

**Voith Industrial Services Holding Limited**

**Directors' report and financial statements**

**Registered number 5424146**

**For the year ended 30 September 2011**

MONDAY



A21

\*A160TXNC\*

02/04/2012

COMPANIES HOUSE

#156

## **Contents**

<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities in respect of the directors' report and the financial statements</b>	<b>3</b>
<b>Independent auditor's report to the members of Voith Industrial Services Holding Limited</b>	<b>4</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes</b>	<b>8</b>

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2011

### Principal activity

The principal activity of the company is that of a holding company

### Business review

#### *Fair review of the business*

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

There have been no significant changes in the company's principal activities in the year under review

#### *Development and performance of the business*

	2011 £	2010 £
Investment income received	690,000	405,000
Profit before tax	319,059	200,327

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*

The financial statements have been prepared on a going concern basis and the directors consider that the company is well placed to meet future business risks. 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 loans from its ultimate parent company, which are not due for repayment in the foreseeable future. Accordingly, there is no exposure to interest rate or liquidity risks.

The company's investment operates a business which has General Motors subsidiaries as its main customers. With the future ownership of the GM subsidiaries being uncertain, there remains an element of risk in relation to the long term value of this investment, although the subsidiary is aiming to diversify its business to help manage this risk.

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

### Results and dividends

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

The directors do not recommend the payment of a dividend (2010 £Nil)

### Future developments

The company expects to continue its principal activity in the foreseeable future, with the main business being in line with the current year.

### Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the directors' report above.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.



## **Directors' report** *(continued)*

### **Going concern** *(continued)*

The directors, having assessed the responses of the directors of the company's ultimate parent, Voth AG, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Voth AG to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment the company's financial position and of the enquiries made of the directors of Voth AG, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

### **Directors**

The directors who held office during the year were as follows

H-J Amthor	(appointed 1 October 2010)
H Lachenmayer	(resigned 1 October 2010)
M Herrmann	(resigned 1 October 2011)
P Nicholson	(appointed 1 October 2011)

### **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 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office

Approved by the board of directors on **19th March 2012** and signed on its behalf by



**P Nicholson**  
*Director*

Tournament Court  
Tournament Fields  
Warwick  
CV34 6LG

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 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.

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 2011 set out on pages 6 to 12. 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 3, 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2011 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.

### **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.

**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*

*21/3/12*

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



**Profit and loss account**  
*for the year ended 30 September 2011*

	<i>Note</i>	<b>2011</b> <b>£000</b>	<b>2010</b> <b>£000</b>
<b>Turnover</b>		-	-
Administrative expenses		(4)	(17)
		<hr/>	<hr/>
<b>Gross loss</b>	<i>2</i>	(4)	(17)
Income from shares in group undertakings	<i>3</i>	690	405
Net interest payable and similar charges	<i>4</i>	(367)	(188)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		319	200
Tax on profit on ordinary activities	<i>5</i>	100	57
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<i>10</i>	419	257
		<hr/>	<hr/>

Turnover and operating profit is derived wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

**Balance sheet**  
*at 30 September 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Fixed assets</b>			
Investments	6	16,695	16,695
<b>Current assets</b>			
Debtors	7	646	701
Cash at bank and in hand		1,076	621
		<b>1,722</b>	<b>1,322</b>
<b>Total assets less current liabilities</b>		<b>18,417</b>	<b>18,017</b>
<b>Creditors:</b> Amounts falling due after more than one year	8	<b>(6,898)</b>	<b>(6,917)</b>
<b>Net assets</b>		<b>11,519</b>	<b>11,100</b>
<b>Capital and reserves</b>			
Called up share capital	9	11,000	11,000
Profit and loss account	10	519	100
<b>Shareholders' funds</b>	11	<b>11,519</b>	<b>11,100</b>

These financial statements were approved by the board of directors on *19th March 2012* 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***

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the directors' report above

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries

The directors, having assessed the responses of the directors of the company's ultimate parent, Voith AG, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Voith AG to continue as a going concern or its ability to continue with the current banking arrangements

On the basis of their assessment the company's financial position and of the enquiries made of the directors of Voith AG, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### ***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 AG, 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 AG

#### ***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

#### ***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)

#### 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

#### Financial instruments

Financial instruments are classified and accounting for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

### 2 Operating loss

All operating expenses, including auditor's remuneration, are borne by the company's subsidiary undertaking

### 3 Income from shares in group undertakings

	2011 £000	2010 £000
Dividends receivable from group undertakings	690	405

### 4 Net interest payable and similar charges

	2011 £000	2010 £000
Interest on loans from group undertakings	390	391
Exchange gains on foreign currency borrowings	(23)	(203)
	367	188

## Notes (continued)

### 5 Taxation

#### Analysis of credit for the year

	2011 £000	2010 £000
<i>Current tax</i>		
UK corporation tax	(100)	(57)
	<hr/>	<hr/>
Tax credit on profit on ordinary activities	(100)	(57)
	<hr/>	<hr/>

There is no unrecognised or recognised deferred tax (2010 £Nil)

#### Factors affecting the tax credit for the year

The current tax credit for the year is different (2010 different) to the standard rate of corporation tax in the UK of 27% (2010 28%). The differences are explained below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	319	200
	<hr/>	<hr/>
Current tax at 27% (2010 28%)	86	56
	<hr/>	<hr/>
<i>Effects of</i>		
Group dividend received	(186)	(113)
	<hr/>	<hr/>
Total current tax credit (see above)	(100)	(57)
	<hr/>	<hr/>

#### Factors that may affect future current and total tax charges

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011, respectively.

This will reduce the company's future current tax charge/(credit)

It has not yet been possible to quantify the full anticipated effect of the announced rate reductions, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly

## Notes (continued)

### 6 Investments

	Shares in group undertakings £000
<i>Cost</i>	
At beginning and end of year	16,695
<i>Net book value</i>	
At 30 September 2011	16,695
At 30 September 2010	16,695

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 Limited	England	Provision of support services to the automotive industry	Ordinary	100

Voith Industrial Services Limited continues to trade profitably and is forecast to continue to do so based on the current contracts that it has with its customers. Management have reviewed the forecasts of the subsidiary and reviewed the carrying value of the investment and has concluded that no impairment has occurred.

### 7 Debtors

	2011 £000	2010 £000
Amounts owed by group undertakings	546	479
Corporation tax debtor	100	222
	<b>646</b>	<b>701</b>

### 8 Creditors: Amounts falling due after more than one year

	2011 £000	2010 £000
Amounts owed to group undertakings	6,898	6,917

### 9 Share capital

	2011 £000	2010 £000
<i>Allotted, called up and fully paid:</i>		
11,000,000 ordinary shares of £1 each	11,000	11,000



## Notes (continued)

### 10 Reserves

	<b>Profit and loss £000</b>
At beginning of year	100
Profit for the financial year	419
	<hr/>
At end of year	<b>519</b>
	<hr/>

### 11 Reconciliation of movements in shareholder's funds

	<b>2011 £000</b>	2010 £000
Profit for the financial year	<b>419</b>	257
Opening shareholder's funds	<b>11,100</b>	10,843
	<hr/>	<hr/>
Closing shareholder's funds	<b>11,519</b>	11,100
	<hr/>	<hr/>

### 12 Parent undertaking and controlling party

The company's immediate parent undertaking and controlling party is Voith Industrial Services Holdings 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 AG, 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