

ALC (FMC) Limited

Directors' report and financial statements

Registered number 5424243

Year End 31 December 2009



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Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal activities

The Company's principal activity is the operation of the service element of a 16 year Private Finance Initiative (the "C Vehicle Contract") through a subcontract arrangement with ALC (SPC) Limited ("SPC"), wherein the Company is responsible for the service element of the provision of C Vehicle Capability on a global basis. No change in the Company's activities is anticipated.

Business review

Overview

On 10 June 2005, SPC entered into a 16 year Contract with the Secretary of State for Defence (the "C Vehicles Capability Contract") to provide C Vehicle Capability to the Ministry of Defence ("MOD" or "the Authority") under the Government's Private Finance Initiative. The provision of the service was subcontracted by SPC to ALC (FMC) Limited ("FMC"), the principal subcontractor, for the full 16 years. Together the two companies of SPC and FMC are known as "ALC". The service provider, SPC, holds all the equipment, bid costs and funding for the project.

The C Vehicle Capability Contract provides the MOD with a worldwide capability to use an extensive range of construction and field mechanical handling equipment. These equipments are operated largely by the Royal Engineers and the Royal Logistic Corps and are specifically designed and specified to support the MOD on operations. In late 2006 the Equipment Replacement and Refurbishment Programme ("ERRP") started with the disposal of a number of assets that had already been identified as being surplus to requirement, together with the trials and testing and consequent purchase of new vehicles and ancillaries to ensure that the soldier in the field has the best possible equipment that is up to date and reliable. In line with the ERRP, this process has continued through 2009. Training is also given in respect of all equipment to ensure optimal use and maintenance.

Services in respect of vehicle allocation and maintenance are managed in-house via the Fleet Management System, which can be accessed by both the MOD and ALC. Services provided by subcontractors, most of whom were an integral part of the bidding process, include spares provision, access to online and hard copy technical publications, training of plant operators and maintainers, transporting of equipment, hiring in/out of commercial equipment to optimise the fleet holding, together with the provision of IT services to support the business-wide processes.

Praise for the project and the service provided has been given at the highest of levels by the MOD together with recognition in the Public Private Finance Awards in 2007 where ALC's C Vehicle Capability was voted the Best Operational Defence Scheme. ALC gained the ISO 9001 Quality accreditation in 2007 and during 2008 has achieved further management systems accreditations in Health and Safety (BS18001) and Environmental (ISO 14001). These accreditations have been maintained during 2009.

The C Vehicle project is thoroughly integrated across the armed services from senior command levels to soldiers in the field, with all the support functions provided, such as logistics and training, directly supporting current Operations.

Directors' report (*continued*)

Progress in 2009

Noteworthy achievements by ALC in 2009 have been

- Bringing fifty nine 30 tonne and six 50 tonne cranes into service
- Introducing 33 Truck Mounted Loaders, a new, flexible equipment capability
- Agreeing two further contract changes with the MOD to meet the changing needs of current Operations
- Delivering Urgent Operational Requirement (UOR) for Protected equipment for Operations
- Sharing disposal gains for equipment being replaced with the MOD

2010 Strategy

As in 2009, ALC will be looking to continue improving and optimising its service delivery processes during 2010

Key focuses during 2010 will be

- Preparing for the first Value for Money review in 2011
- Reinforcing the Quality, Health and Safety and Environmental management systems and behavioural culture
- Continuing to embed the "ALC Way" as a method to sustain continuous improvement in service delivery and ensure all staff understand who ALC's ultimate customers are and what they can do to support them
- Provide timely support to the MOD for changes to the Contract and UORs
- Responding to the Authority's request to include the RAF and Royal Navy C Vehicles within the contract
- Continuing to review and strengthen ALC's business continuity resilience

Project risks and uncertainties

ALC runs a joint service delivery risk register with the MOD which is reviewed at quarterly joint review meetings, with all risks being managed actively and collectively. There are currently no major risks on this register.

ALC are exposed to a number of financial risks. These are effectively managed with our increased knowledge base of the machinations of the contract.

