Company Registration No. 1007434

ALAN DICK & COMPANY LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2011

CONTENTS

ALAN DICK & COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Ellis	Chairman
R Fisher	CEO
W Carruthers	COO (resigned 14 October 2010)
C Winning	CFO

SECRETARY

TLT Secretaries Limited

REGISTERED OFFICE

The Barlands
London Road
Cheltenham
Gloucestershire
GL52 6UT

BANKERS

Lloyds TSB Bank plc
Rotunda
Montpellier
Cheltenham
Gloucestershire
GL50 1SH

CHARTERED ACCOUNTANTS AND STATUTORY AUDITOR

Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

ALAN DICK & COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

PRINCIPAL ACTIVITIES

The company's principal activity is the provision of design, engineering, construction and implementation of wireless network infrastructure for the cellular and radar industries This is primarily provided through a branch in the Middle East The company also administers the Alan Dick Group Corporate Function

As disclosed in the future developments section (below) the Alan Dick & Company (Holdings) Limited Group is in the process of disposing of its worldwide trading operations, which includes the Middle East branch of Alan Dick & Company Limited After the disposal of the Middle East branch and all other trading operations within the Alan Dick & Company (Holdings) Limited Group, Alan Dick & Company Limited will cease trading

BUSINESS REVIEW

As shown in the profit and loss account on page 8, turnover has decreased by 60% to $6 3m (2010 $15 6m) Turnover in the Middle East branch decreased sharply as the ADH Group shifted its focus to the Surveillance market in the Middle East Region, moving away from Cellular infrastructure It is anticipated that turnover levels will continue to decrease in the year to March 2012

The loss on ordinary activities after taxation is $2 6m (2010 $19 2m) The loss in the current year is principally due to the reduced levels of turnover in the Middle East branch, together with an exceptional loss of $0 6m relating to impairment of amounts owed by group undertakings (2010 $9 8m)

Interest costs for the year were $1 3m (2010 $1 3m)

The directors do not recommend the payment of a dividend (2010 $nil)

The retained loss for the year, together with the effect of exchange movement's year on year, had a negative impact on the company's balance sheet, with net liabilities increasing by $8 9m to $148 0m at 31 March 2011 (2010 net liabilities $139 1m)

The company manages the performance of the branch on an individual basis The key performance indicators used by the directors to assess the branch are total new orders, total revenues, gross margin percentage, EBITDA and net cash flow In addition, the branch also uses various non-financial performance indicators, in particular physical project milestones, headcount and health and safety assessments

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

The ultimate parent of Alan Dick & Company Limited is Alan Dick & Company (Holdings) Limited (ADH Group) (see note 22)

During December 2010 the ADH Group Board undertook a strategic review of the ADH Group's business operations in its remaining key territories of UK, Middle East, Egypt, China and South Africa The review consisted of a current valuation of each business unit and this was compared to the forecasted potential increase in value that would be generated by continuing to operate the business units given the limited financial resources available to the ADH Group to fund organic growth The review concluded that there would be no material increase in value nor cash generation by continuing to trade the business units through to the ADH Group's next banking facility review in December 2012 The ADH Group Board presented the results of the review to its principal UK lenders in January 2011, and it was agreed that an independent third party current valuation of the business units would be commissioned to validate the Board's valuation and hence the result of the strategic review The ADH Group Board engaged Grant Thornton UK LLP to undertake the independent valuation and they reported to the ADH Group Board and UK lenders in January 2011 After further discussion with its principal UK lenders the ADH Group Board drew up an exit plan to dispose of the ADH Group's trading operations with a view to returning maximum value to the creditors of the ADH Group To ensure the plan was in the best interests of the secured creditors of the ADH Group, the ADH Group Board again engaged Grant Thornton UK LLP to perform a review of management's exit execution strategy They reported to the ADH Group Board and principal UK lenders on 7 April 2011

