

Company Registration No. 05257340

"Amending"

ALcontrol Holdings (UK) Limited

Report and Financial Statements

31 March 2012



ALcontrol Holdings (UK) Limited

Report and financial statements 2012

Contents	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Reconciliation of movements in shareholders' funds	8
Notes to the financial statements	9

ALcontrol Holdings (UK) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under s418 of the Companies Act 2006

Principal activities

The principal activity of the company is that of an intermediate holding company

The profit made by the company during the year was £13.1m (2011: loss of £0.2m)

Business review

The directors are satisfied with the result for the year

Results and dividend

The company operating loss before exceptional costs was £0.4m (2011: loss of £0.5m)

Exceptional charges were £0.5m (2011: £0.2m) and related to staff restructuring of the ALcontrol group

Net interest income was £13.9m (£0.4m) after net exchange gains of £16.4m (2011: £2.1m)

The resulting statutory profit for the year is £13.1m (2011: loss of £0.2m)

Going concern

The company's loans are primarily owed to group undertakings and are ultimately subject to security from the lending banks and are subject to standard financial and non-financial covenants

The group headed by ALcontrol Group Limited has prepared financial forecasts for the group, comprising profit and loss, balance sheet and cash flows reflecting the current financing structure. These forecasts show that, taking account of reasonably likely changes in trading performance and the factors noted above, the group is capable of operating within the level of its available facilities and complying with its financial and non-financial covenants for a period of at least twelve months from the date of signature of these statutory accounts.

The directors are in receipt of a letter of support from ALcontrol Group Limited

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Directors

The directors who held office during the year were as follows

S S Gibbs	
D C Humphreys	(appointed 28 June 2011, resigned 27 September 2012)
D L Cruddace	(resigned 28 June 2011)
P E Bream	(appointed 6 November 2012)

ALcontrol Holdings (UK) Limited

Directors' report

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- 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 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 reappoint them will be proposed at the forthcoming Annual General Meeting

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


S S Gibbs
Director

20 December 2012

ALcontrol Holdings (UK) Limited

Directors' responsibilities statement

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

Independent auditor's report to the members of ALcontrol Holdings (UK) Limited

We have audited the financial statements of ALcontrol Holdings (UK) Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes 1 to 19. 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 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 2012 and of its profit 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 matters prescribed by the Companies Act 2006

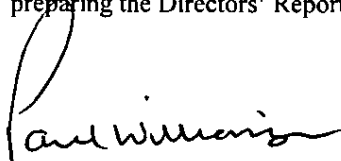
In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of ALcontrol Holdings (UK) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made,
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report



Paul Williamson BSc FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

20 December 2012

ALcontrol Holdings (UK) Limited

Profit and loss account Year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Turnover		-	-
Administrative expenses		(225)	272
Staff costs		(625)	(840)
Depreciation	2	-	(67)
Operating loss before exceptional reorganisation		(377)	(478)
Re organisation costs	2	(473)	(157)
Operating loss		(850)	(635)
Interest receivable and similar income	4	17,630	2,096
Interest payable and similar charges	5	(3,698)	(1,664)
Profit/(loss) on ordinary activities before taxation	2	13,082	(203)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial year	15	13,082	(203)

All activities are continuing

The company has made no recognised gains and losses in the current or proceeding year other than the profit shown above. Therefore, no separate statement of total recognised gains and losses has been prepared.

ALcontrol Holdings (UK) Limited

Balance sheet 31 March 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	7	76,755	76,755
Tangible fixed assets	8	-	-
		<u>76,755</u>	<u>76,755</u>
Current assets			
Debtors amounts falling due within one year	9	1	175
Debtors amounts falling due after more than one year	10	78,811	78,619
		<u>78,812</u>	<u>78,794</u>
Creditors: amounts falling due within one year	11	<u>(1,617)</u>	<u>(772)</u>
Net current assets		<u>77,195</u>	<u>78,022</u>
Total assets less current liabilities		153,950	154,777
Creditors: amounts falling due after more than one year	12	<u>(402,254)</u>	<u>(416,163)</u>
Net liabilities		<u>(248,304)</u>	<u>(261,386)</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account	15	<u>(248,305)</u>	<u>(261,387)</u>
Equity shareholders' deficit		<u>(248,304)</u>	<u>(261,386)</u>

The financial statements of ALcontrol Holdings (UK) Limited, registered number 05257340 were approved by the Board of Directors on 20 December 2012

Signed on behalf of the Board of Directors



S S Gibbs
Director

ALcontrol Holdings (UK) Limited

Reconciliation of movements in shareholders' funds Year ended 31 March 2012

	2012 £'000	2011 £'000
Profit/(loss) for the financial year	13,082	(203)
Net decrease/(increase) in shareholders' deficit	13,082	(203)
Opening shareholders' deficit	(261,386)	(261,183)
Closing shareholders' deficit	<u>(248,304)</u>	<u>(261,386)</u>

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

1. Accounting policies

The financial statements are prepared under the historical cost accounting rules and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently in the current and prior year.