- Demand – the MOD requesting less equipment than anticipated at the contract award. This risk is mitigated by a minimum "take or pay level" to reduce exposure.
- Demand volatility – the locations and numbers of transactions required to deliver the service may exceed that assumed at the contract award. The Contract rules on minimum hire periods provide some mitigation to this risk.
- Pricing risk – this is the assumption made to calculate the amount of labour and materials required to deliver the service. Pricing was based on previous parent company experience of operating in this field and continues to be proved accurate.
- Foreign exchange risk – is kept under review by the Board with a view that hedge contracts are to be applied where considered appropriate. Whilst most of ALC's costs are in GBP, the significant strengthening of the Euro against the GBP has the potential to put cost pressure on some future fleet replacements and the impact of this is being kept under review. During 2009 ALC was protected from the fall in the value of the Pound by Euro forward contracts it had entered into in 2008 to fix the price of buying 65 cranes priced in Euro. The significant ERRP contracts entered into during 2009 were denominated in GBP.
- Credit Crunch – other than interest rate risk (see below), ALC is largely unaffected by the impact of the credit crunch directly, but there is a risk that it will be impacted indirectly by a subcontractor or supplier failing, although fortunately this situation has not materialized during 2009. Management are continuing to keep the situation under close scrutiny.

Directors' report (*continued*)

Financial risk management policies and objectives

The Company does not undertake financial instrument transactions which are speculative or unrelated to the Company's trading activities. Board approval is required for the use of any new financial instrument and the Company's ability to do so is restricted by covenants in its existing funding agreements.

- **Interest rate risk.** The fall in bank base rates at the start of 2009 has resulted in the interest generated on funds on deposit reducing significantly.
- **Currency risk.** The weakening of the GBP in 2008 adversely impacted ALC's costs in 2009. As mentioned above, ALC has contracted at a fixed GBP price for the purchase of truck chassis in 2009 and 2010 and has also contracted in GBP for the significant Plant buy due for delivery in late 2010 and 2011. However, some lesser procurements and a small proportion of FMC's operating cost base is exposed to currency fluctuation against the Euro. ALC has successfully mitigated this in part by targeting the disposal of equipment in Germany to generate Euro revenue.
- **Bank default:** During 2009, ALC instigated a policy of spreading its investment of deposits. Both SPC and FMC now invests across four mainstream banks, all of whom are credit rated A+ or better. Further opportunities to diversify investment risk are being reviewed for 2010.

KPI measurement

Measurement of contract performance falls into two categories: external with the MOD and internal with shareholders' and lenders. Contractual KPIs are measured with the MOD on a monthly basis and reported to the ALC Board. ALC's financial and operational performance is reviewed monthly with the shareholders. In 2009 there were no KPI performance deductions incurred by ALC and only minimal deductions for unavailability of equipments due to breakdowns. ALC will continue to strive in 2010 to achieve service delivery to the Authority with zero penalties.

Overall Performance

FMC's financial results and, hence the return on investment for shareholders, are reflected in the high level of service performance that ALC have provided to the MOD. The partnership between the MOD and ALC continues to go from strength to strength due to the specific aims of both parties wishing to ensure success for the Contract and ultimately the service provided to the soldier in the field as the end user. ALC will continue to build upon its success and aims to continue to be a supplier of choice for the MOD.

The results for the year are set out in the profit and loss account on page 8.

Dividends

The Directors approved and paid a dividend payment of £7.5m for the year ended 31 December 2009 (2008: £8.6m).

Directors' report (*continued*)

Directors

The Directors who held office during the period were as follows

Name	Appointed	Resigned
Nicolas C Anderson	1 December 2009	
Keith Cottrell	22 September 2006	
John Davies	16 May 2006	
Stephen Helliwell	20 September 2005	
Peter J Moore	23 January 2008	30 November 2009
Richard Taylor	16 May 2006	
Christopher C Webster	20 September 2005	
Asif Ghafoor (alternate Director to Keith Cottrell)	25 January 2007	

Supplier payment policy

When entering into commitments for the purchase of services and goods the Company gives due consideration to quality, price and the terms of payment. Suppliers are made aware of these terms. The Company abides by these terms where it is satisfied that suppliers have provided the services or goods in accordance with such agreed terms and conditions. In the event of disputes, every effort is made to resolve things quickly.