Following discussion of the exit strategy with the ADH Group's UK principal lenders the ADH Group Board commenced the process to exit the ADH Group's key territories in an orderly fashion principally by trade sales As at the date of this report all the UK trading divisions have been disposed of and Heads of Terms have been signed for the sale of the ADH Group's South African and China operations and these disposals are all expected to complete by 31 March 2012 The sale of the ADH Group's Middle East operations is currently being progressed with the assistance of local corporate finance advisors, but as at the date of this report no agreement for a sale has been reached The disposal of the ADH Group's subsidiaries in Egypt is proving to be challenging given the current political uncertainty following the revolution in Egypt in the spring of 2011 Local Corporate Finance advisors have been retained to assist with the disposal but given the continuing civil unrest it is very difficult to estimate when a satisfactory exit from Egypt will be achieved The ADH Group Board continue to have the support of the ADH Group's UK bankers and shareholders throughout this process

Once the disposals have been completed the ADH Group will no longer have any trading operations and, as mentioned in previous Annual Reports, the ADH Group will be unable to repay in full the debt due for repayment on 31 December 2012

GOING CONCERN

Alan Dick & Company Limited and its subsidiaries (ADC Group) is part of the ADH Group which is currently in the process of an orderly disposal of its worldwide trading operations Whilst there is uncertainty surrounding the date when the process will be complete, the directors currently anticipate that this will be prior to 31 December 2012, the date ADH Group and ADC Group's current UK facilities fall due for repayment As set out above, the ADH Group will be unable to repay in full the debt due for repayment at that date

Certain overseas subsidiaries of the ADC Group are reliant upon overseas banking facilities, some of which are due for renewal within the next 12 months The ADH Group and ADC Group directors believe that the overseas banks will renew the existing overseas facilities as their risk is supported via Standby Letters of Credit issued from an ancillary agreement to the UK facility The exit strategy currently underway has the full support of the UK lenders and the directors believe that, if a supported overseas banking facility requires renewal before the anticipated disposal of that business unit, the UK lenders would continue to support that overseas facility via Standby Letters of Credit issued from the ancillary agreement to the UK facility

In the event that the overseas facilities are not renewed there may be a significant impact on operations in the relevant overseas territories and adjustments to the ADC Group profit and loss account and ADC Group balance sheet may be required in respect of these operations to record additional liabilities and to write-down assets to their recoverable amounts It is not possible to quantify the possible adjustments The directors are of the opinion that were such situations to arise, these could be managed in such a way that they would not impact the UK borrowing limits or UK borrowing facilities of Alan Dick & Company (Holdings) Limited and Alan Dick & Company Limited

At the date of this report the ADH Group and ADC Group is operating within its UK borrowing limits The directors believe that the ADH and ADC Group's UK bankers and shareholders will continue to support them through the disposal strategy However, this strategy is dependent upon disposals completing in the timeframe anticipated, to allow sufficient proceeds to be realised to continue to fund the process In the event that this is not the case the secured creditors will be required to either fund the completion of the process as currently planned, or exercise their security over the remaining ADH Group assets

In light of all of the information currently available to them, the directors have concluded it appropriate that these financial statements be prepared on a basis other than that of a going concern As a result certain adjustments have been made to write down assets to their recoverable amount and to record additional liabilities Further adjustments may ultimately be required, however as at the date of this report it is not possible to quantify these potential adjustments

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and subsequently were as follows

R Ellis	Chairman
R Fisher	Chief Executive Officer
W Carruthers	Chief Operating Officer (resigned 14 October 2010)
C Winning	Chief Financial Officer

The directors who served during the year did not have an interest in the shares of the company R Fisher, C Winning and B Ellis are directors of the ultimate parent company (Alan Dick & Company (Holdings) Limited)

BRANCH COMPANIES

The company's only overseas branch in the year was Alan Dick Middle East

ALAN DICK & COMPANY LIMITED

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the company during the year This insurance remains in place at the date of signing of these accounts

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it primarily to the financial risks including credit risk, currency risk and liquidity risk The company does not use derivative financial instruments for speculative purposes

The company's branch operates in a developing country which presents operational risks and uncertainties The company mitigates this risk by the use of experienced senior expatriates to oversee local operations

The most significant risk and uncertainty for the company relates to the availability of facilities, once the current Group disposal strategy is executed, from the company's principal lenders (as described above)

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables

The company's credit risk is primarily attributable to its trade and other receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Other than our principal bankers, Lloyds Bank, the company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Currency risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates Where possible, the company identifies situations where cash inflows and outflows in currencies provide a natural hedge for such exposure

