

**ALcontrol Holdings (UK) Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 05257340**

**31 March 2009**

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## Directors' report

The directors present their report and audited financial statements for the year ended 31 March 2009

### Principal Activities

The ALcontrol Holdings (UK) Limited group (the 'Group' or 'UK Group') is the UK operation of the ALcontrol group of companies comprising a European network of testing laboratories, operating either as subsidiary undertakings or as branches, which provide a comprehensive analysis service to clients in the environmental and food sectors. In the environmental sector analysis is provided to clients in the contaminated land, environmental water, contaminated water and potable (drinking) water markets. In the food sector the group provides an extensive range of microbiological, chemical and sensory analysis to its clients. In addition the Group provides specialist services in the areas of emissions monitoring, asbestos surveying and oil analysis.

ALcontrol's strategy is to focus on growing its existing broadly based environmental and food testing units across Europe and to improve the major laboratory processes in each country in which it operates. The Group will continue to aggressively manage its cost base whilst actively enhancing its customer offering.

The principal business risks which would impact on the ability of the Group to execute its strategy are (i) the future direction of testing prices and (ii) the speed with which environmental and food legislation comes onto the statute books of EC member states and is actively implemented and enforced by EC member governments. Across the group there are currently stable prices and whilst EU legislation is constantly evolving, the speed of its adoption in member countries varies widely.

### Business Review

The performance during the year has been severely impacted by the macro economic downturn, especially in relation to the environmental sector. This sector is heavily reliant upon the housing and construction markets. Reduced sample volumes from these markets, has resulted in a significant reduction in revenue.

Within the food sector, revenues have remained stable throughout the period as the standard of testing delivered by the group and the demand for testing remains high.

During the year the Group continued to rationalise its operations to adjust to the needs of the environmental sector. The environmental laboratory in Hawarden now processes all samples from the Dublin and Langley operations, which now act as service outlets for their respective customers.

### Post Balance Sheet Event

On 18 November 2009, the ALcontrol group of companies headed by ALcontrol Group Holdings Limited ('Old Group'), of which ALcontrol Holdings (UK) Limited is a member, reached agreement with its lenders which resulted in a significant re-structuring of its lender debt. As a consequence of this restructuring ALcontrol Holdings (UK) Limited was transferred, along with other members of the ALcontrol Group, into a new corporate structure, headed in the UK by ALcontrol Group Limited (the 'New Group'). Following the restructuring the external debt of the New Group was considerably reduced and the New Group received a substantial capital injection.

Within ALcontrol Holdings (UK) Limited ('UK Group') the external debt has been reduced by €47.8m, although the net indebtedness of 'UK Group' remains unchanged due to the establishment of new inter company loans. The new structure will reduce the cash interest costs by an estimated €3.7m per annum based upon current LIBOR and EURIBOR base rates.

The directors believe this significantly de-leveraged balance sheet places the business in a strong position and will allow the group to capitalise on future opportunities.

As a result of the restructuring there has been a change in the ultimate parent company of the Group. Further details are given in note 27.

## Directors' report *(continued)*

### **Group Financial Review**

#### *Profit and Loss*

In the 2008/9 financial year the group generated revenues of £51 million, down £9.8 million from 2007/08

Loss before interest, tax, depreciation, goodwill amortisation, goodwill impairment and reorganisation costs amounted to £0.7 million (2007/08 £5.6 million profit)

Depreciation charges amounted to £2.3 million (2007/08 £2.3 million)

At 31 March 2009 a review of the carrying value of goodwill created in December 2004, when the old Group of companies was acquired by the current shareholders, was undertaken. As a result of this and in accordance with the requirements of FRS 11 (Impairment of Fixed Assets and Goodwill) the Directors have concluded that an impairment to the carrying value of goodwill needs to be recognised in the financial statements of the Group. Consequently an impairment charge of £58.6 million has been made bringing the total amortisation and impairment charge for the year to £66.4 million (2007/08 £7.8 million). The remaining goodwill will continue to be amortised over a period of 20 years.

Exceptional costs of £1.4 million charged to profit and loss account in 2008/9 comprised the following -

- Site consolidation – within the environmental sector - £1.1 million
- Redundancy programmes – across other sectors - £0.1 million
- Other costs – across the Group - £0.2 million

The Group loss on ordinary activities before interest and taxation was £68.6 million (2007/08 £3.9 million). Net interest payable amounted to £16.1 million (2007/08 £19.9 million). Exchange losses also account for £6.0 million (2007/08 £6.1 million) of the net interest payable. Net interest on amounts owed to other ALcontrol companies outside the Group accounted for £6.4 million (2007/08 £5.8 million). The bank interest charges relate to the servicing of the debt used to acquire the ALcontrol Group Holdings Limited group in December 2004. This debt was subsequently re-financed in July 2007.

The current tax charge for the year is £nil. The resulting statutory loss for the year is £84.7 million (2008 £23.9 million).

#### *Foreign exchange*

During the year the Sterling to Euro exchange rate fell 13%. The impact upon the Group has been an exchange loss of £6.0 million as a result of re-stating the value of Euro denominated bank debt and also amounts owed to associated undertakings.

