

Epwin (Holdings) Limited
(formerly Epwin Group Limited)

Annual report and financial statements

Registered number 3832221

For the eighteen months to 30 June 2012

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Directors' report

The directors who held office during the period and up to the date of these financial statements are shown below

Directors

A J Rawson (resigned 19 December 2012)
R Cox (resigned 19 January 2012)
A K Eastgate (resigned 19 January 2012)
J A Bednall (appointed 19 December 2012)
D J Challinor (appointed 19 December 2012)

Secretary S E Rice

Registered Office 4 Manor Park Business Centre, Mackenzie Way, Cheltenham,
Gloucestershire, GL51 9TX

The directors present their directors' report and financial statements for the eighteen months ended 30 June 2012

Principal activities

The principal activity of the Company is as a holding company. The Company changed its name from Epwin Group Limited to Epwin (Holdings) Limited on 23 January 2013.

Results and dividends

The loss for the period, after taxation, was £5,699,000 (2010 £2,300,000 profit). During the period dividends of £2,046,000 (2010 £2,075,000) were paid in respect of ordinary shares.

Post balance sheet event

In December 2012 the company received a dividend in specie, comprising investment properties and other assets from its subsidiary, Epwin Property Holdings Limited. The company subsequently realised certain reserve accounts and paid a dividend to its parent company, Epwin Investment Holdings Limited.

Following this, the Company was sold to Epwin Group Limited (formerly Epwin (Holdings) Limited), a related party, for cash consideration.

Disclosure of information to the 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 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

Ernst & Young LLP resigned as auditors on 23 April 2012 and KPMG LLP were appointed in their place.

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

By order of the board

J A Bednall
Director



4 Manor Park Business Centre
Mackenzie Way
Cheltenham
Gloucestershire
GL51 9TX

28 March 2013

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 judgements 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

Independent auditor's report to the shareholders of Epwin (Holdings) Limited (formerly Epwin Group Limited)

We have audited the financial statements of Epwin (Holdings) Limited (formerly Epwin Group Limited) for the eighteen month period ended 30 June 2012 set out on pages 5 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 2, 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 June 2012 and of its loss for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the shareholders of Epwin (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



Michael Froom (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

28 March 2013

Profit and loss account
for the eighteen months ended 30 June 2012

		18 months to 30 June 2012 £000	12 months to 31 December 2010 £000
	<i>Note</i>		
Dividends received		-	3,093
Administrative expenses (including impairment of investments of £5,294,000)		(5,296)	(71)
Operating (loss) / profit		(5,296)	3,022
Net interest payable and similar charges	3	(553)	(1,031)
(Loss) / profit on ordinary activities before taxation		(5,849)	1,991
Tax on (loss) / profit on ordinary activities	4	150	309
(Loss) / profit for the period	11	(5,699)	2,300

There are no recognised gains or losses other than the (loss) / profit for the year

Operating (loss) / profit for the current and preceding period arose from continuing operations

There is no material difference between the company's results as reported and on an historical cost basis. Accordingly, no note of historical cost profit and loss has been prepared

The notes on pages 7 to 13 form part of these financial statements

Balance sheet
at 30 June 2012

		30 June 2012 £000	31 December 2010 £000
	<i>Note</i>		
Fixed assets			
Investments	5	40,399	46,255
Current assets			
Debtors	6	-	6,088
Cash at bank and in hand		29	582
		29	6,670
Creditors: amounts falling due within one year	7	(19,168)	(10,434)
Net current liabilities		(19,139)	(3,764)
Total assets less current liabilities		21,260	42,491
Creditors – amounts falling due after more than one year	8	-	(13,186)
Total assets less liabilities		21,260	29,305
Capital and reserves			
Called up share capital	10	20	21
Share premium account	11	2,153	2,153
Capital redemption reserve	11	12,143	12,142
Profit and loss account	11	6,944	14,989
Shareholder's funds		21,260	29,305

These financial statements were authorised for issue by the board on 28 March 2013 and signed on its behalf by

J A Bednall
 Director



Company registered number 3832221

The notes on pages 7 to 13 form part of these financial statements

Notes

(forming part of the financial statements)

1 ACCOUNTING POLICIES

Basis of preparation

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

Going concern

Given the Company's net asset position, the directors believe that the Company is well placed to manage its business risk and has adequate resources to continue its operations for the foreseeable future. They therefore believe it is appropriate to continue to adopt the going concern basis of accounting in preparing the annual financial statements

Cash flow statement

The financial statements do not include a cash flow statement as the company's cash flows are included in the consolidated cash flow statement prepared by the ultimate holding company

Related party transactions

The company has taken advantage of the exemptions provided by Financial Reporting Standard 8 'Related party disclosures' and has not, therefore, disclosed transactions with wholly owned group companies

Group accounts

The accounts are in respect of the company as an individual undertaking and not its group. Under section 400 of the Companies Act 2006 the company is exempt from preparing and delivering group accounts

Notes (continued)

2 OPERATING PROFIT

Operating profit is stated after charging / (crediting)

	18 months to 30 June 2012 £000	12 months to 31 December 2010 £000
Auditors' remuneration - audit services	2	8
- other services	-	15

3 NET INTEREST PAYABLE AND SIMILAR CHARGES

Profit on ordinary activities before taxation is stated after charging / (crediting)