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance

AUDITOR

Each of the persons who are a director at the date of approval of this report confirms that

1) So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
2) The director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to appoint them will be proposed at the forthcoming Annual General meeting

Approved by the Board of Directors
and signed on behalf of the Board

C Winning
CFO
23 March 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws 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) 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 accounting 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 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 and financial 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

ALAN DICK & COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALAN DICK & COMPANY LIMITED

We have audited the financial statements of Alan Dick & Company Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet, the statement of recognised gains and losses and the related notes 1 to 23 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 31 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter – Financial statements prepared other than on a going concern basis

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 been prepared on a basis other than that of a going concern because the Group is currently in the process of disposing of its worldwide trading operations

As disclosed in note 1, the directors currently anticipate that this disposal programme will be completed prior to 31 December 2012, the date the Group's current UK facilities fall due for repayment The Group will be unable to repay in full the debt due for repayment at that date

The directors believe that the Group's UK bankers and shareholders will continue to support them through the disposal strategy However this strategy is dependant upon disposals completing in the timeframe anticipated, to allow sufficient proceeds to be realised to continue to fund the process In the event that this is not the case, the Group's secured creditors will be required to either fund the completion of the process as currently planned, or exercise their security over the remaining Group's assets

ALAN DICK & COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALAN DICK & COMPANY LIMITED

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

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

Christopher Robertson, Senior Statutory Auditor
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, England
23 March 2012

ALAN DICK & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2011

	Note	2011 $000	2010 $000
TURNOVER	2.	6,253	15,588
Cost of sales		(5,561)	(13,315)
GROSS PROFIT		692	2,273
Administrative expenses (including an exceptional loss of $0 6m (2010 loss $9 8m) – Note 5)		(4,309)	(18,692)
OPERATING LOSS		(3,617)	(16,419)
Interest receivable	3.	42	73
Interest payable and similar charges	4	(1,279)	(1,279)
Income from shares in group undertakings		4,004	725
Amounts written off fixed asset investments	8	(1,672)	(1,346)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(2,522)	(18,246)
Tax on ordinary activities	6.	(107)	(955)
LOSS FOR THE FINANCIAL YEAR	15.	(2,629)	(19,201)

All of the company's operations are classified as continuing in the current and prior periods

STATEMENT OF RECOGNISED GAINS AND LOSSES
Year ended 31 March 2011

	2011 $000	2010 $000
LOSS FOR THE FINANCIAL YEAR	(2,629)	(19,201)
Currency translation differences on foreign currency net investments	(6,240)	(4,713)
Total recognised gains and losses relating to the current year	(8,869)	(23,914)

ALAN DICK & COMPANY LIMITED

BALANCE SHEET
31 March 2011

	Note	2011 $000	2010 $000
FIXED ASSETS			
Tangible assets	7	354	990
Investments	8	16,614	17,188
		16,968	18,178
CURRENT ASSETS			
Stocks	9	195	352
Debtors	10.	23,692	27,732
Cash at bank and in hand		529	353
		24,416	28,437
CREDITORS: amounts falling due within one year	11.	(93,194)	(185,698)
NET CURRENT LIABILITIES		(68,778)	(157,261)
TOTAL ASSETS LESS CURRENT LIABILITIES		(51,810)	(139,083)
CREDITORS: amounts falling due after more than one year			
Loans	12.	(96,184)	-
Obligations under finance leases	13	(20)	(62)
		(96,204)	(62)
NET LIABILITIES		(148,014)	(139,145)
CAPITAL AND RESERVES			
Called up share capital	14.	158	158
Profit and loss account	15.	(148,172)	(139,303)
TOTAL SHAREHOLDERS' DEFICIT	15.	(148,014)	(139,145)

Company registration number 1007434

These financial statements were approved and authorised for issue by the Board of Directors on 23 March 2012

Signed on behalf of the Board of Directors

CP Winning

C Winning

CFO

ALAN DICK & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

1. ACCOUNTING POLICIES

Going concern

The ultimate parent of Alan Dick & Company Limited is Alan Dick & Company (Holdings) Limited (ADH Group) (see note 22)