#### *Cash Flow and Balance Sheet*

Net Debt at the year end of £49.8 million (2007/08, £44.3 million) increased during the year by £5.5 million. The cashflows from operating activities amounted to £6.0 million (2007/08 £19.0 million). Capital expenditure of £1.3 million was £2.3 million lower than prior year. Interest payments on servicing the senior debt were £4.9 million, £1.8 million higher than prior year due to the new debt structure and timing of payments.

Foreign exchange translation of debt denominated in Euros accounted for a £4.2 million increase in net debt and other non cash movements account for £0.8 million of increase – taking the total increase in Net Debt to £5.5 million.

## Directors' report (continued)

### ALcontrol Future Prospects

Trading prospects for the group in 2009/10 remain challenging and with regards to the environmental land business are linked to a recovery in the housing and construction markets. The directors feel that the financial restructuring of the Group, the significant rationalisation undertaken and continued excellence in customer service place the Group in a good position for when these markets do recover.

### Key performance indicators

Key financial performance indicators include the monitoring of the management of profitability and working capital

	2009	2008	Measure
<b>Financial</b>			
EBITDA (£000)	1,616	7,837	Operating profit before depreciation, goodwill, amortisation and impairments and exceptional costs
Current ratio	0.50	1.33	Current assets/current liabilities
Days debtors	50.4	71.1	Trade debtors/annual turnover
Sales per employee (£000)	51.2	48.9	Turnover/average number of employees
EBITDA per employee (£000)	1.6	6.3	EBITDA/average number of employees

Non financial key performance indicators include compliance with environmental legislation and Health & Safety guidelines

### Results and dividend

The directors do not recommend the payment of a dividend (2008 £nil)

### Directors

The directors who held office during the period were as follows

SS Gibbs	(Group Chief Executive)
DL Cruddace	(Group Finance Director)

## **Directors' report** *(continued)*

### **Employees and health and safety**

The Group's human resources policies recognise the importance of employee involvement. Employees and their representatives are provided with information and consulted on matters which are, in the opinion of directors, of concern to them as employees and likely to affect their interests. The Group encourages all employees to enhance their competence and develop new skills via participation in locally arranged training programmes. These programmes are designed to stimulate and challenge employees and in so doing aid in the process of employee recruitment and retention. Business unit meetings and staff consultative committees are held, where employees are made aware of financial and economic factors affecting the business.

The Group is committed to a policy of equality of treatment and opportunity for all employees, including those who are disabled. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities. Accordingly, the only personal attributes which are taken into account in making decisions about employees are those which relate directly to actual or potential performance.

In recognition of its commitment to the highest levels of Health and Safety throughout the business, the Group Chief Executive has been appointed "Health and Safety Director". This appointment ensures recognition of Health and Safety issues at the highest level within the Group, will enable best practice to be adopted throughout the whole of the business and will ensure that an appropriate risk monitoring framework is in place and regularly reviewed. Continuous efforts are made to improve existing measures and to raise awareness and stimulate an interest in Health and Safety issues. Health and Safety is controlled at a local level within each country of operation and performance monitored and reported monthly both to local senior management teams and also to directors.

### **Political and charitable contributions**

Political and charitable contributions of £nil (2008 £nil) were made during the year.

### **Research and development**

No expenditure on research and development has been charged to profit and loss account in the year to 31 March 2009 (2008 £nil).

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

### **Financial instruments**

The Group's principal financial instruments, other than derivatives, comprise bank loans, finance leases and hire purchase contracts and cash. The Group also enters into derivative transactions, principally interest rate swaps. The purpose is to manage the interest rate arising from the Group's operations and its sources of finance.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments.

#### *Cash flow interest rate risk*

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short and long-term debt obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. To manage this mix in a cost efficient manner, the Group enters into interest rate swaps, in which the Group agrees to exchange the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2009, after taking into account the effect of interest rate swaps, approximately 60% of the Group's senior debt borrowings are at a fixed rate of interest.

## Directors' report *(continued)*

### *Credit risk*

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's net exposure to bad debts is not material.

There are no significant concentrations of credit risk within the Group.

### *Liquidity risk*

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of, and reliance upon bank overdrafts, annually renewable revolver facilities, bank loans, and finance leases and hire purchase contracts.

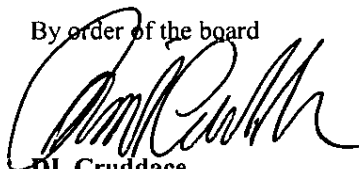
### *Foreign exchange risk*

The Group operates in the UK but does hold senior bank debt and loans with associated undertakings, denominated in euros Europe and therefore has an exposure to exchange rate fluctuations. Currency exposures are reviewed regularly by the Board.

### **Auditors**

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company and for the directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

By order of the board



DL Cruddace  
Director

Unit 7 & 8  
Hawarden Business Park  
Hawarden  
Deeside  
CH5 3US

30 March 2010

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

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.





