

Voith Industrial Services Holding Limited

**Annual report and financial
statements**

Registered number 5424146

**For the year ended 30 September
2013**

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Strategic report

Principal activity

During the year ended 30 September 2013 the company's principal activity was that of a holding company. However, on 1 October 2013, the directors took the decision to cease trading following the sale of the company's only investment. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Results and dividends

The results for the company are set out in the financial statements.

The directors recommended and paid a dividend of £1,249,000 (2012: £4,370,000).

Fair review of the business

The company is a wholly owned subsidiary undertaking of Voith GmbH, a global provider of leading edge technology and industrial services head-quartered in Heidenheim/Brenz in Germany.

During the year, on 18 January 2013, the company has acquired 100% of the share capital of ThyssenKrupp Services Limited (now renamed Voith Industrial Services (Coventry) Limited. The cost of the investment was funded through a loan issued from Voith GmbH. On 1 October 2013 the company sold this investment at cost to another member of the Voith GmbH Group.

Also, within the financial year the company divested itself of 100% of its shareholding in Voith Industrial Services Limited to Voith Industrial Services Beteiligungen GmbH.

Development and performance of the business

	2013 £	2012 £
Investment income received	1,500,000	3,835,000
Profit before tax	4,482,000	3,872,000

The company's main source of income is from dividends received from its subsidiary undertaking, Voith Industrial Services Limited. Expenses incurred primarily relate to interest payable on group borrowings and the foreign exchange losses relating to those borrowings which are denominated in Euros.

Principal risks and uncertainties

Other than the receipt of investment dividends, the company does not trade and therefore the directors do not consider there to be a significant level of trading risk.

The company is financed by long-term loans from its ultimate parent company. Accordingly, there is no exposure to interest rate or liquidity risks.

Group risks are discussed in the Voith GmbH's annual report which does not form part of this report.

Strategic report *(continued)*

Approved by the board of directors on 29 August 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'P. Nicholson', with a long, sweeping horizontal line extending to the right.

P Nicholson
Director

2014

Directors' report

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

Directors

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

P Nicholson
C Geissler

Directors' liabilities

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves 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 auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

Approved by the board of directors on *29 August 2014* and signed on its behalf by:



P Nicholson
Director

Tournament Court
Tournament Fields
Warwick
CV34 6LG

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 judgments and 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. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Voith Industrial Services Holding Limited

We have audited the financial statements of Voith Industrial Services Holding Limited for the year ended 30 September 2013 set out on pages 7 to 14. 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 profit 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.

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Voith Industrial Services Holding 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.

R J Pound

Robert Pound (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

29/8/2014

Profit and loss account
for the year ended 30 September 2013

	<i>Note</i>	2013 £000	2012 £000
Other operating income		<u>71</u>	<u>112</u>
Operating profit	2	71	112
Income from shares in group undertakings	3	1,500	3,835
Net interest payable and similar charges	4	(394)	(75)
Profit on sale of investment	5	3,305	-
		<u>4,482</u>	<u>3,872</u>
Profit on ordinary activities before taxation		4,482	3,872
Tax on profit on ordinary activities	6	76	(9)
		<u>4,558</u>	<u>3,863</u>
Profit for the financial year	12	4,558	3,863

Operating profit in both years is derived wholly from discontinued operations.

The company has no recognised gains or losses for both years other than the results above.

Balance sheet
at 30 September 2013

	<i>Note</i>	2013 £000	£000	2012 £000	£000
Fixed assets					
Investments			-		16,695
Current assets					
Investments	7	7,105		-	
Debtors	8	20,945		756	
Cash at bank and in hand		32		219	
		<u>28,082</u>		<u>975</u>	
Creditors: Amounts falling due within one year	9	<u>(12)</u>		<u>(9)</u>	
			<u>28,070</u>		<u>966</u>
Total assets less current liabilities			<u>28,070</u>		<u>17,661</u>
Creditors: Amounts falling due after more than one year	10		<u>(13,749)</u>		<u>(6,649)</u>
Net assets			<u>14,321</u>		<u>11,012</u>
Capital and reserves					
Called up share capital	11	11,000		11,000	
Profit and loss account	12	3,321		12	
Shareholders' funds	13		<u>14,321</u>		<u>11,012</u>

These financial statements were approved by the board of directors on 29 August 2014 and were signed on its behalf by:



P Nicholson
Director

Registered number: 5424146

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

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

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, on 1 October 2013, the directors took the decision to cease trading following the sale of the company's only investment on the same date. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The impact of this is that investments have moved from a fixed asset to a current asset.

Cash flow statement

As the company is a wholly owned subsidiary and its parent publishes consolidated financial statements, the directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements.