Basis of preparation

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of ALcontrol Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of ALcontrol Group Limited, within which this company is included, can be obtained from the address given in note 19.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further detail is given in the Directors' Report.

Investments

Investments are shown at cost less provision for impairment.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings, tools and equipment - 5 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Post retirement benefits

The Group operates a defined contribution scheme that covers the majority of its employees. Under the defined contribution scheme, costs are charged to the profit and loss account as incurred.

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

1 Accounting policies (continued)

Taxation

Current 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 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

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

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

2. Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in the financial statement for called up share capital and share premium exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Dividends on shares presented within shareholders' equity

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2. Profit/(loss) on ordinary activities before taxation

	2012 £'000	2011 £'000
<i>Profit/(loss) on ordinary activities before taxation is stated after charging:</i>		
Depreciation and other amounts written off tangible and intangible fixed assets		
Owned	-	67
Reorganisation costs	473	157
Reorganisation costs represents the costs associated with the restructure of the Alcontrol Group		

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

2. Profit/(loss) on ordinary activities before taxation (continued)

	2012 £'000	2011 £'000
<i>Auditor's remuneration for audit services</i>		
Fees payable to the company's auditor for the audit of the company's annual financial statements	3	3
<i>Amounts receivable by auditor and their associates in respect of Other services relating to taxation</i>	-	-

3. Remuneration of directors and employee information

The only employees of the company were the directors and company secretary. No remuneration was paid or is payable to the directors (2011: £nil). Staff Costs of £625,000 were remunerated by other entities within the Alcontrol Group (2011: £840,000) for staff employed elsewhere within the Group performing tasks for the Company.

4. Interest receivable and similar income

	2012 £'000	2011 £'000
Exchange differences	17,449	2,096
Interest due from group undertakings	181	-
	<u>17,630</u>	<u>2,096</u>

5. Interest payable and similar charges

	2012 £'000	2011 £'000
On bank loans and overdrafts	1,602	1,503
Interest payable to group undertakings	873	-
Amortisation of loan financing costs	177	159
Exchange loss on retranslation of long term finance	1,046	2
	<u>3,698</u>	<u>1,664</u>

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

6. Taxation

	2012 £'000	2011 £'000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
<i>Foreign tax</i>		
Current tax on income for the year	-	-
Total current tax	-	-
<i>Deferred tax (note 13)</i>		
Tax charge on profit/(loss) on ordinary activities	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2011 higher) than the standard rate of corporation tax in the UK 26% (2011 28%). The differences are explained below

	2012 £'000	2011 £'000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	13,082	(203)
Current tax at 26% (2011 28%)	3,401	(57)
<i>Effects of</i>		
Expenses not deductible for tax purposes	5	32
Group relief claimed/surrendered	(572)	-
Transfer pricing adjustment	(2,834)	-
Capital allowances for period in excess of depreciation	-	19
Movement in deferred tax not provided for	-	6
Total current tax	-	-

Factors that may affect future and current tax charges

The Company has tax losses carried forward (see note 13) on which no deferred tax asset has been recognised on the basis that recoverability of the asset is uncertain

A reduction in the headline UK tax rate from 28% to 26%, effective 1 April 2012, was substantively enacted under the Provisional Collection of Taxes Act in March 2012. The Finance Bill 2012 proposed further reductions in the headline rate from 26% to 23% over the next three years. The reduction in the headline UK tax rate from 1 April 2012 to 25% was substantively enacted on 5 July 2012 within Finance (No 3) Bill.

As the further reductions in UK corporate tax rates have not been substantially enacted at the balance sheet date, this is considered a non-adjusting event in accordance with FRS 21 and no adjustments have been made. The impact of any further reduction will be taken into account at subsequent reporting dates, once the change has been substantively enacted.

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

7. Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 1 April 2011 and 31 March 2012	164,360
Provisions	
At 1 April 2011 and 31 March 2012	(87,605)
Net book value	
At 1 April 2011 and 31 March 2012	<u>76,755</u>

The companies in which the company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held £
Subsidiary undertakings			
ALcontrol Holdings Limited	UK	Intermediate Holding Company	100% ordinary

8. Tangible fixed assets

	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost		
At 1 April 2011 and 31 March 2012	348	348
Accumulated depreciation		
At 1 April 2011 and 31 March 2012	348	348
Net book value		
At 1 April 2011 and 31 March 2012	<u>-</u>	<u>-</u>

9. Debtors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed by associated undertakings	1	32
Prepayments and accrued income	-	143
	<u>1</u>	<u>175</u>

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

10. Debtors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Amounts owed to group undertakings	78,811	78,619

11. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Bank loans (see note 12)	(133)	(133)
Accruals and deferred income	295	341
Accrued interest	1,455	564
	1,617	772

Included within the balance for bank loans as disclosed above are unamortized finance costs of £133,000 (2011 £133,000) that were capitalised in accordance with the requirements of FRS 4. Further details are given in note 12.

12. Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Shares classified as liabilities	14,116	14,116
Bank loans	13,846	13,270
Amounts owed to group companies	263,244	273,118
Amounts owed to associated undertakings	103,974	108,585
Accrued interest on preference shares	7,074	7,074
	402,254	416,163

Included within the balance for bank loans as disclosed above are unamortized finance costs of £613,000 (2011 £719,000) that were capitalised in accordance with the requirements of FRS4. Further details are given below.