## **KPMG LLP**

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Leeds  
LS1 4DW  
United Kingdom

### **Independent auditors' report to the members of ALcontrol Holdings (UK) Limited**

We have audited the group and parent company financial statements of ALcontrol Holdings (UK) Limited for the year ended 31 March 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, Reconciliation of Movements in Shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

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

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

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

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

#### **Basis of audit opinion**

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

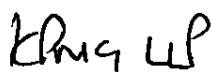
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

## **Independent auditors' report to the members of ALcontrol Group Holdings Limited *(continued)***

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 March 2009 and of the group's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

30 March 2010

**Consolidated profit and loss account**  
*for the year ended 31 March 2009*

	<i>Note</i>	<b>2009</b> <b>£000</b>	<b>2008</b> <b>£000</b>
<b>Group turnover</b>	<b>2</b>	<b>51,043</b>	<b>60,825</b>
Change in stocks of finished goods and work in progress		(147)	117
Raw materials and consumables		(8,684)	(9,743)
Staff costs	5	(24,883)	(26,323)
Amortisation and impairment of goodwill	9	(66,413)	(7,831)
Depreciation and other amounts written off tangible and other intangible fixed assets	3, 10	(2,349)	(2,280)
Other operating charges		(17,103)	(18,702)
<b>Group operating loss</b>			
Operating (loss)/profit before exceptional reorganisation costs, goodwill amortisation and impairment			
		(733)	5,557
Goodwill amortisation and impairment	9	(66,413)	(7,831)
Reorganisation costs	3	(1,390)	(1,663)
		(68,536)	(3,937)
Loss on disposal of fixed assets		(27)	-
<b>Loss on ordinary activities before interest</b>		<b>(68,536)</b>	<b>(3,937)</b>
Other interest receivable and similar income	6	3,048	1,633
Interest payable and similar charges	7	(19,187)	(21,558)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	<b>(84,702)</b>	<b>(23,862)</b>
Tax on loss on ordinary activities	8	-	-
<b>Loss for the financial year</b>	<b>19</b>	<b>(84,702)</b>	<b>(23,862)</b>

All activities are continuing

## Consolidated balance sheet

At 31 March 2009

	Note	2009 £000	2008 £000
<b>Fixed assets</b>			
Intangible assets	9	64,331	130,815
Tangible assets	10	11,268	12,321
		<u>75,599</u>	<u>143,136</u>
<b>Current assets</b>			
Stocks	12	748	895
Debtors: amounts falling due within one year	13	40,575	34,163
Cash at bank and in hand		3,061	3,628
		<u>44,384</u>	<u>38,686</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(88,381)</u>	<u>(29,009)</u>
<b>Net current (liabilities)/assets</b>		<b>(43,997)</b>	<b>9,677</b>
<b>Debtors: amounts falling due after more than one year</b>	14	<u>28,385</u>	<u>22,401</u>
<b>Total assets less current liabilities</b>		<b>59,987</b>	<b>175,214</b>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(142,527)</u>	<u>(173,052)</u>
<b>Provisions for liabilities and charges</b>	17	<u>-</u>	<u>-</u>
<b>Net (liabilities)/assets</b>		<b>(82,540)</b>	<b>2,162</b>
<b>Capital and reserves</b>			
Called up share capital	18	1	1
Profit and loss account	19	(82,541)	2,161
		<u>(82,540)</u>	<u>2,162</u>
<b>Shareholders' (deficit)/funds</b>		<b>(82,540)</b>	<b>2,162</b>

These financial statements were approved by the board of directors on 30 March 2010 and were signed on its behalf by



**DL Cruddace**  
Director

## Company balance sheet

At 31 March 2009

	Note	2009 £000	2008 £000
<b>Fixed assets</b>			
Investments	11	76,755	164,360
<b>Current assets</b>			
Creditors amounts falling due within one year	15	(53,705)	(1,557)
<b>Net current liabilities</b>		(53,705)	(1,557)
Debtors amounts due after more than one year	14	71,401	76,145
<b>Total assets less current liabilities</b>		<b>94,451</b>	<b>238,948</b>
Creditors amounts falling due after more than one year	16	(352,607)	(343,723)
<b>Net liabilities</b>		<b>(258,156)</b>	<b>(104,775)</b>
<b>Capital and reserves</b>			
Called up share capital	18	1	1
Profit and loss account	19	(258,157)	(104,776)
<b>Shareholders' liabilities</b>		<b>(258,156)</b>	<b>(104,775)</b>

These financial statements were approved by the board of directors on 30 March 2010 and were signed on its behalf by



**DL Cruddace**  
Director

## Consolidated cash flow statement

For the year ended 31 March 2009

	Note	2009 £000	2008 £000
<b>Cash flow statement</b>			
Cash flow from operating activities	23	5,978	18,961
Returns on investments and servicing of finance	24	(4,948)	(3,160)
Taxation		(147)	(32)
Capital expenditure	24	(1,323)	(3,579)
Acquisitions and disposals	24	(62)	(88)
		<hr/>	<hr/>
Cash (outflow)/inflow before financing		(502)	12,102
Financing	24	(65)	(6,664)
		<hr/>	<hr/>
(Decrease)/increase in cash in the year		(567)	5,438
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net debt</b>			
(Decrease)/increase in cash in the year	25	(567)	5,438
Cash inflow/(outflow) from increase in debt and lease financing		65	6,664
		<hr/>	<hr/>
Change in net debt resulting from cash flows		(502)	12,102
		<hr/>	<hr/>
Translation differences	25	(4,195)	(3,382)
Non-cash changes	25	(795)	(2,445)
		<hr/>	<hr/>
Movement in net debt in the year		(5,492)	6,275
Net debt at the start of the year	25	(44,260)	(50,535)
		<hr/>	<hr/>
Net debt at the end of the year	25	(49,752)	(44,260)
		<hr/>	<hr/>

## Consolidated statement of total recognised gains and losses

for the year ended 31 March 2009

	2009 £000	2008 £000
Loss for the financial year	(84,702)	(23,862)
Total recognised gains and losses relating to the financial year	(84,702)	(23,862)

The historical cost results are not significantly different from the results as shown on page 9. As a result, no note of consolidated historical cost profits and losses has been presented.