Alan Dick & Company Limited and its subsidiaries (ADC Group) is part of the ADH Group which is currently in the process of an orderly disposal of its worldwide trading operations Whilst there is uncertainty surrounding the date when the process will be complete, the directors currently anticipate that this will be prior to 31 December 2012, the date ADH Group and ADC Group's current UK facilities fall due for repayment As set out above, the ADH Group will be unable to repay in full the debt due for repayment at that date

Certain overseas subsidiaries of the ADC Group are reliant upon overseas banking facilities, some of which are due for renewal within the next 12 months The ADH Group and ADC Group directors believe that the overseas banks will renew the existing overseas facilities as their risk is supported via Standby Letters of Credit issued from an ancillary agreement to the UK facility The exit strategy currently underway has the full support of the UK lenders and the directors believe that, if a supported overseas banking facility requires renewal before the anticipated disposal of that business unit, the UK lenders would continue to support that overseas facility via Standby Letters of Credit issued from the ancillary agreement to the UK facility

In the event that the overseas facilities are not renewed there may be a significant impact on operations in the relevant overseas territories and adjustments to the ADC Group profit and loss account and ADC Group balance sheet may be required in respect of these operations to record additional liabilities and to write-down assets to their recoverable amounts It is not possible to quantify the possible adjustments The directors are of the opinion that were such situations to arise, these could be managed in such a way that they would not impact the UK borrowing limits or UK borrowing facilities of Alan Dick & Company (Holdings) Limited and Alan Dick & Company Limited

At the date of this report the ADH Group and ADC Group is operating within its UK borrowing limits The directors believe that the ADH and ADC Group's UK bankers and shareholders will continue to support them through the disposal strategy However, this strategy is dependent upon disposals completing in the timeframe anticipated, to allow sufficient proceeds to be realised to continue to fund the process In the event that this is not the case the secured creditors will be required to either fund the completion of the process as currently planned, or exercise their security over the remaining ADH Group assets

In light of all of the information currently available to them, the directors have concluded it appropriate that these financial statements be prepared on a basis other than that of a going concern As a result certain adjustments have been made to write down assets to their recoverable amount and to record additional liabilities Further adjustments may ultimately be required, however as at the date of this report it is not possible to quantify these potential adjustments

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the write down of certain assets to their recoverable amount and to record additional liabilities where necessary, and in accordance with applicable United Kingdom accounting standards They have all been applied consistently throughout the year and preceding year

Revenue Recognition

Revenue is recognised on the basis of the sales value of goods and services provided For services which are part complete at the year-end, an estimate is made of the percentage of completion

ALAN DICK & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

1. ACCOUNTING POLICIES – (CONTINUED)

Tangıble Fixed Assets

Tangıble fixed assets are stated at cost or valuatıon, net of depreciatıon and any provısıon for ımpaırment Depreciatıon ıs provıded on all tangıble fixed assets, at rates calculated to wrıte off the cost, less estımated resıdual value, of each asset evenly over ıts expected useful lıfe as follows

Freehold buıldıng -	over fifty years
Leasehold buıldıngs -	over the perıod of the lease
Plant and equıpment -	over three to five years
Motor vehıcles -	over four to five years
Office equıpment -	over five years

Investments

Investments are held at cost less provısıons for any ımpaırment ın value

Long term contracts

Amounts recoverable on long term contracts, whıch are ıncluded ın debtors, are stated at the net sales value of the work done less amounts receıved as progress payments on account Excess progress payments are ıncluded ın credıtors as payments on account Cumulatıve costs ıncurred net of amounts transferred to cost of sales, less provısıon for contıngencıes and antıcıpated future losses on contracts, are ıncluded as work ın progress balances ın stock Thırd party evıdence ın the form of customer acceptance certıficates and other documentatıon relevant to the level of completıon ıs used to assess the level of revenue and profit taken

Stocks

Stocks are stated at the lower of cost and net realısable value Cost, based on brıngıng each product to ıts present locatıon and condıtıon, ıs calculated as follows

Raw materıals -	purchase cost on a first ın, first out basıs
Work ın progress-	cost of dırect materıals and labour plus attrıbutable overheads based on normal level of actıvıty

Foreıgn currency

Transactıons ın foreıgn currencıes are recorded at the rate of exchange at the date of transactıon Monetary assets and lıabılıtıes denomınated ın foreıgn currencıes at the balance sheet date are reported at the rates of exchange prevaılıng at that date

