

**Company Registration No. 5053722**

**Alan Dick Africa (Holdings) Limited**

**Report and Financial Statements**

**31 March 2011**

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## **ALAN DICK AFRICA (HOLDINGS) LIMITED**

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# **ALAN DICK AFRICA (HOLDINGS) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISORS**

### **DIRECTORS**

W Carruthers (resigned 14 October 2010)  
R Fisher  
C Winning

### **SECRETARY**

TLT Secretaries Limited

### **REGISTERED OFFICE**

The Barlands  
London Road  
Cheltenham  
Gloucestershire  
GL52 6UT

### **BANKERS**

Lloyds TSB Bank plc  
Cheltenham

### **AUDITORS**

Mazars LLP  
Chartered Accountants  
45 Church Street  
Birmingham  
B3 2RT

# **ALAN DICK AFRICA (HOLDINGS) LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the company together with the financial statements and auditors report for the year ended 31 March 2011

## **PRINCIPAL ACTIVITIES**

The company's principal activity during the year was to act as a holding company

## **BUSINESS REVIEW**

The loss for the year, after taxation, amounted to \$5,307,209 (2010 loss of \$23,164) The inter-group debt due from Alan Dick Africa Limited of \$8 4m has been impaired in the year

In line with the Group's restructuring plans, the investments in Kenya and Sudan were disposed in August 2010, giving rise to a profit on disposal of \$3 0m The investments in Congo, DRC and Cote D'Ivoire were disposed of in December 2010

The directors are satisfied that the accounts, as set out, give an adequate view of the company's activities during the year and of its position at the year end

## **DIVIDENDS**

A dividend of \$3,090,000 was paid in the year (amounting to \$3,090,000 per share)

## **GOING CONCERN**

The ultimate parent company of Alan Dick Africa (Holdings) Limited is Alan Dick & Company (Holdings) Limited (see note 12) Alan Dick Africa (Holdings) Limited shares common directors with Alan Dick & Company (Holdings) Limited Alan Dick Africa (Holdings) Limited is reliant on the continued support of the Alan Dick & Company (Holdings) Limited Group ("Group") through inter-company funding

The Group 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 the Group's current facilities fall due for repayment Consequently, the Group will be unable to repay in full the debt due for repayment at that date

Certain overseas subsidiaries of the Group are reliant upon overseas banking facilities, some of which are due for renewal within the next 12 months The 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 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 Group profit and loss account and 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 Africa (Holdings) Limited

At the date of this report the Alan Dick & Company (Holdings) Limited Group is operating within its UK borrowing limits The directors believe that the 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 Group assets

## **ALAN DICK AFRICA (HOLDINGS) LIMITED**

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**

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

W Carruthers (resigned 14 October 2010)

R Fisher

C Winning

### **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 to a number of financial risks including cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

#### **Cash flow risk**

The company's activities expose it primarily 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. Alternatively the group hedges currency risk partly with purchases of currencies expected to be needed in the future.

#### **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.

### **AUDITORS**

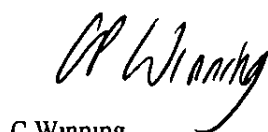
Each of the persons who are a director at the date of approval of this report confirms that

- 1) So far as the director is aware there is no relevant audit information of which the company's auditors are unaware, and
- 2) The director has taken all the 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 auditors are aware of that information.

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

Mazars LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 13 February 2012  
and signed on behalf of the Board



C Winning  
Director

# **ALAN DICK AFRICA (HOLDINGS) LIMITED**

## **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 AFRICA (HOLDINGS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALAN DICK AFRICA (HOLDINGS) LIMITED**

We have audited the financial statements of Alan Dick Africa (Holdings) Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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. 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.

#### **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 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.

#### **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.



**Ian Holder (Senior statutory auditor)**  
for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)  
45 Church Street, Birmingham, B3 2RT

13 February 2012

# ALAN DICK AFRICA (HOLDINGS) LIMITED

## PROFIT AND LOSS ACCOUNT

Year to 31 March 2011

		Year ended 31 March 2011	Year ended 31 March 2010
	Note	\$	\$
Administrative expenses		(8,395,436)	(23,164)
<b>OPERATING LOSS</b>	2	(8,395,436)	(23,164)
Profit on sale of investments		3,088,227	-
Interest receivable		-	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(5,307,209)	(23,164)
Tax on loss on ordinary activities	3	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	8	(5,307,209)	(23,164)

All results are derived from continuing operations

There are no recognised gains and losses other than the loss for the financial period. Accordingly, no statement of total recognised gains and losses is given.