## Reconciliations of movements in shareholders' funds

for the year ended 31 March 2009

	Group 2009 £000	Company 2009 £000	Group 2008 £000	Company 2008 £000
Loss for the financial year	(84,702)	(153,381)	(23,862)	(50,887)
Net reduction in shareholders' funds	(84,702)	(153,381)	(23,862)	(50,887)
Opening shareholders' funds/(deficit)	2,162	(104,775)	26,024	(53,888)
Closing shareholders' funds/(deficit)	(82,540)	(258,156)	2,162	(104,775)

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements

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

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

#### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2009. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 230(4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

#### ***Going concern***

The company is a member of ALcontrol Holdings (UK) Limited ('UK Group') which had consolidated net liabilities at 31 March 2009. This company is a guarantor for the various loans held by other group companies and had significant intercompany balances with members of ALcontrol Group Holdings Limited ('Old Group') at 31 March 2009. Following the restructuring in November 2009, further details of which are given below, the company is dependent for its continued operational existence on funds provided to it by members of ALcontrol Group Limited (the 'New Group').

At 31 March 2009 the 'UK Group' had breached certain covenants under its facility agreements with its Lenders. As a result of this breach all relevant liabilities have been restated as falling due within one year at 31 March 2009.

On 18 November 2009, the 'Old Group' of which ALcontrol Holdings (UK) Limited is a member, reached agreement with its senior lenders which resulted in a significant re-structuring of its senior lender debt. As a consequence of this restructuring ALcontrol Holdings (UK) Limited was transferred, along with other members of the 'Old Group' into a new corporate structure, the external debt of the 'New Group' was considerably reduced and the 'New Group' received a substantial capital injection.

Within the 'UK Group' the senior bank debt has been reduced by €47.8m, although the net indebtedness of 'UK Group' remains unchanged due to the establishment of new inter company loans within the 'New Group'. The new structure will reduce the cash interest costs by an estimated €3.7m per annum based upon current LIBOR and EURIBOR base rates.

The directors believe this significantly de-leveraged balance sheet places the business in a strong position and will allow the group to capitalise on future opportunities.

The 'New Group's' forecasts and projections, taking into account reasonable sensitivities in trading performance, show that it is able to operate within the level of its current facility and meet its covenants.

The directors believe that the 'New Group' has adequate resources to continue in operational existence for the foreseeable future.

On this basis the Directors believe that it is appropriate to prepare these financial statements on a going concern basis.

#### ***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.



## Notes (continued)

### 1 Accounting policies (continued)

#### *Goodwill and negative goodwill*

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of 20 years.

On the subsequent disposal or termination of a business acquired the profit or loss on disposal or termination is calculated after charging (crediting) the unamortised amount of any related goodwill (negative goodwill).

In the company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost less any provision for permanent diminution in value.

#### *Intangible fixed assets and amortisation*

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Concessions, patents, licences and trademarks purchased by the company are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods.

#### *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:

Leasehold land and buildings	-	life of lease
Plant and machinery	-	3 to 40 years
Software and hardware	-	5 years
Development costs	-	10 years

Cost includes directly attributable finance costs.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. 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.

#### *Government grants*

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Post retirement benefits*

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

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Tax charges or credits arising on the retranslation of foreign currency borrowings used to finance or provide a hedge against equity investments in foreign enterprises are taken to the Statement of Total Recognised Gains and Losses together with the exchange differences on the borrowings themselves

#### ***Cash***

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

#### ***Research and development expenditure***

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

#### ***Classification of financial instruments issued by the Group***

Financial instruments issued by the Group 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 Group 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 Group, and
- b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group'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 Group'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 Group. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

#### ***Definition***

In these financial statements the 'Group' consists of ALcontrol Holdings (UK) Limited and the subsidiary undertakings as set out in note 11

## Notes (continued)

### 2 Segmental information

In the opinion of the directors the Group operates in one class of business only Third party turnover can be analysed by geographical market as follows

	2009 £000	2008 £000
<b>Turnover</b>		
United Kingdom	47,210	55,687
Europe	3,646	4,970
Rest of the World	187	168
	<u>51,043</u>	<u>60,825</u>

Turnover analysed by origin is not materially different to that analysed by destination

### 3 Notes to the profit and loss account

	2009 £000	2008 £000
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation and other amounts written off tangible and intangible fixed assets		
Owned	2,325	2,251
Leased	24	29
Amortisation and impairment of goodwill	66,413	7,831
Hire of plant and machinery - rentals payable under operating leases	436	583
Hire of other assets -- operating leases	530	550
Reorganisation costs	<u>1,390</u>	<u>1,663</u>