The results of overseas branches are translated at the average rates of exchange durıng the perıod and theır balance sheets at the rates rulıng at the balance sheet date Exchange dıfferences arısıng on translatıon of openıng net assets and results of overseas operatıons are reported ın the statement of total recognısed gaıns and losses All other exchange dıfferences are ıncluded ın the profit and loss account

Taxatıon

Current tax, ıncludıng UK corporatıon tax, ıs provıded at amounts expected to be paıd (or recovered) usıng the tax rates and laws that have been enacted or substantıvely enacted by the balance sheet date

Deferred tax ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date where transactıons or events that result ın an oblıgatıon to pay more tax ın the future or a rıght to pay less tax ın the future have occurred at the balance sheet date Tımıng dıfferences are dıfferences between the company's taxable profits and ıts results as stated ın the financıal statements that arıse from the ınclusıon of gaıns and losses ın tax assessments ın perıods dıfferent from those ın whıch they are recognısed ın the financıal statements

A net deferred tax asset ıs regarded as recoverable and therefore recognısed only when, on the basıs of all avaılable evıdence ıt can be regarded as more lıkely than not that there wıll be suıtable taxable profits from whıch the future reversal of the underlyıng tımıng dıfferences can be deducted

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

1. ACCOUNTING POLICIES – (CONTINUED)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Leasing

Assets held under finance leases and similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives The capital element of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension Schemes

The company operates a defined contribution scheme for employees Contributions are charged to the profit and loss account as they become payable, in accordance with the rules of the scheme Differences between the amounts payable and the amounts paid are recorded as prepayments or accruals on the balance sheet

Cash flow

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard 1 (revised) on the basis that the immediate parent undertaking has prepared a consolidated cash flow statement (note 22)

Group Accounts

Group accounts have not been prepared since the company is a wholly owned subsidiary of Alan Dick & Company (Holdings) Limited which is registered in England and prepares group accounts (note 22)

2. TURNOVER

- By geographical area of destination	2011 $000	2010 $000
Middle East, Indian Ocean & Africa	6,253	15,588
	6,253	15,588

Turnover represents the value of the work done and services provided to the geographical location, stated net of value added tax, during the year All turnover is comprised of the company's principal activity of providing wireless network infrastructure

3. INTEREST RECEIVABLE

	2011 $000	2010 $000
Bank deposit interest	-	2
Other interest receivable	42	71
	42	73

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 $000	2010 $000
Bank loans and overdraft	1,273	1,259
Finance leases and hire purchase contracts	6	20
	1,279	1,279

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 $000	2010 $000
Loss on ordinary activities before taxation is stated after charging / (crediting):		
Fees payable to the company's auditor for the audit of the company's annual financial statements	48	104
Fees payable to the company's auditor for other services		
Tax services	93	113
Total non-audit fees	93	113
Depreciation		
Owned assets	444	642
Assets held under finance leases and hire purchase contracts	37	61
Impairment of amounts owed by Group Undertakings	554	9,789
Impairment of fixed assets	167	-
Operating lease rentals		
Plant and machinery	4	8
Land and Buildings	189	155

During the year a review of amounts owed by Group Undertakings has been performed and an impairment provision of $0 6m has been made (2010 $9 8m)

	2011	2010
Directors' emoluments		
Aggregate emoluments	983	1,326
Payments to directors in respect of third parties services	214	402
Loss of office	380	-
Aggregate contributions to defined contribution pension schemes	99	101
	1,676	1,829
Retirement benefits are accruing to three directors under defined contribution schemes The above details include the following amounts in respect of the highest paid director		
Aggregate emoluments	529	583
Aggregate contributions to defined contribution pension schemes	43	44
	572	627

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2011 $000	2010 $000
Current tax		
UK corporation tax at 28%	39	667
Adjustment in respect of prior years – UK	-	-
Adjustment in respect of prior years – Overseas	13	-
Overseas Tax	55	288
Total current tax	107	955
Deferred tax		
Timing differences origination and reversal	-	-
Adjustment in respect of prior years	-	-
Total deferred tax	-	-
Tax on loss on ordinary activities	107	955