The amount due to the Company's trade creditors at 31 December 2009 represented 14 days' (2008 24 days') average daily purchases of goods and services received from those creditors, calculated in accordance with the Companies Act 2006, Statutory Instrument 2008/410 schedule 7 part 5 12.

Employees

Diversity

Our aim is to ensure that no job applicant, employee or former employee receives less favourable treatment on the grounds of colour, race, nationality, ethnic or national origin, religious belief, sex, sexual orientation, marital status, age or as a consequence of unlawful discrimination relating to disability.

Disabled employees

The Company gives consideration to applications for employment from disabled persons where the disabled person may adequately cover the requirements of the job. Disabled persons are employed under the normal contract terms and conditions. Career development and promotion is provided wherever appropriate.

Employee involvement

It is the ALC Group ("Group") policy to communicate with and involve all employees, subject to commercial and practical limitation, in matters affecting their interests at work and to inform them of the performance of their Business. Employees are provided with information about the Business, which is supplemented by regular team briefings. The Company makes full use of its intranet and a quarterly internal communications magazine to provide current information to its employees.

Disclosure of information to auditors

The Directors who held office at the date of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company'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 Company's auditors are aware of that information.

Directors' report (*continued*)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

Political and charitable contributions

The company made no political donations (2008 £nil) and £1,866 (2008 £1,270) of charitable donations during the period

By order of the Board



Stephen Helliwell
Director

Registered Office
The Sherard Building
Edmund Halley Road
Oxford
OX4 4DQ

25th March 2010

Statement of directors' responsibilities in respect of the director's 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).

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 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, 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of ALC (FMC) Limited

We have audited the financial statements of ALC (FMC) Limited for the year ended 31 December 2009 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 the directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

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/UKNP.

Opinion of 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 December 2009 and of its profit for the year ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by Companies Act 2006

In our opinion the information given in the Director's 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.



John Luke (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

8 Sailsbury Square
London
EC4Y 8BB

26th March 2010

Profit and loss account

For the year ended 31 December 2009

	Note	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
Turnover	2	28,002	33,102
Cost of sales		(15,842)	(20,726)
Gross profit		12,160	12,376
Administrative expenses		(5,826)	(5,718)
Operating profit	3	6,334	6,658
Other interest receivable and similar income	6	340	1,013
Profit on ordinary activities before taxation		6,674	7,671
Tax on profit on ordinary activities	7	(1,964)	(2,189)
Profit for the financial year		4,710	5,482

Balance sheet

At 31 December 2009

	Note	2009 £000	2008 £000
Fixed assets			
Tangible assets	8	90	91
		<hr/>	<hr/>
Current assets	9		
Debtors		6,807	4,992
Cast at bank and in hand		7,736	18,995
		<hr/>	<hr/>
		14,543	23,987
Creditors: amounts falling due within one year	10	(8,838)	(15,157)
		<hr/>	<hr/>
Net current assets		5,705	8,830
		<hr/>	<hr/>
Total assets less current liabilities		5,795	8,921
Creditors: amounts falling due after more than one year	11	(1,085)	(1,400)
		<hr/>	<hr/>
Net assets		4,710	7,521
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	4,710	7,521
		<hr/>	<hr/>
Shareholders' funds		4,710	7,521
		<hr/>	<hr/>

Notes on pages 11 to 17 form part of these financial statements

These financial statements were approved by the board of directors on 25th March 2010 and were signed on its behalf by



Stephen Helliwell
Director

Reconciliation of movements in shareholders' funds

for the year ended 31 December 2009

	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
Profit for the financial year	4,710	5,482
Dividends paid	(7,521)	(8,685)
Retained profit/ (loss) for the financial year	(2,811)	(3,203)
Opening shareholders' funds	7,521	10,724
Closing shareholders' funds	4,710	7,521

Notes to 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 company'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. The financial statements have been prepared on a going concern basis.

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

As the company is a wholly owned subsidiary of ALC (SuperHoldCo) 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 ALC (SuperHoldCo) Limited, within which this company is included, can be obtained from the address given in note 16.

Deferred revenue

A deferred maintenance revenue reserve is held to defer revenue to match the cost of maintenance of the fleet over the life of the contract.