Reorganisation costs represents the costs associated with various site consolidations in the Group, as well as other specific one-off project costs, as disclosed in the directors' report

	2009 £000	2008 £000
<i>Auditors' remuneration</i>		
Audit of these financial statements	8	3
<i>Amounts receivable by auditors and their associates in respect of</i>		
Audit of financial statements of subsidiaries pursuant to legislation	39	38
Other services relating to taxation	<u>29</u>	<u>29</u>

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis

## Notes (continued)

### 4 Remuneration of directors

The directors of the Company are remunerated by other entities within the ALcontrol Group Holdings Limited which are excluded from this consolidation

### 5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2009	2008
Administration	78	194
Management	208	186
Laboratory	711	862
	<u>997</u>	<u>1,242</u>

The aggregate payroll costs of these persons were as follows

	2009	2008
	£000	£000
Wages and salaries	22,439	23,826
Social security costs	2,139	2,176
Other pension costs	305	321
	<u>24,883</u>	<u>26,323</u>

There were no persons employed by ALcontrol Holdings (UK) Limited company in either the current or prior year

### 6 Other interest receivable and similar income

	2009	2008
	£000	£000
Bank deposits	159	328
Other	-	138
Interest due from associated undertakings	2,889	1,167
	<u>3,048</u>	<u>1,633</u>

**Notes (continued)**

**7 Interest payable and similar charges**

	2009 £000	2008 £000
On bank loans and overdrafts	295	535
On all other loans	3,985	4,012
Finance costs on shares classified as liabilities	1,637	1,642
Finance charges payable in respect of finance leases and hire purchase contracts	5	15
Interest payable to associated undertakings	6,440	5,796
Other interest payable	29	24
Costs associated with refinancing	-	3,294
Amortisation of loan financing costs	795	101
Exchange loss on retranslation of long term finance	6,001	6,139
	<u>19,187</u>	<u>21,558</u>

**8 Taxation**

*Analysis of charge in year*

	2009 £000	2008 £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	<u>-</u>	<u>-</u>
<i>Deferred tax (note 17)</i>	-	-
Total tax on loss on ordinary activities	<u>-</u>	<u>-</u>

## Notes (continued)

### 8 Taxation (continued)

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

The current tax credit for the year is lower (2008 lower) than the standard rate of corporation tax in the UK (28%, 2008 30%)  
 The differences are explained below

	2009 £000	2008 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(84,702)	(23,862)
Current tax at 28% (2008 30%)	(23,717)	(7,159)
<i>Effects of</i>		
Finance charge on shares classified as liabilities	458	492
Expenses not deductible for tax purposes	18,784	1,841
Group relief not paid for	(1)	(9,677)
Capital allowances for period in excess of depreciation	491	601
Other timing differences		30
Transfer price adjustments	(735)	12,259
Movement in deferred tax not provided	4,774	856
Short term timing differences	(54)	757
Total current tax	-	-

#### Factors that may affect future and current tax charges

The Group has tax losses carried forward (see note 17) on which no deferred tax asset has been recognised on the basis that recoverability of the asset is uncertain

## Notes (continued)

### 9 Intangible fixed assets

Group	Goodwill £000
<i>Cost</i>	
At beginning of year	156,642
Adjustment to deferred consideration	(71)
	<hr/>
At end of year	156,571
	<hr/>
<i>Amortisation</i>	
At beginning of year	25,827
Charged in year	7,831
Impairment charge	58,582
	<hr/>
At end of year	92,240
	<hr/>
<i>Net book value</i>	
At 31 March 2009	64,331
	<hr/>
At 31 March 2008	130,815
	<hr/>

The fair values of intangible assets acquired as part of a business are valued on the basis of estimated value in existing use and are amortised over the expected period where economic benefit is derived

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. Goodwill is amortised over a useful economic life of 20 years based on management's estimation of the period where economic benefit is derived from each acquisition.

The adjustment to deferred consideration is as a result of certain post acquisition performance targets not being met.

#### *Impairment*

In the current year the directors have performed an impairment review in accordance with the requirements of FRS 11 'Impairment of fixed assets and goodwill'. The impairment loss has been measured by reference to the trading operations of the UK Group which the directors consider to be a single income generating unit on the basis that the majority of testing is performed from a single UK site. A discounted cash flow has been prepared using a discount rate of 12.4% which reflects appropriate risk adjustments for the business. The value in use calculation has assumed a steady long term growth rate for a period of five years and the growth rate does not exceed the long term average growth rate for the country in which the business operates.

**Notes (continued)**

**10 Tangible fixed assets**

	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings, tools and equipment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Group</b>				
<i><b>Cost</b></i>				
At 1 April 2008	10,574	12,424	6,969	29,967
Additions	152	468	703	1,323
Disposals	-	(62)	-	(62)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	10,726	12,830	7,672	31,228
	<hr/>	<hr/>	<hr/>	<hr/>
<i><b>Depreciation</b></i>				
At 1 April 2008	4,923	8,108	4,615	17,646
Charge for year	666	1,156	527	2,349
On disposals	-	(35)	-	(35)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	5,589	9,229	5,142	19,960
	<hr/>	<hr/>	<hr/>	<hr/>
<i><b>Net book value</b></i>				
At 31 March 2009	5,137	3,601	2,530	11,268
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	5,651	4,316	2,354	12,321
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the total net book value of plant and machinery is £13,000 (2008 £37,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £24,000 (2008 £29,000).