The accompanying notes are an integral part of this profit and loss account.



# ALAN DICK AFRICA (HOLDINGS) LIMITED

## BALANCE SHEET

As at 31 March 2011

	Note	2011 \$	2010 \$
<b>FIXED ASSETS</b>			
Investments	4	-	1,774
		-	1,774
<b>CURRENT ASSETS</b>			
Debtors	5	-	8,395,423
Cash at bank and in hand		-	12
		-	8,395,435
<b>CREDITORS: amounts falling due within one year</b>	6	(8,117,757)	(8,117,757)
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		(8,117,757)	277,678
<b>TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET (LIABILITIES) / ASSETS</b>		(8,117,757)	279,452
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	1	1
Profit and loss account	8	(8,117,758)	279,451
<b>SHAREHOLDERS' (DEFICIT) / FUNDS</b>	8	(8,117,757)	279,452

Company registration number 5053722

The accompanying notes are an integral part of the balance sheet

These financial statements were approved and authorised for issue by the Board of Directors on 13 February 2012

Signed on behalf of the Board of Directors



C Winning  
Director

# **ALAN DICK AFRICA (HOLDINGS) LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 31 March 2011**

### **1. ACCOUNTING POLICIES**

#### **Going concern**

The ultimate parent company of Alan Dick Africa (Holdings) Limited is Alan Dick & Company (Holdings) Limited (see note 12). Alan Dick Africa (Holdings) Limited shares common directors with Alan Dick & Company (Holdings) Limited. Alan Dick Africa (Holdings) Limited is reliant on the continued support of the Alan Dick & Company (Holdings) Limited Group ("Group") through inter-company funding.

The Group 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 the Group's current UK facilities fall due for repayment. Consequently, the Group will be unable to repay in full the debt due for repayment at that date.

Certain overseas subsidiaries of the Group are reliant upon overseas banking facilities, some of which are due for renewal within the next 12 months. The 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 Group profit and loss account and 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 Africa (Holdings) Limited.

At the date of this report the Alan Dick & Company (Holdings) Limited Group is operating within its UK borrowing limits. The directors believe that the 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 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.

#### **OTHER ACCOUNTING POLICIES**

##### **Basis of preparation**

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

##### **Investments**

Investments are held at cost less provision for any impairment in value.

# ALAN DICK AFRICA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence it can be regarded as 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 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

### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the profit and loss account

### 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 ultimate parent undertaking has prepared a consolidated cash flow statement

## 2. OPERATING LOSS

	Year ended 31 March 2011 \$	Year ended 31 March 2010 \$
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Impairment of investments	1	23,164
Impairment of amounts due from group undertakings	8,395,423	-
Profit on sale of investments	(3,088,227)	-

Audit fees of \$3,650 (2010 \$4,700) relating to the audit of the company for the year have been borne by the immediate parent company Alan Dick & Company Limited

# ALAN DICK AFRICA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### 3. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 March 2011 \$	Year ended 31 March 2010 \$
<b>Current tax</b>		
Corporation tax at 28% (2010 28%)	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Timing differences origination and reversal	-	-
<b>Tax on profit on ordinary activities</b>	-	-

#### Factors affecting current tax charge for the period

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

	Year ended 31 March 2011 \$	Year ended 31 March 2010 \$
Loss on ordinary activities before tax	(5,307,209)	(23,164)
Tax charge on ordinary activities at standard rate of 28%	(1,486,019)	(6,486)
Effects of		
Expenses not deductible for tax purposes	2,350,719	6,486
Non taxable income	(904,778)	-
Losses not utilised in the year	40,078	-
<b>Current tax charge for the period</b>	-	-
The quantum of unrecognised Deferred Tax Asset comprises		
	2011 \$	2010 \$
Accelerated Capital Allowances	-	-

On 29 March 2011, the Government substantively enacted the reduction in the main rate of Corporation Tax to 26%. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Accordingly, this reduction has been taken into account when stating the deferred tax assets and liabilities as at 31 March 2011.

The Government has also announced that the main rate of Corporation Tax will subsequently reduce by 1% per annum to reach 23% with effect from 1 April 2014. The first of these annual reductions, from 26% to 25%, was not substantively enacted until 5 July 2011 and as such will be taken into account when stating the company's deferred tax assets and liabilities in future periods.