Fixed assets

Tangible fixed assets are depreciated on a straight line basis to write off the cost of such assets less any residual value over their anticipated useful economic lives.

The anticipated useful lives are as follows:

Tools & equipment	-	5 years, straight line
Van Racking	-	4 years, straight line

Where equipments have been purchased to meet a specific MOD demand over an agreed period, the life of the asset is taken to be the same as this agreed period.

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.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

The charge for taxation is based on the taxable profits 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, including tax relief for losses if applicable, is allocated over profits on ordinary activities and amounts charged or credited to reserves as appropriate.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes to the financial statements *(continued)*

Cash

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Turnover

Turnover represents the amounts derived from the provision of goods and services to customers and excludes VAT

Turnover from services are recognised when the service provided to the customer has been completed. This largely represents the monthly service fee, together with other services provided such as repair work.

Turnover from the provision of goods is recognised when the risks and rewards of ownership of goods have been transferred to the customer. The risks and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to or picked up by the customer. This largely represents the sale of spare parts.

2. Analysis of turnover

	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
By activity		
Service revenue	19,906	22,959
Sale of goods	8,096	10,143
	<hr/> 28,002 <hr/>	<hr/> 33,102 <hr/>

All turnover originates in the United Kingdom

3. Operating Profit

	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
Operating profit is stated after charging		
Depreciation	72	170
Lease payments	224	237
Procurement loss	49	3,301
Amounts receivable by the auditors and their associates		
In respect of:	£000	£000
Audit of these financial statements	28	22
Audit of financial statements of parent undertakings pursuant to legislation	4	4
	<hr/> 32 <hr/>	<hr/> 26 <hr/>

Notes to the financial statements *(continued)*

4. Remuneration of directors

Directors' emoluments for the period amounted to £nil (2008 £nil)

5. Staff numbers and costs

All UK staff are seconded in from the parent companies and not employed directly by ALC. ALC does reimburse the parent companies for the payroll costs of all secondees. In Germany, ALC employs 17 (2008 17) people directly. The analysis of ALC's total UK and German staff numbers is shown in the table below.

	Year Ended 31 December 2009 (No.)	Year Ended 31 December 2008 (No.)
Technical	57	57
Administration	69	71
	<hr/>	<hr/>
	126	128
	<hr/>	<hr/>

The aggregate payroll costs of these persons are as follows:

	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
Wages and salaries	4,130	3,908
Social security costs	619	634
Other pension costs	398	422
	<hr/>	<hr/>
	5,147	4,964
	<hr/>	<hr/>

The above payroll costs include the cost of employees in Germany of 2009 £836k (2008 £689k)

6. Other interest receivable and similar income

	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
Bank interest	340	1,013
	<hr/>	<hr/>

Notes to the financial statements (*continued*)

7. Taxation

	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
<i>UK Corporation tax</i>	1,855	2,238
Adjustment in respect of prior years	771	-
Overseas Tax on income for the period	59	-
Overseas Tax adjustment in respect of prior periods	60	-
Deferred tax arising in the period	17	(49)
Deferred Tax adjustment in respect of prior years	(798)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	1,964	2,189
	<hr/>	<hr/>
<i>Current Tax reconciliation</i>	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
Profit on ordinary activities before taxation	6,674	7,671
Add expenses not deductible for tax purposes	14	9
	<hr/>	<hr/>
Tax on profit on ordinary activities	6,688	7,680
	<hr/>	<hr/>
UK Corporation tax thereon at 28% (2008 28.5%)	1,873	2,189
<i>Effects of</i>		
Capital allowances for the period in excess of depreciation	(7)	37
Other timing differences	(11)	12
German branch tax provision	59	-
Adjustment in respect of prior years	771	-
Overseas Tax adjustment in respect of prior periods	60	-
	<hr/>	<hr/>
Total current tax charge	2,745	2,238
	<hr/>	<hr/>
Current Tax	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
At beginning of period	(2,061)	(3,162)
Prior period adjustment	(831)	-
Paid	3,308	3,339
Charge to the Profit & Loss	(1,914)	(2,238)
	<hr/>	<hr/>
At the end of period	(1,498)	(2,061)
	<hr/>	<hr/>
Comprising		
Current tax payable (Note 10)	(1,211)	(2,061)
Inter company payable (Note 10)	(287)	-
	<hr/>	<hr/>
	(1,498)	(2,061)
	<hr/>	<hr/>