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

12. Creditors: amounts falling due after more than one year (continued)

Analysis of debt

	2012 £'000	2011 £'000
Debt can be analysed as falling due		
In one year or less, or on demand	(133)	(133)
Between one and two years	(133)	(133)
Between two and five years	3,659	(399)
In five years or more	10,320	13,802
	<u>13,713</u>	<u>13,137</u>

Amounts repayable in more than five years:

	2012 £'000	2011 £'000
Bank loans (gross)	10,320	13,989
Unamortised finance cost	-	(187)
	<u>10,320</u>	<u>13,802</u>

Loans

The principal loans consist of the following amounts that are secured by fixed and floating charges over the assets of the company and its subsidiary undertakings

	Interest rate	Repayment date	2012 £'000	2011 £'000
Senior debt – Term B	Sterling LIBOR + 5.5	18 November 2016	2,563	2,500
Senior debt – Term C	Euro EURIBOR + 0.75%	18 November 2016	1,575	1,666
Mezzanine Debt	Sterling LIBOR + 12.00%	18 November 2017	10,320	9,823
Unamortised finance costs			(745)	(852)
			<u>13,713</u>	<u>13,137</u>

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

13. Deferred taxation

The elements of the unrecognised deferred taxation assets are as follows

	2012 £'000	2011 £'000
Tax losses	10,449	11,387
Deferred tax asset	10,449	11,387

No deferred tax asset has been recognised in the company on the grounds that recoverability is uncertain

14. Called up share capital

	2012 £	2011 £
Authorised		
Equity 120,000 'A' Ordinary shares of £0.01 each	1,200	1,200
Non equity 25,000,000 redeemable preference shares of £0.01 each	250,000	250,000
300,000 Cumulative convertible participating preferred ordinary shares of £0.01 each	3,000	3,000
120,000 Deferred shares of £0.01 each	829	829
	<u>255,029</u>	<u>255,029</u>
Allotted, called up and fully paid		
Equity 109,185 'A' Ordinary shares of £0.01 each	1,091	1,091
Non equity 19,999,893 redeemable preference shares of £0.01 each	199,999	199,999
279,997 Cumulative convertible participating preferred ordinary shares of £0.01 each	2,800	2,800
	<u>203,890</u>	<u>203,890</u>
Shares classified as liability	202,799	202,799
Shares classified as shareholders' funds	1,091	1,091
	<u>203,890</u>	<u>203,890</u>

Redeemable preference shares

Redeemable preference shareholders have the right to receive a fixed cumulative preferential dividend at a rate of 11.6% per annum but do not have the right to vote at general meetings of the company. The right to receive the preference dividend has priority over the rights of the holders of any other class of shares.

Preference shares may be redeemed early by a written resolution, otherwise they are redeemable on a sale or listing or on winding up of a group company.

ALcontrol Holdings (UK) Limited

Notes to the financial statements Year ended 31 March 2012

14. Called up share capital (continued)

Preferred ordinary shares

Dividends on the preferred ordinary shares accrue from 10 December 2009 and rank pari passu in all respects with the 'A' Ordinary shares as to dividends. The dividend will be 15% of the profit before taxation of the company. Each preferred ordinary share entitles the shareholder to one vote at general meetings of the company.

15. Reserves

	Profit and loss account £'000
At beginning of year	(261,387)
Retained profit for the year	13,082
At end of year	<u>(248,301)</u>

Included within the profit and loss account reserve is £7,074,000 (2011 £7,074,000) of accrued dividends on the preference shares (see note 14) which are unrealised.

16. Contingent liabilities

In addition to the bank loans held by the company £49,603,000 (2011 £50,493,000) of loans are held by companies that are members of the ALcontrol Group Limited group of companies. The Group is a guarantor and each guarantor irrevocably and unconditionally jointly and severally guarantees the borrowings of other companies under the control of ALcontrol Group Limited.

17. Commitments

The Company has no outstanding commitments at the year end (2011 £nil).

18. Derivative financial instruments

ALcontrol Financial Limited, a wholly owned subsidiary of ALcontrol Holdings (UK) Limited, had at the 31st March 2012 entered into two interest rate swaps to hedge against future fluctuations of LIBOR and EURIBOR rates on behalf of the ALcontrol Group.

As a result liabilities arising from these interest rate swaps are held within ALcontrol Holdings (UK) Limited on the same proportion as the senior debt is held.

19. Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's immediate parent undertaking is ALcontrol Group Limited.

The smallest and largest group to consolidate these financial statements is ALcontrol Group Limited. Copies of the ALcontrol Group Limited consolidated financial statements are available from the Company Secretary at Unit 7&8 Hawarden Business Park, Manor Road (off Manor Lane), Hawarden, Deeside, CH5 3US.

ALcontrol Investors (Cayman) L.P. is the ultimate parent of the group of which ALcontrol Holdings (UK) Limited is a member. The results of the company are not included in any other accounts.