# ALAN DICK AFRICA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2011

### 4. FIXED ASSET INVESTMENTS

	Shares in Group Undertakings \$
<b>Cost</b>	
At 1 April 2010	95,926
Additions	-
Disposals	(95,925)
	<hr/>
At 31 March 2011	1
	<hr/>
<b>Amortisation</b>	
At 1 April 2010	94,152
Impairment	1
Disposals	(94,152)
	<hr/>
At 31 March 2011	1
	<hr/>
<b>Net book value</b>	
At 31 March 2011	-
	<hr/>
At 31 March 2010	1,774
	<hr/>

#### Interests in subsidiaries

Subsidiary Company	Country of incorporation	Activity	Class and percentage of shares held
Alan Dick Africa Limited	UK	Telecommunications	100% of ordinary shares

The investments in Alan Dick & Company (EA) Ltd and Alan Dick Sudanese Communications Solutions Co Ltd were disposed of in August 2010. The investments in Alan Dick DRC SPRL, Alan Dick Côte D'Ivoire SA and Alan Dick & Company Congo were disposed of in December 2010.

### 5. DEBTORS

	2011 \$	2010 \$
Amount owed from group undertakings	-	8,395,423
	<hr/>	<hr/>
	-	8,395,423
	<hr/>	<hr/>

# ALAN DICK AFRICA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 \$	2010 \$
Amounts owed to group undertakings	(8,117,757)	(8,117,757)
Other creditors	-	-
	<u>(8,117,757)</u>	<u>(8,117,757)</u>

### 7. SHARE CAPITAL

	2011 Number	2010 Number
<b>Authorised</b>		
100 ordinary shares of £1	100	100
	<u>\$</u>	<u>\$</u>
<b>Called up, allotted and fully paid</b>		
1 ordinary shares of £1	1	1
	<u></u>	<u></u>

### 8. PROFIT AND LOSS ACCOUNT AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 31 March 2011 \$	Year ended 31 March 2010 \$
<b>Profit and Loss Account</b>		
Accumulated profit brought forward	279,451	302,615
Loss for the financial year	(5,307,209)	(23,164)
Dividends paid	(3,090,000)	-
Accumulated (loss) / profit carried forward	<u>(8,117,758)</u>	<u>279,451</u>
<b>Reconciliation of Movements in Shareholders' Funds</b>		
Opening shareholders' funds	279,452	302,616
Loss for the financial year	(5,307,209)	(23,164)
Dividends paid	(3,090,000)	-
Closing shareholders' (deficit) / funds	<u>(8,117,757)</u>	<u>279,452</u>

### 9. DIVIDENDS

	2011 \$	2010 \$
Dividends paid in year	<u>(3,090,000)</u>	<u>-</u>

A dividend of \$3,090,000 was paid in the year, amounting to \$3,090,000 per share

# ALAN DICK AFRICA (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2011

### 10. STAFF COSTS

	2011	2010
	\$	\$
Wages and salaries	-	-
Social security costs	-	-
Pension	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The average monthly number of employees during the period was as follows

Office and management	-	-
	<u>-</u>	<u>-</u>

During the year, the directors of the company received no remuneration from this company for their services to the company, their costs being borne by fellow group company Alan Dick and Company Ltd

### 11. EXCHANGE RATE

The rate of exchange used at the year end was USD 1 60308 / GBP 1 00

### 12. CONTINGENT LIABILITIES

Lloyds TSB Bank Plc, as primary lender to the Alan Dick group of companies, has a fixed and floating charge over the assets of the company

### 13. ULTIMATE PARENT COMPANY

The immediate parent company of this company is Alan Dick and Company Limited and the ultimate parent company is Alan Dick & Company (Holdings) Limited, both of which are incorporated in England and Wales. The largest group into which the results of this company are consolidated is the Alan Dick and Company (Holdings) Group. Copies of the consolidated accounts can be obtained from Alan Dick and Company Limited, The Barlands, London Road, Cheltenham, Gloucestershire, GL52 6UT

The company's ultimate controlling party is Lloyds Banking Group Plc

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts. Therefore the information presented in these financial statements concerns only the Company and not its group

### 14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions granted by Financial Reporting Standards 8 "Related Party Disclosure" and does not therefore detail transactions with other group companies

### 14. POST BALANCE SHEET EVENTS

There are no material post balance sheet events