Notes to the financial statements (continued)

Deferred Tax

	Year Ended 31 December 2009 £000	Year Ended 31 December 2008 £000
At beginning of period	(356)	(405)
Prior year adjustment	798	-
Credit/ (Charge) to the Profit & Loss	(17)	49
	<hr/>	<hr/>
At the end of period	425	(356)
	<hr/>	<hr/>
The elements of deferred taxation are as follows		
Difference between accumulated depreciation and capital allowances	70	50
Other timing differences	355	(406)
	<hr/>	<hr/>
	425	(356)
	<hr/>	<hr/>

8. Tangible fixed assets

	Tools & Equipment £000	Van Racking £000	Other £000	Total £000
Cost or valuation				
Balance at beginning of year	390	144	131	665
Additions in the year	-	-	71	71
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of year	390	144	202	736
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciations				
Balance at beginning of year	378	131	65	574
Charge for the year	12	13	47	72
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of year	390	144	112	646
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
As at 31 December 2008	12	13	66	91
As at 31 December 2009	-	-	90	90
	<hr/>	<hr/>	<hr/>	<hr/>

9. Debtors

	2009 £000	2008 £000
Trade Debtors	227	1,324
Amount due from group undertakings	4,880	3,219
Other Debtors	740	174
Deferred Tax debtor (note7)	425	-
Prepayments and accrued income	535	275
	<hr/>	<hr/>
	6,807	4,992
	<hr/>	<hr/>

Notes to the financial statements (*continued*)

10. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	614	1,052
Amount due to group undertakings (Note 7)	287	-
Tax payable (Note 7)	1,211	2,061
Deferred tax liability (Note 7)	-	356
Other creditors	33	3
Accruals and deferred income	6,693	11,685
	<u>8,838</u>	<u>15,157</u>

11. Creditors: amount falling due after more than one year

	2009 £000	2008 £000
Deferred Revenue for Spares	785	860
Deferred Maintenance Revenue	300	540
	<u>1,085</u>	<u>1,400</u>
	2009 £000	2008 £000
Fair Value of Spares brought forward at 1 January	936	1,011
Amount release to Profit and Loss in the period	(75)	(75)
	<u>861</u>	<u>936</u>
Deferred revenue at end of the period	861	936
Less amounts shown as less than 1 year (in Accruals and deferred income)	(76)	(76)
	<u>785</u>	<u>860</u>

12. Pension schemes

The Company does not operate a pension scheme. All UK staff are seconded in from the parent companies and as such are eligible to participate in the relevant Company's pension scheme. All German staff are directly employed by ALC (FMC) Limited and they are not part of any pension scheme however the company is contributing to their personal pension funds.

13. Called up share capital

	2009 £	2008 £
Authorised		
Equity 100 Ordinary shares of £1.00 each	100	100
Allotted, called up and fully paid		
Equity 1 Ordinary share of £1.00 each	1	1

Notes to the financial statements *(continued)*

14 Profit and loss account

	2009 £000	2008 £000
At beginning of the year	7,521	10,724
Profit for the year	4,710	5,482
Dividends paid	(7,521)	(8,685)
	<hr/>	<hr/>
At end of the year	4,710	7,521
	<hr/>	<hr/>

15. Commitments

	2009 £000	2008 £000
Operating leases (other than land and buildings) which expire		
Within one year	157	219
Between 2 – 5 years	28	117
	<hr/>	<hr/>
	185	336
	<hr/>	<hr/>

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

The Company is a subsidiary undertaking of ALC (SuperHoldCo) Limited incorporated in the United Kingdom. ALC (SuperHoldCo) Limited is a joint venture between Amey Ventures Investments Limited and VT Land Limited, the ultimate parent companies of which are Ferrovial, S A and VT Group plc respectively.

The largest and smallest group in which the results of the Company are consolidated is that headed by ALC (SuperHoldCo) Limited. The consolidated accounts of this group are available to the public and may be obtained from the Sherard Building, Edmund Halley Road, Oxford, OX4 4DQ.