Factors affecting current tax charge for the year
The UK standard rate of corporation tax is 28% The actual tax charge for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation

Current tax:		
Loss on ordinary activities before tax	(2,522)	(18,246)
Tax on loss on ordinary activities at a standard rate of 28%	(706)	(5,109)
Effects of		
Expenses and income not deductible for tax purposes	276	3,923
Capital allowance in excess of depreciation	228	198
Movement in other timing differences	(89)	-
Overseas tax	55	288
Tax losses carried forward	330	1,655
Prior period adjustments – UK		-
Prior period adjustments – Overseas	13	-
Current tax charge	107	955

ALAN DICK & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

7. TANGIBLE FIXED ASSETS

	Land and buildings $000	Plant and machinery $000	Office equipment $000	Motor vehicles $000	Total $000
Cost					
At 31 March 2010	657	1,211	8,185	479	10,532
Additions	-	-	12	-	12
Disposals	(4)	-	(240)	-	(244)
Exchange adjustment	-	25	455	-	480
At 31 March 2011	653	1,236	8,412	479	10,780
Accumulated depreciation and provision for impairment					
At 31 March 2010	426	1,108	7,664	344	9,542
Charge for the year	44	50	327	60	481
Provision for impairment	-	23	144	-	167
Disposals	(1)	-	(226)	-	(227)
Exchange adjustment	-	24	439	-	463
At 31 March 2011	469	1,205	8,348	404	10,426
Net book value					
At 31 March 2011	184	31	64	75	354
At 31 March 2010	231	103	521	135	990

Included in the above net book value is $52k (2010 - $101k) relating to assets acquired under finance leases and hire purchase contracts

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

8. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiaries $000
Cost	
At 31 March 2010	20,050
Additions	-
Disposals	(6)
Exchange Adjustment	1,283
At 31 March 2011	21,327
Provisions	
At 31 March 2010	2,862
Provided during the year	1,672
Disposals	(4)
Exchange Adjustment	183
At 31 March 2011	4,713
Net book value	
At 31 March 2011	16,614
At 31 March 2010	17,188

Alan Dick & Company (Cameroon) SA and Alan Dick & Company (India) Private Ltd were both sold in the year

Principal interests in subsidiaries:

Subsidiary company	Country of incorporation	Activity	Class and percentage of shares held
Alan Dick Holdings (Thailand) Ltd	Thailand	Holding company	100% of ordinary shares
Alan Dick (Thailand) Company Ltd	Thailand	Civil engineering	100% of ordinary shares
Al An for Antennae Support SAE	Egypt	Civil engineering	70% of ordinary shares
Alan Dick UK Limited	UK	Civil engineering	100% of ordinary shares
Alan Dick & Company (North Africa) Ltd	Egypt	Civil engineering	100% of ordinary shares
Al Bawardi Alan Dick – Limited Liability Company	United Arab Emirates	Civil engineering	49% of ordinary shares
Alan Dick Europe (Holdings) Limited	UK	Holding Company	100% of ordinary shares
Alan Dick (Beijing) Telecommunication Equipment Co Ltd	China	Civil engineering	100% of ordinary shares
Alan Dick Africa (Proprietary) Limited	South Africa	Civil engineering	100% of ordinary shares

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

9. STOCKS

	2011 $000	2010 $000
Work in progress	560	279
Payments on account	(659)	(173)
	(99)	106
Raw materials and consumables	294	246
	195	352

There is no material difference between the balance sheet value of stocks and their replacement cost

10. DEBTORS

	2011 $000	2010 $000
Trade debtors	4,675	5,234
Amount due from subsidiary companies	17,358	15,922
Prepayments and accrued income	1,659	6,576
	23,692	27,732

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 $000	2010 $000
Current instalments on loan (see note 12.)	24,046	110,366
Obligations under finance leases and hire purchase contracts (see note 13.)	41	41
Bank overdrafts (see note 12.)	2,420	8,337
Trade creditors	4,069	4,373
Amount due to subsidiary companies	17,345	18,588
Current corporation tax	683	667
Other taxes and social security costs	5	352
Amount due to holding company	30,371	28,546
Accruals	9,599	9,119
Other creditors	4,615	5,309
	93,194	185,698

