

Novenco UK Limited

**Directors' report and financial
statements**

Registered number 05866019

31 December 2009

THURSDAY



LKNCHMHU

LD2

12/08/2010

131

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors' report to the members of Novenco UK Limited	3
Profit and loss account	5
Balance Sheet	6
Notes	7

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company in the year under review was that of the installation of commercial air conditioning units

Business review

The Company's results for the period are shown in the profit and loss account on page 5. The directors consider that the Company is well placed to take advantage of future opportunities as they arise.

Directors

The directors who held office during the year were as follows

P Ryttergaard	(resigned 18 December 2009)
RAG Van Beek	
S Rasmussen	
L Knaack	(appointed 18 December 2009)

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 Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

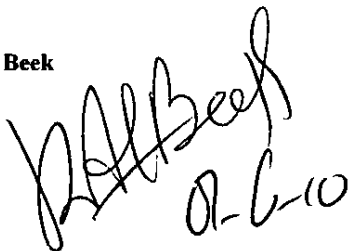
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small company exemption

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

By order of the board

RAG Van Beek
Director



Unit 6
Silver Birches Business Park
Ashton Road
Bromsgrove
Worcestershire
B60 3EU

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 the Financial Reporting Standard for Smaller Entities (effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.



KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Novenco UK Limited

We have audited the financial statements of Novenco UK Limited for the year ended 31 December 2009, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Novenco 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, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

Mike Woodward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

8 Salisbury Square
London
EC4Y8BB
United Kingdom

28 July 2010

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £	2008 £
Turnover		489,335	496,647
Cost of sales		(352,954)	(407,917)
Gross profit		136,381	88,730
Administrative expenses		(267,716)	(234,817)
Operating loss	2	(131,335)	(146,087)
Interest receivable and similar income		10,640	2,893
Interest payable and similar charges		(998)	(56)
Loss on ordinary activities before taxation		(121,693)	(143,250)
Tax on loss on ordinary activities	3	-	-
Loss for the financial year		(121,693)	(143,250)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains or losses other than those passing through the profit and loss account

The financial statements have been prepared on an unmodified historical cost basis

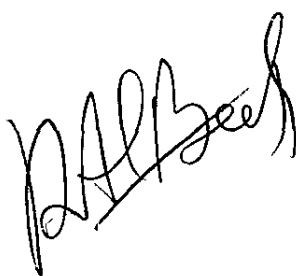
Balance Sheet
at 31 December 2009

	Note	2009	2008
		£	£
Fixed assets			
Tangible assets	4	2,042	3,514
Current assets			
Stocks	5	61,912	65,756
Debtors	6	118,534	254,461
Cash at bank and in hand		19,143	10,554
		<u>199,589</u>	<u>330,771</u>
Creditors amounts falling due within one year	7	<u>(527,484)</u>	<u>(538,445)</u>
Net current liabilities		<u>(327,895)</u>	<u>(207,674)</u>
Total assets less current liabilities		<u>(325,853)</u>	<u>(204,160)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(325,854)	(204,161)
Shareholders' funds		<u>(325,853)</u>	<u>(204,160)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 8 June 2010 and were signed on its behalf by

RAG Van Beek
Director



Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements are prepared in accordance with the applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

As the Company is a wholly owned subsidiary of Novenco A/S, a company incorporated in Denmark, 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, within which this company is included, can be obtained from Novenco A/S, Industrivej 22, 4700 Naestved, Denmark

Under FRS 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

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding a loss for the year of £121,693 (2008 loss £143,250), net current liabilities of £327,895 (2008 £207,674) and net liabilities of £325,853 (2008 £204,160) which the directors believe to be appropriate for the following reasons The company is reliant for its working capital on funds provided to it by the company's ultimate parent undertaking, Novenco A/S which has provided the company with an undertaking that it will, for at least 12 months from the date of the approval of these financial statements, continue to make available such funds as are needed by the company This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so

Turnover

Turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax Turnover is recognised upon delivery of the services to the customer

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Office equipment – 33% straight line basis

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost included all expenditure and an appropriate proportion of fixed and variable overheads

Taxation

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

Deferred tax is recognised, with 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 (continued)

1 Accounting policies (continued)

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.