	18 months to 30 June 2012 £000	12 months to 31 December 2010 £000
Bank loans and overdrafts	503	969
Amortisation of loan issue costs	51	64
Interest receivable	(1)	(2)
	553	1,031

Notes (continued)

4 TAXATION

(a) Tax on profit / (loss) on ordinary activities

The tax charge is made up as follows

	18 months to 30 June 2012 £000	12 months to 31 December 2010 £000
<i>Current tax</i>		
UK Corporation tax	(147)	(309)
Tax underprovided / (overprovided) in previous years	(3)	-
Total current tax (see note 4(b))	(150)	(309)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Tax on profit / (loss) on ordinary activities	(150)	(309)

(b) Factors affecting the financial statements at 30 June 2012

The tax assessed on the profit / (loss) on ordinary activities is higher (2010 lower) than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are reconciled below

	18 months to 30 June 2012 £000	12 months to 31 December 2010 £000
Profit on ordinary activities before tax	(555)	1,991
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 28%)	(147)	557
Dividends received not chargeable for tax purposes	-	(866)
Tax underprovided / (overprovided) in previous years	(3)	-
	(150)	(309)

(c) Factors that may affect future tax charges

The 2012 Budget on 23 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge.

Notes (continued)

5 FIXED ASSET INVESTMENTS

	Cost £000
<i>Shares in subsidiary undertakings</i>	
At 1 January 2011	46,255
Transferred to subsidiary company	(562)
Impairment	(5,294)
At 30 June 2012	40,399

As at 30 June 2012 the company's principal subsidiary was

Company name	Nature of business	Proportion of shares and voting rights held
Epwin Property Holdings Limited	Property management and holding company	100%

Epwin Property Holdings Limited is registered in England and Wales and operates in the United Kingdom. The holding comprises of ordinary shares.

6 DEBTORS

	30 June 2012 £000	31 December 2010 £000
Amounts due from subsidiary undertakings	-	6,088
	-	6,088

Notes (continued)

7 CREDITORS amounts falling due within one year

	30 June 2012 £000	31 December 2010 £000
Bank loans (see note 9)	-	1,186
Bank overdraft	-	9,203
Amounts due to subsidiary undertakings	19,166	-
Other creditors	-	40
Accruals and deferred income	2	5
	<u>19,168</u>	<u>10,434</u>

8 CREDITORS: amounts falling due after more than one year

	30 June 2012 £000	31 December 2010 £000
Bank loans (see note 9)	-	13,186
	<u>-</u>	<u>13,186</u>

9 LOANS

	30 June 2012 £000	31 December 2010 £000
Amounts falling due		
- within one year	-	1,250
- Between one and five years	-	13,250
	<u>-</u>	<u>14,500</u>
Less unamortised issue costs	-	(128)
	<u>-</u>	<u>14,372</u>
Included in creditors falling due within one year	-	1,186
Included in creditors falling due after more than one year	-	13,186
	<u>-</u>	<u>14,372</u>

Loans with Barclays Bank PLC were assigned to SBP Limited with effect from 19 October 2011

Notes (continued)

10 CALLED UP SHARE CAPITAL

	30 June 2012		31 December 2011	
	Number	£000	Number	£000
Authorised				
Ordinary shares of 1p each	2,425,000	24	2,475,000	25
Allotted, called up and fully paid:				
Ordinary shares of 1p each	2,025,000	20	2,075,000	21

Share option schemes

The Epwin 2000 Approved share option scheme was approved and established by the company on 18 December 2000 and subsequently amended on 6 December 2002. The Epwin 2002 Unapproved share option scheme was approved and established on 6 December 2002. All options are in respect of ordinary shares of 1p each.

Scheme rules provide that options may not normally be exercised before the first occurrence of a takeover, sale or admission or, if later, nine years and six months from the date of grant.

No options were in existence at 30 June 2012.

	Approved Scheme	Unapproved Scheme	Total
Shares under option at 1 January 2011	19,046	40,477	59,523
Options lapsed	(19,046)	(40,477)	(59,523)
Shares under option at 30 June 2012	-	-	-

Notes (continued)

11 RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £000	Share Premium account £000	Capital Redemption Reserve £000	Profit and Loss account £000	Total Shareholder's Funds £000
At 1 January 2010	21	2,153	12,142	14,764	29,080
Profit for the year	-	-	-	2,300	2,300
Dividends				(2,075)	(2,075)
At 1 January 2011	21	2,153	12,142	14,989	29,305
Loss for the period	-	-	-	(5,699)	(5,699)
Dividends paid	-	-	-	(2,046)	(2,046)
Purchase and cancellation of own shares	(1)	-	1	(300)	(300)
At 30 June 2012	20	2,153	12,143	6,944	21,260

12 CONTROLLING AND ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking is Epwin Investment Holdings Limited. The ultimate controlling party is AJ Rawson.

13 POST BALANCE SHEET EVENT

In December 2012 the company received a dividend in specie of £37.8 million, comprising investment properties and other assets from its subsidiary, Epwin Property Holdings Limited. The company subsequently realised certain reserve accounts and paid a dividend of £18.6 million to its parent company, Epwin Investment Holdings Limited.

Following this, the Company was sold to Epwin Group Limited (formerly Epwin (Holdings) Limited), a related party, for cash consideration.