

# **Alfa Laval Finance Limited**

## **Report and Financial Statements**

31 December 2006

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COMPANIES HOUSE

# Alfa Laval Finance Limited

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Registered No 252009

## **Directors**

N M Patel

N Gaul

## **Secretary**

N Gaul

## **Auditors**

Ernst & Young LLP

Wessex House

19 Threefield Lane

Southampton

SO14 3QB

## **Bankers**

Nordea Bank Finland plc

19 Thomas Moore Street

London

E1 WIYS

## **Registered office**

Alfa House

Doman Road

Camberley

Surrey

GU15 3DN

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2006

### Results and dividends

The company had no transactions during the year. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company was to provide finance to subsidiary companies of Alfa Laval Limited. During the year the company had no transactions. The directors are satisfied with the current financial status of the company and its future prospects.

### Financial Risk Management

Given that the activities of the company are limited to holding intercompany loans, the directors consider that there is very little financial risk to the company. The loans are denominated in sterling and there is no interest due or payable, so there is no exposure to either exchange rate or interest rate risk.

### Directors

The directors who served the company during the year were as follows:

N M Patel  
N Gaul

There are no directors' interests requiring disclosure under the Companies Act 1985.

### Directors qualifying third party indemnity provisions

The company's ultimate parent has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force during the year and remains in place to the date of this report.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of fellow directors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

By order of the board

  
N Gaul  
Director

22-10-2007

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

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditors' report to the members of Alfa Laval Finance Limited**

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Balance Sheet, Profit and Loss Account, and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report**

**to the members of Alfa Laval Finance Limited**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of the result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*Ernst & Young LLP*

**Ernst & Young LLP**  
**Registered auditor**  
**Southampton**

*22 October 2007*

## Profit and loss account

for the year ended 31 December 2006

	Notes	2006 £000	2005 £000
Interest receivable and similar income	5	-	2,202
Interest payable and similar charges	6	-	(812)
<b>Profit on ordinary activities before taxation</b>		-	1,390
Tax on profit on ordinary activities	7	-	(431)
<b>Profit retained for the financial year</b>		-	959

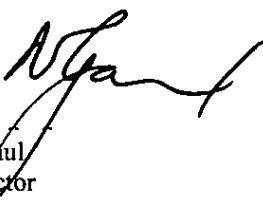
## Statement of total recognised gains and losses

There are no recognised gains or losses attributable to the shareholders for the year ended 31 December 2006 (2005 - profit of £959,000)

## Balance sheet

at 31 December 2006

	Notes	2006 £000	2005 £000
<b>Current assets</b>			
Debtors	8	38,515	38,615
<b>Creditors:</b> amounts falling due within one year	9	(34,502)	(34,602)
<b>Total assets less current liabilities</b>		<u>4,013</u>	<u>4,013</u>
<b>Capital and reserves</b>			
Called up share capital	11	856	856
Profit and loss account	12	3,157	3,157
<b>Equity shareholders' funds</b>	12	<u>4,013</u>	<u>4,013</u>

  
N Gaul  
Director

22-10-2007



## Notes to the financial statements

at 31 December 2006

### 1. Accounting policies

#### *Basis of preparation*

The financial statements of Alfa Laval Finance Limited were approved for issue by the Board of Directors on the date shown on the balance sheet

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

#### *Cash flow statement*

The company has taken advantage of the concession in FRS 1 "Cash Flow Statements" which exempts a company from the requirement to prepare a statement of cash flows on the grounds that the company is small as defined in companies legislation

#### *Related parties transactions*

The company is a wholly owned subsidiary of Alfa Laval Limited, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Alfa Laval AB group

#### *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 exceptions

- 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

### 2. Operating profit

Auditors' remuneration is borne by the immediate parent company, Alfa Laval Limited

## Notes to the financial statements

at 31 December 2006

### 3. Staff costs

The company has no employees

### 4. Directors' emoluments

The directors of the company are also directors of other group companies. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the company and their services as directors of the other group companies. No directors are accruing benefits under a company pension scheme (2005: nil).

The emoluments are disclosed within the company's immediate parent's financial statements.

### 5. Interest receivable

	2006 £000	2005 £000
Bank interest receivable	-	22
Interest from group undertakings	-	2,180
	<u>-</u>	<u>2,202</u>

### 6. Interest payable and similar charges

	2006 £000	2005 £000
Bank interest payable	-	2
Interest payable to group companies	-	810
	<u>-</u>	<u>812</u>

## Notes to the financial statements

at 31 December 2006

### 7. Taxation on profit on ordinary activities

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2006 £000	2005 £000
<i>Current tax</i>		
Adjustment in respect of prior years	-	14
Group relief payable	-	417
Total current tax (note 7(b))	-	431

#### (b) Factors affecting current tax charge

The differences are reconciled below

	2006 £000	2005 £000
Profit on ordinary activities before taxation	-	1,390
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 – 30%)	-	417
Depreciation in excess of capital allowances	-	-
Adjustment in respect of prior years	-	14
Other timing differences	-	-
Total current tax (note 7(a))	-	431

#### (c) Deferred tax

The deferred taxation asset recognised in the financial statements is as follows

	2006 £000	2005 £000
Brought forward at beginning of year	-	100
Transferred to fellow subsidiary	-	(100)
Carried forward at end of year	-	-

The deferred tax asset was transferred to Alfa Laval Limited, the parent company in 2006

## Notes to the financial statements

at 31 December 2006

### 8. Debtors

	2006 £000	2005 £000
Amounts owed by group undertakings	<u>38,515</u>	<u>38,615</u>

### 9. Creditors: amounts falling due within one year

	2006 £000	2005 £000
Amounts owed to group undertakings	33,260	33,360
Group relief payable	1,242	1,242
	<u>34,502</u>	<u>34,602</u>

### 10. Contingent liability

The company has entered into an unlimited multilateral guarantee arrangement guaranteeing the bank borrowing of other group undertakings, from which it is anticipated no material liability will arise

### 11. Share capital

		2006 £000	Authorised 2005 £000
Ordinary shares of £1 each		<u>1,000</u>	<u>1,000</u>
		<i>Allotted, called up and fully paid</i>	
	No.	2006 £000	2005 £000
Ordinary shares of £1 each	856,000	<u>856</u>	<u>856</u>

## Notes to the financial statements

at 31 December 2006

### 12. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	<i>£000</i>	<i>account</i>	<i>holders' funds</i>
		<i>£000</i>	<i>£000</i>
At 1 January 2005	856	2,198	3,054
Profit for the year	—	959	959
At 31 December 2005	856	3,157	4,013
Profit for the year	—	—	—
At 31 December 2006	856	3,157	4,013

### 13. Ultimate parent company

The company's immediate parent undertaking is Alfa Laval Ltd, which in turn is wholly owned by Alfa Laval Holdings Limited. Both companies are registered in England and Wales.

The directors consider that the ultimate parent undertaking is Alfa Laval AB, a company incorporated in Sweden. Alfa Laval AB incorporates the company in its group financial statements which are both the smallest and largest financial statements in which the results of the group are incorporated. Copies of the group financial statements are available from PO Box 73, SE/221-00, Lund, Sweden.