The net book value of land and buildings all comprises short leasehold property.

The company has no tangible fixed assets.



## Notes (continued)

### 11 Fixed asset investments

The principal undertakings in which the Group's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and Percentage of shares held
<b>Subsidiary undertakings</b>			
ALcontrol Holdings Limited*	UK	Intermediate holding company	100% ordinary
ALcontrol Financial Limited	UK	Intermediate holding company	100% ordinary
ALcontrol UK Limited	UK	Environmental and food testing	100% ordinary
Geochem Group Limited	UK	Dormant	100% ordinary
Poroperm Geochem Limited	UK	Dormant	100% ordinary
ALcontrol Limited	UK	Dormant	100% ordinary
ALcontrol Netherlands Limited	UK	Non-trading	100% ordinary
Microtech Food Laboratories Limited	UK	Dormant	100% ordinary
TechniChem Laboratories Limited	UK	Dormant	100% ordinary
EUS Limited	UK	Dormant	100% ordinary
SP Shutler Limited	UK	Dormant	100% ordinary

\* held directly by ALcontrol Holdings (UK) Limited

All these subsidiary undertakings are included in these consolidated financial statements

Company	Shares in group undertakings £000
<b>Cost</b>	
At 1 April 2008 and 31 March 2009	164,360
<b>Provisions</b>	
At 1 April 2008	-
Charge for year	87,605
At 31 March 2009	87,605
<b>Net book value</b>	
At 31 March 2009	76,755
At 31 March 2008	164,360

### 12 Stocks

	Group 2009 £000	Company 2009 £000	Group 2008 £000	Company 2008 £000
Raw materials and consumables	748	-	895	-
	<u>748</u>	<u>-</u>	<u>895</u>	<u>-</u>

**Notes (continued)**

**13 Debtors: amounts falling due within one year**

	Group 2009 £000	Company 2009 £000	Group 2008 £000	Company 2008 £000
Trade debtors	7,050	-	11,849	-
Amounts owed by related companies (note 28)	31,593	-	20,167	-
Other debtors	222	-	154	-
Prepayments and accrued income	1,710	-	1,993	-
	<u>40,575</u>	<u>-</u>	<u>34,163</u>	<u>-</u>

Related companies are those entities that are members of the ALcontrol Group Holdings Limited group of companies but outside the Group

**14 Debtors: amounts falling due after more than one year**

	Group 2009 £000	Company 2009 £000	Group 2008 £000	Company 2008 £000
Amounts owed by Group undertakings	-	71,401	-	76,145
Amounts owed by related companies (note 28)	28,385	-	22,401	-
	<u>28,385</u>	<u>71,401</u>	<u>22,401</u>	<u>76,145</u>

Related companies are those entities that are members of the ALcontrol Group Holdings Limited group of companies but outside the Group

## Notes (continued)

### 15 Creditors: amounts falling due within one year

	Group 2009 £000	Company 2009 £000	Group 2008 £000	Company 2008 £000
Bank loans and overdrafts (see note 16)	52,671	52,671	(134)	(134)
Obligations under finance leases and hire purchase contracts (see note 16)	142	-	207	-
Trade creditors	5,755	-	4,654	-
Amounts owed to related companies (note 28)	28,131	847	19,536	712
Taxation and social security	782	-	2,358	-
Other creditors	482	-	795	-
Accruals and deferred income	11	-	114	-
Deferred consideration	-	-	133	-
Accrued interest	187	187	979	979
Corporation tax	220	-	367	-
	<u>88,381</u>	<u>53,705</u>	<u>29,009</u>	<u>1,557</u>

Related companies are those entities that are members of the ALcontrol Group Holdings Limited group of companies but outside the Group

Included within the Group balance for bank loans as disclosed above are unamortized finance costs of £44,000 (2008 £134,000) that were capitalised in accordance with the requirements of FRS 4 Further details are given in note 16

### 16 Creditors: amounts falling due after more than one year

	Group 2009 £000	Company 2009 £000	Group 2008 £000	Company 2008 £000
Shares classified as liabilities	14,116	14,116	14,116	14,116
Bank loans and overdrafts	-	-	47,815	47,815
Amounts owed to related companies (note 28)	121,337	64,190	105,684	59,590
Amounts owed to group companies	-	267,227	-	216,765
Accrued interest on preference shares	7,074	7,074	5,437	5,437
	<u>142,527</u>	<u>352,607</u>	<u>173,052</u>	<u>343,723</u>

Related companies are those entities that are members of the ALcontrol Group Holdings Limited group of companies but outside the Group

Included within the Group balance for bank loans as disclosed above are unamortized finance costs of £ nil (2008 £705,000) that were capitalised in accordance with the requirements of FRS4 Further details are given below