ALAN DICK & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

12. BORROWINGS

	2011 $000	2010 $000
Bank overdraft	2,420	8,337
Loans – falling due within one year (see note 11.)	24,046	110,366
Loans – falling due after more than one year	96,185	-
	122,651	118,703
The maturity of the above amounts is as follows		
In one year or less or on demand	26,466	118,703
In more than one year but not more than two years	96,185	-
	122,651	118,703

The loan and bank overdraft are secured by fixed and floating charges over the company's assets

Of the total borrowings, $96,185k bears no interest and $24,046k bears interest at 2 5% plus LIBOR

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2011 $000	2010 $000
Amounts payable within one year and on demand	41	41
Amounts payable after more than one year but not more than two years	20	41
Amounts payable after more than two years but not more than five years	-	21
	61	103
Hire purchase contracts shown as:		
Current obligations (see note 11.)	41	41
Non-current obligations	20	62
	61	103

The obligations under finance leases and hire purchase contracts are secured on the underlying assets

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

14. SHARE CAPITAL

	2011 $000	2010 $000
Authorised, allotted and fully paid		
100,000 ordinary shares of £1 each	158	158

15. PROFIT AND LOSS ACCOUNT AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2011 $000	2010 $000
Profit and Loss Account		
Loss for the financial year	(2,629)	(19,201)
Other recognised losses for the current year	(6,240)	(4,713)
Total losses recognised	(8,869)	(23,914)
Accumulated losses brought forward	(139,303)	(115,389)
Accumulated losses carried forward	(148,172)	(139,303)

Reconciliation of Movements in Shareholders' Deficit

	2011 $000	2010 $000
Loss for the financial year	(2,629)	(19,201)
Other recognised losses for the current year	(6,240)	(4,713)
Net reduction in shareholders' funds	(8,869)	(23,914)
Opening shareholders' deficit	(139,145)	(115,231)
Closing shareholders' deficit	(148,014)	(139,145)

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

16. CAPITAL COMMITMENTS

There were no capital commitments as at 31 March, 2011 (2010 $nil)

17. STAFF COSTS

	2011 $000	2010 $000
Wages and salaries	6,485	7,398
Social security costs	161	370
Other pension costs	90	132
	6,736	7,900

The average monthly number of employees during the year was made up as follows

	No.	No.
Office and management	43	68
Manufacture and contracting	31	24
	74	92

18. CONTINGENT LIABILITIES

Performance bonds and tender bonds

As part of its trading practices, the company arranges bank guarantees for performance, advance payment, tender and other guarantees and bonds given to customers At 31 March 2011, the contingent liability of the company under these bonds amounted to $4,200k (2010 - $4,768k) The contingent liability to the bank under these bonds is secured by charges over the assets of the company

Bank guarantee

The company has guaranteed the bank overdraft of some of its subsidiary companies The contingent liability at 31 March 2011 amounted to $7,501k (2010 - $7,740k) and is secured by charges over the assets of the company

The company is also part of a cross guarantee in respect of a loan payable by the ultimate parent company, amounting to $52,036k (2010 - $48,908k)

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 March 2011

19. LEASING COMMITMENTS

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as detailed below

	Land and buildings 2011 $000	Other 2011 $000	Land and buildings 2010 $000	Other 2010 $000
Operating leases which expire				
Within one year	-	-	-	4
Within two to five years	133	-	125	-
After five years	425	-	376	-

20. PENSION COSTS

The company operates defined contribution pension schemes and contributions are charged in the profit and loss account as they accrue The charge for the year to 31 March 2011 was $90k (2010 - $132k)

21. FINANCIAL INSTRUMENTS

At 31 March 2011 the group had no commitments in respect of foreign exchange contracts

22. ULTIMATE PARENT UNDERTAKING

Alan Dick & Company (Holdings) Limited is a company incorporated in England and Wales and is regarded by the directors as the ultimate and immediate parent undertaking

A copy of the ultimate parent's consolidated financial statements can be obtained from

Alan Dick & Company (Holdings) Limited
The Barlands
London Road
Cheltenham
GL52 6UT
ENGLAND

At the balance sheet date the company's ultimate controlling party is Lloyds Banking Group Plc

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted by Financial Reporting Standard 8 – "Related Party Disclosures" and does not, therefore, detail transactions with other group companies