Related party transactions

As a 100% subsidiary undertaking of Voith GmbH, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Voith GmbH.

Consolidation

The company is exempt from the requirement to prepare group financial statements by virtue of Section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Investments

Investments in subsidiary undertakings are stated at cost less amounts written off.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Dividend income

Dividend income is recognised when the company's right to receive payment is established.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatments of certain items for taxation and accounting purposes.

Deferred taxation

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, with the following exception:

- 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 are expected to reverse, based on the tax rates and laws enacted, or substantively enacted, at the balance sheet date.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Dividends on shares presented within shareholders funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Operating profit

All operating expenses, including auditor's remuneration, are borne by the company's subsidiary undertaking in the current financial year.

3 Income from shares in group undertakings

	2013 £000	2012 £000
Dividends received from group undertakings	1,500	3,835

4 Net interest payable and similar charges

	2013 £000	2012 £000
Interest on loans from group undertakings	354	387
Exchange losses/(gains) on foreign currency borrowings	40	(312)
	394	75

Notes (continued)

5 Profit on sale of investment

	2013 £000	2012 £000
Net gains on sale of Voith Industrial Services Limited	3,305	-

On 30 September 2013 the company sold its investment in Voith Industrial Services Limited to Voith Industrial Services Beteiligungen GmbH for consideration of £20,000,000 and recognised a profit on disposal £3,305,000.

6 Taxation

Analysis of credit/(credit) for the year

	2013 £000	2012 £000
<i>Current tax</i>		
UK corporation tax	(76)	9
Tax (credit)/charge on profit on ordinary activities	(76)	9

There is no unrecognised or recognised deferred tax (2012: £Nil).

Factors affecting the tax (credit)/charge for the year

The current tax (credit)/ charge for the year is lower than (2012: lower than) the standard rate of corporation tax in the UK of 23.5% (2012: 25%). The differences are explained below:

	2013 £000	2012 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,482	3,872
Current tax at 23.5% (2012: 25%)	1,053	968
<i>Effects of:</i>		
Group dividend received	(352)	(959)
Profit on sale of investment	(77)	-
Total current tax (credit)/charge (see above)	(76)	9

Factors that may affect future current and total tax charges

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.

Notes (continued)

7 Investments

	Shares in group undertakings £000
<i>Cost</i>	
At beginning and end of year	16,695
Sale of the investment to another group company	(16,695)
Acquisition of Voith Industrial Services Coventry	7,105
	<hr/>
	7,105
	<hr/>
<i>Net book value</i>	
At 30 September 2013	7,105
	<hr/>
At 30 September 2012	16,695
	<hr/>

The company holds more than 20% of the share capital of the following company:

	Country of incorporation	Principal activity	Class	%
<i>Subsidiary undertakings</i>				
Voith Industrial Services (Coventry) Limited	England	Provision of support services to the automotive industry and transport sector	Ordinary	100
				<hr/>

The investment was sold at cost on 1 October 2013.

8 Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	20,945	756
	<hr/>	<hr/>

9 Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Corporation tax creditor	12	9
	<hr/>	<hr/>

Notes (continued)

10 Creditors: Amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to group undertakings	13,749	6,649

Included within amounts owed to group undertakings above is £7,100,000 (2012: £6,549,000) repayable in September 2015 with a fixed interest rate of 3.0% per annum.

11 Share capital

	2013 £000	2012 £000
<i>Allotted, called up and fully paid:</i>		
11,000,000 ordinary shares of £1 each	11,000	11,000

12 Reserves

	Profit and loss £000
At beginning of year	12
Profit for the financial year	4,558
Dividend paid (being £0.114 per share)	(1,249)
At end of year	3,321

13 Reconciliation of movements in shareholder's funds

	2013 £000	2012 £000
Profit for the financial year	4,558	3,863
Dividends paid	(1,249)	(4,370)
Opening shareholder's funds	11,012	11,519
Closing shareholder's funds	14,321	11,012

14 Parent undertaking and controlling party

The company's immediate parent undertaking and controlling party is Voith Industrial Services Beteligungen GmbH, a company incorporated in Germany.

At the beginning and end of the year, the largest and smallest group of which Voith Industrial Services Holding Limited was a member and for which group financial statements were drawn up and headed by Voith GmbH, whose principal place of business is at Sankt Pöltener Straße, 89522 Heidenheim, Germany. Consolidated financial statements are available to the public from the above address.

Notes *(continued)*

15 Post Balance Sheet Events

Since the balance sheet date the company has divested 100% of its investment interest in Voith Industrial Services (Coventry) Limited to Voith Industrial Services Beteiligungen GmbH for consideration of £7,105,000, which was the book value.