**Notes** *(continued)*

**16 Creditors: amounts falling due after more than one year** *(continued)*

**Analysis of debt:**

	<b>Group 2009 £000</b>	<b>Company 2009 £000</b>	<b>Group 2008 £000</b>	<b>Company 2008 £000</b>
Debt can be analysed as falling due				
In one year or less, or on demand	<b>52,813</b>	<b>52,671</b>	73	(134)
Between one and two years	-	-	(134)	(134)
Between two and five years	-	-	(403)	(403)
In five years or more	-	-	48,352	48,352
	<b>52,813</b>	<b>52,671</b>	<b>47,888</b>	<b>47,681</b>

**Amounts repayable in more than five years**

	<b>Group 2009 £000</b>	<b>Company 2009 £000</b>	<b>Group 2008 £000</b>	<b>Company 2008 £000</b>
Bank loans and overdraft (gross)	-	-	48,520	48,520
Unamortised finance cost	-	-	(168)	(168)
	-	-	<b>48,352</b>	<b>48,352</b>

## Notes (continued)

### 16 Creditors: amounts falling due after more than one year (continued)

	Interest rate	Repayment date	2009 £000	2008 £000
<b>Senior debt – Term B</b>				
	Sterling LIBOR + 2.75%	30 June 2013	4,208	4,208
	Euro EURIBOR + 2.75%	30 June 2013	6,872	5,780
<b>Senior debt – Term C</b>				
	Sterling LIBOR + 3.25%	31 December 2013	4,208	4,208
	Euro EURIBOR + 3.25%	31 December 2013	6,872	5,780
<b>Senior debt – Term D</b>				
	Sterling LIBOR + 4.5%	30 June 2014	17,918	17,918
	Euro EURIBOR + 4.5%	30 June 2014	12,637	10,626
			52,715	48,520

At 31 March 2009 and 31 March 2008 all the loan balances were secured via fixed and floating charges over the assets of the company and its subsidiary undertakings

The maturity of obligations under finance leases and hire purchase contracts is as follows

	Group 2009 £000	Company 2009 £000	Group 2008 £000	Company 2008 £000
Within one year	142	-	207	-

**Notes (continued)**

**17 Provisions for liabilities and charges**

<b>Group</b>	<b>Deferred taxation £000</b>
At beginning and end of year	-

The elements of the unrecognised deferred taxation assets are as follows

	<b>Group 2009 £000</b>	<b>Company 2009 £000</b>	<b>Group 2008 £000</b>	<b>Company 2008 £000</b>
Difference between accumulated depreciation and amortisation and capital allowances	3,693	-	3,240	-
Other timing differences	138	-	168	-
Tax losses	13,381	7,271	8,615	3,649
	<u>17,212</u>	<u>7,271</u>	<u>12,023</u>	<u>3,649</u>
Deferred tax asset	<u>17,212</u>	<u>7,271</u>	<u>12,023</u>	<u>3,649</u>

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

## Notes (continued)

### 18 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
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>
<i>Allotted, called up and fully paid</i>		
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 and is held within creditors payable after more than one year 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.

#### Preferred ordinary shares

Dividends on the preferred ordinary shares will accrue from 10 December 2009 and will 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.

## Notes (continued)

### 19 Reserves

Group	Profit and loss account £000
At beginning of year	2,161
Loss for the year	(84,702)
	<hr/>
At end of year	(82,541)
	<hr/>
Company	Profit and loss account £000
At beginning of year	(104,776)
Retained loss for year	(153,381)
	<hr/>
At end of year	(258,157)
	<hr/>

Included within the Group and Company profit and loss account reserve is £7,074,000 (2008 £5,437,000) of accrued dividends on the preference shares (see note 16) which are unrealised

### 20 Contingent liabilities

The company has guaranteed the overdrafts of its subsidiaries, the amount outstanding at the year end was £nil (2008 £3,634,000)

In addition to the bank loans held by the Group £94,695,000 (2008 £102,237,000) of loans are held by companies that are members of the ALcontrol Group Holdings Limited group of companies but outside the Group. 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 Holdings Limited.



## Notes (continued)

### 21 Commitments

- (a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows

	<b>Group 2009 £000</b>	<b>Company 2009 £000</b>	<b>Group 2008 £000</b>	<b>Company 2008 £000</b>
Contracted	<u>506</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (b) In addition to the above, at the end of the financial year the Group had entered into commitments amounting to £nil in respect of finance leases and similar hire purchase contracts, the inception of which occurs after the year end

- (c) Annual commitments under non-cancellable operating leases are as follows

	<b>2009 Land and buildings £000</b>	<b>2009 Other £000</b>	<b>2008 Land and buildings £000</b>	<b>2008 Other £000</b>
<b>Group</b>				
Operating leases which expire				
Within one year	60	133	55	156
In the second to fifth years inclusive	260	1,205	226	834
Over five years	847	-	582	-
	<u>1,167</u>	<u>1,338</u>	<u>863</u>	<u>990</u>

The Company has no annual commitments under non cancellable operating leases (2008 £nil)

## Notes (continued)

### 22 Pension scheme

The Group has operated defined contribution, personal pension plan and stakeholder schemes during the year. The stakeholder scheme is operated by Legal & General and is the only active scheme in operation in the UK at 31 March 2009.