Leases

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

2 Notes to the profit and loss account

	2009 £	2008 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Depreciation	1,472	901
Net exchange loss	(10,615)	56
Auditors remuneration	9,000	11,500
Operating lease charges		
- Land and building	8,500	8,500
- Other	5,800	5,125
	<hr/>	<hr/>

The directors' emoluments are borne entirely by other group undertakings.

3 Taxation

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year.

Taxable losses at the year end amount to £325,854 (2008 £204,161).

No deferred tax asset has been provided on the losses carried forward as it is uncertain as to when there will be sufficient profits to utilise the loss. The deferred tax asset not provided amounts to £91,239 (2008 £42,467).

Notes *(continued)*

4 Tangible fixed assets

	Office equipment £
Cost	
At beginning of and end of the year	4,415
Depreciation	
At beginning of year	901
Charge for the year	1,472
At end of year	2,373
Net book value	
At 31 December 2009	2,042
At 31 December 2008	3,514

5 Stock

	2009 £	2008 £
Work in progress	61,912	65,756

6 Debtors: amounts falling due within one year

	2009 £	2008 £
Trade debtors	103,679	245,930
Other debtors	1,000	4,000
Prepayments and accrued income	13,855	4,531
	118,534	254,461

7 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	64,175	5,987
Amounts owed to group undertakings	318,402	342,435
Taxation and social security	12,765	60,823
Accruals and deferred income	132,142	129,200
	527,484	538,445

Notes (continued)

8 Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
<i>Expiring</i>				
Within one year	-	4,500	-	-
Between one and five years	8,500	-	8,149	4,625
	<u>8,500</u>	<u>-</u>	<u>8,149</u>	<u>4,625</u>

9 Called up share capital

	2009	2008
	£	£
<i>Authorised,</i>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<i>Allotted, issued and fully paid</i>		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

10 Reserves

	Profit and loss account £
At 1 January 2009	(204,161)
Deficit for the year	(121,693)
	<u>(325,854)</u>
At 31 December 2009	(325,854)

11 Ultimate controlling party

The company's immediate and ultimate parent undertaking and ultimate controlling party is Novenco A/S, a company incorporated in Denmark. That company is the smallest and largest undertaking that prepares consolidated financial statements that include the results of the company and copies can be publicly obtained from the registered office address of the parent company at Industrivej 22, 4700 Naestved, Denmark.

Notes (continued)

24 Related party disclosures

The Company has taken advantage of the exemption granted under FRS 8 *Related Party Disclosures*, not to disclose transactions with Group entities where 100% of the voting rights are controlled within the Group

Terra Firma Investments (GP) 2 Limited, acting as general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II LP-H, TFCP II Co-Investment 2 LP and TFCP II Co-Investment 2A LP ("Terra Firma"), has the ability to exercise a controlling influence over the Company through the holding of shares in a parent of the Company. The Directors therefore consider it to be a related party.

During April 2007, certain Group companies entered into sale and leaseback arrangements in relation to freehold and leasehold properties. Terra Firma has the ability to exercise a controlling influence over the companies with which the sale and leaseback transactions took place through the holding of shares. The Directors therefore consider them to be related parties.

The Companies to which the freehold and leasehold properties were sold (the "Propcos") are listed below:

Odeon Derby Ltd	Odeon Huddersfield Ltd	Odeon Telford Ltd
Odeon Dudley Ltd	Odeon Lee Valley Ltd	Odeon Warrington Ltd
Odeon Tamworth Ltd	Odeon Preston Ltd	

The total consideration for the properties sold, excluding VAT, was £73,950,000. In 2007 the Company's loans to Propcos were assigned to Odeon & UCI Cinemas Group Limited. The aggregate remaining balance due from Odeon & UCI Cinemas Group Limited at 31 December 2009 was £105,555,000 (2008: £100,010,000) (Note 13) including interest and VAT. The balance attracts interest at LIBOR plus 2.375%. Interest accrued during the year was £5,545,000 (2008: £7,677,000).

The relevant trading companies with the Group entered into lease contracts with the Propcos. The rent payable from the Company to the Propcos during the year was £4,234,000 (2008: £4,118,000). The terms of the leases are between 25 and 30 years.