 Logix Park						
Watling Street						
Hinckley						
LE10 3HZ						
UK						
Activity Transport and Logistics						
Total Investment						£80,463,950

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Debtors			2011 £
Restricted cash			6,306
Deferred tax (note 7)			<u>885,295</u>
			<u>891,601</u>
6 Creditors - amounts falling due within one year			2011 £
Creditors and accruals			6,435
Amounts due to fellow group companies			<u>66,044,188</u>
			<u>66,050,623</u>
7 Deferred tax			2011 £
Deferred tax asset			
Credit to profit and loss			<u>885,295</u>
At 31 December 2011			<u>885,295</u>
A deferred tax asset of £885,295 has been recognised in the current year in relation to future losses carried forward			
8 Share capital			15 months ended 31 December 2011 £
Authorised share capital			
Ordinary shares of £1 each			<u>2,010</u>
Allotted, called up and fully paid			
Ordinary shares of £1 each			<u>2,009</u>
9 Reserves	Share premium account £	Profit and loss account £	Total £
Loss for the period	-	(4,735,629)	(4,735,629)
Share premium for syncreon International Group shares	<u>20,038,548</u>	-	<u>20,038,548</u>
As at 31 December 2011	<u>20,038,548</u>	<u>(4,735,629)</u>	<u>15,302,919</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Parent undertakings and controlling party

The company regards syncreon International Group, a company incorporated in the Ireland, with a registered office at Ground floor, Ashbourne Hall, Ashbourne Business Park, Dock Road, Limerick, as the immediate parent undertaking

The company regards syncreon Holdings Limited, a company incorporated in the Republic of Ireland, with a registered office at Ground Floor, Ashbourne Hall, Ashbourne Business Park, Dock Road, Limerick as the ultimate parent undertaking

The group in which the results of syncreon UK Holdings Limited are consolidated is that headed by syncreon Holdings Limited. The consolidated financial statements of syncreon Holdings Limited are available to the public

The controlling parties of syncreon Holdings Limited are GenNx360 Syncreon Investors, LLC as at 31 December 2011

11 Approval of financial statements

The directors approved the financial statements on 20 November 2012