### 23 Reconciliation of operating loss to operating cash flows

	2009 £000	2008 £000
Operating loss	(68,563)	(3,937)
Depreciation, and amortisation and impairment	68,789	10,111
Decrease/(increase) in stocks	147	(117)
Decrease in debtors	5,014	204
Decrease in creditors	(880)	(202)
Increase/(decrease) in amounts due to associated undertakings	1,471	12,902
<b>Net cash inflow from operating activities</b>	<b>5,978</b>	<b>18,961</b>

**Notes (continued)**

**24 Analysis of cash flows**

		2009		2008	
	Notes	£000	£000	£000	£000
<b>Returns on investment and servicing of finance</b>					
Interest received		159		466	
Interest paid		(5,102)		(3,611)	
Interest element of finance lease rental payments		(5)		(15)	
		<u>          </u>		<u>          </u>	
			(4,948)		(3,160)
			<u>          </u>		<u>          </u>
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(1,323)		(3,579)	
		<u>          </u>		<u>          </u>	
			(1,323)		(3,579)
			<u>          </u>		<u>          </u>
<b>Acquisitions and disposals</b>					
Deferred consideration		(62)		(88)	
		<u>          </u>		<u>          </u>	
			(62)		(88)
			<u>          </u>		<u>          </u>
<b>Financing</b>					
Debt due within one year					
Repayment of secured loan		-		(1,871)	
Debt due after more than one year					
Repayment of existing loan		-		(48,834)	
New secured loan		-		44,099	
Capital element of finance lease rental payments		(65)		(58)	
		<u>          </u>		<u>          </u>	
			(65)		(6,664)
			<u>          </u>		<u>          </u>

**Notes (continued)**

**25 Analysis of net debt**

	At beginning of year £000	Cash flow £000	Exchange movement £000	Other non cash changes £000	At end of year £000
Cash in hand, at bank	3,628	(567)	-	-	3,061
Overdrafts	-	-	-	-	-
	<u>3,628</u>	<u>(567)</u>	<u>-</u>	<u>-</u>	<u>3,061</u>
Debt due within one year	134	-	-	(52,805)	(52,671)
Debt due after one year	(47,815)	-	(4,195)	52,010	-
Finance leases	(207)	65	-	-	(142)
	<u>(47,888)</u>	<u>65</u>	<u>(4,195)</u>	<u>(795)</u>	<u>(52,813)</u>
<b>Total</b>	<b><u>(44,260)</u></b>	<b><u>(502)</u></b>	<b><u>(4,195)</u></b>	<b><u>(795)</u></b>	<b><u>(49,752)</u></b>

**26 Company profit and loss account**

The company has not presented its own profit and loss account as permitted under section 230 of the Companies Act 1985. The loss for the period as dealt with in the accounts of the parent company is £65,776,000 (2008 £50,887,000)

**27 Ultimate parent company**

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.

## Notes (continued)

### 28 Related party disclosures

The company is a subsidiary undertaking of ALcontrol Group Holdings Limited. The company has either sold or purchased goods and services from other entities under the control of ALcontrol Group Holdings Limited, on normal commercial terms, during the year.

The disclosures below relate to transactions outside of ALcontrol Holdings (UK) Limited group of companies where the exemptions under FRS 8 do not apply.

Related party	Purchases £000	Creditor at 31 March 2009 £000	Sales £000	Debtor at 31 March 2009 £000
ALcontrol Group Holdings Limited	1,018	-	-	9,678
ALcontrol Invest (UK) Limited	-	95	-	665
ALcontrol Holdings (Netherlands) BV	-	5,347	-	15,273
ALcontrol Holland BV	-	-	-	791
ALcontrol BV	2	22,218	3	1,166
ALcontrol Food BV	2	-	17	236
Opinion International BV	-	-	-	31
ALcontrol Holdings (Sweden) AB	-	78	-	3,732
ALcontrol Sweden AB	177	-	6	-
ALcontrol AB	-	393	-	-
ALcontrol Trustee Company Limited	-	-	-	21
	<u>1,198</u>	<u>28,131</u>	<u>27</u>	<u>31,593</u>

The following loans and other funding balances with entities under the control of ALcontrol Group Holdings Limited, but outside the ALcontrol Holdings (UK) Limited group, existed at 31 March 2009.

Related party	Interest accrued and paid in year £000	Balance repaid in the year £000	New loans during year £000	Exchange £000	Loan payable/ (receivable) at 31 March 2009 £000
ALcontrol Group Holdings Limited	-	-	(1,018)	-	(3,565)
ALcontrol Invest (UK) Limited	(3,582)	194	-	-	(72,262)
ALcontrol Holdings (Netherlands) BV	1,239	-	-	(89)	4,887
ALcontrol Holland BV	1,301	-	-	3,152	18,910
ALcontrol BV	(2,795)	-	-	(6,635)	(38,951)
ALcontrol Holdings (Sweden) AB	284	-	(1,196)	(153)	(1,065)
ALcontrol AB	-	-	(396)	24	(905)
	<u>(3,551)</u>	<u>194</u>	<u>(2,610)</u>	<u>(3,701)</u>	<u>(92,952)</u>

Interest is charged on these loans on a normal commercial basis.