

Registered No: 252009

Alfa Laval Finance Limited

Report and Financial Statements

31 December 2007

FRIDAY



AP6LQ4FZ

A75

31/10/2008

520

COMPANIES HOUSE

Alfa Laval Finance Limited

Registered No 252009

Directors

R Kelly

D Riley

Secretary

D Riley

Auditors

Ernst & Young LLP

Wessex House

19 Threefield Lane

Southampton

SO14 3QB

Bankers

Nordea Bank Finland plc

19 Thomas Moore Street

London

E1 W1YS

Registered office

7 Doman Road

Camberley

Surrey

GU15 3DN

Directors' report

The directors present their report and financial statements for the year ended 31 December 2007

Results and dividends

During the year the company has not traded. The directors have paid an interim dividend of £4,399,000

Principal activities and review of the business

The company has ceased trading. During the year the company had no transactions except for the writing down of group balances and a payment of an interim dividend

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 current directors who served the company during the year were as follows

R Kelly (appointed on 1 July 2008)
N M Patel (resigned 31 July 2008)
N Gaul (resigned 31 July 2008)
D Riley (appointed on 28 July 2008)

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 is obliged to take as a director in order to make himself 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



D Riley
Director

28 OCTOBER 2008

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 year. 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 2007 which comprise the Profit and Loss Account, Statement of Total recognised Gains and Losses, Balance Sheet and the related notes 1 to 10. 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 2007 and of the profit 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
Registered auditor
Southampton

30 October 2008

Profit and Loss Account

For the year ended 31 December 2007

| | <i>Notes</i> | 2007 £000 | 2006 £000 |
|---|--------------|----------------------------|----------------------------|
| <i>Profit on ordinary activities before taxation</i> | | - | - |
| Tax on profit on ordinary activities | 5 | <u>1,242</u> | <u>-</u> |
| <i>Profit retained for the financial year</i> | | <u>1,242</u> | <u>-</u> |

Statement of total recognised gains and losses

There are no recognised gains or losses attributable to the shareholders for the year ended 31 December 2007 other than the profit of £1,242,000 (2006 - nil)

Balance sheet

at 31 December 2007

| | <i>Notes</i> | 2007 £000 | 2006 £000 |
|--|--------------|----------------------------|----------------------------|
| Current assets | | | |
| Debtors | 6 | 856 | 38,515 |
| Creditors amounts falling due within one year | 7 | - | (34,502) |
| Total assets less current liabilities | | <u>856</u> | <u>4,013</u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 856 | 856 |
| Profit and loss account | 9 | - | 3,157 |
| Shareholders' funds | 9 | <u>856</u> | <u>4,013</u> |



D Riley
Director

28 OCTOBER 2008

Notes to the financial statements

at 31 December 2007

1. Accounting policies

Basis of preparation

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

2. Profit and loss account

The company had no transactions during the year except for the writing down of group balances. Cost in relation to the Directors of the company and the Auditors' remuneration is borne by the immediate parent company, Alfa Laval Limited

4. Dividends

| | 2007 £000 | 2006 £000 |
|-----------------------|--------------|--------------|
| Interim dividend paid | <u>4,399</u> | <u>-</u> |

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

| | 2007 £000 | 2006 £000 |
|--|----------------|--------------|
| Current tax | | |
| UK corporation tax | - | - |
| Adjustment in respect of prior years group relief payable | (1,242) | - |
| Total current tax on profit on ordinary activities (note 8(b)) | <u>(1,242)</u> | <u>-</u> |

Notes to the financial statements

at 31 December 2007

5. Tax (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%) The differences are reconciled below

| | 2007 £000 | 2006 £000 |
|---|--------------|--------------|
| Profit on ordinary activities before taxation | - | - |
| Profit on ordinary activities multiplied by the standard rate of tax of 30% | - | - |
| Adjustment in respect of prior years group relief payable | (1,242) | - |
| Total current tax (note 8(a)) | (1,242) | - |

6. Debtors

| | 2007 £000 | 2006 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 856 | 38,515 |

7. Creditors: amounts falling due within one year

| | 2007 £000 | 2006 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | - | 33,260 |
| Group relief payable | - | 1,242 |
| | - | 34,502 |

8. Share capital

| | 2007 £000 | Authorised 2006 £000 |
|----------------------------|--------------|----------------------------|
| Ordinary shares of £1 each | 1,000 | 1,000 |

| | No. | 2007 £000 | Allotted, called up and fully paid 2006 £000 | No. | 2006 £000 |
|----------------------------|---------|--------------|--|-----|--------------|
| Ordinary shares of £1 each | 856,000 | 856 | 856,000 | 856 | 856 |

Notes to the financial statements

at 31 December 2007

9. Reconciliation of shareholders' funds and movement on reserves

| | <i>Share capital</i> £000 | <i>Profit and loss</i> <i>account</i> £000 | <i>Total share-</i> <i>holders' funds</i> £000 |
|---------------------|------------------------------|--|--|
| At 1 January 2006 | 856 | 3,157 | 4,013 |
| Profit for the year | — | — | — |
| At 31 December 2006 | 856 | 3,157 | 4,013 |
| Profit for the year | — | 1,242 | 1,242 |
| Dividend | — | (4,399) | (4,399) |
| At 31 December 2007 | 856 | — | 856 |

10. 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.