

ALCONTROL NETHERLANDS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

for the year ended

31 March 2006

Registered Number 04104803

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principle activity of the company was an intermediate holding company.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year are given below:

JC Molan
Dr AEM Brokx

None of the current directors have any interests in the shares of the company.

None of the directors hold any options to purchase shares of the company or other group companies.

The interests of the directors in the shares of other group companies are disclosed in the directors report of the parent company.

AUDITORS

A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board


I Robinson
Secretary

Registered Office:
Templeborough House
Mill Close
Rotherham
South Yorkshire
S60 1BZ
22 June 2006

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 the directors have elected to prepare the group and the parent company financial statements in accordance with UK Accounting Standards.

The 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 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.

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.



KPMG LLP

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Neville Street
Leeds
LS1 4DW
United Kingdom*

Independent auditors' report to the members of ALcontrol Netherlands Limited

We have audited the financial statements (the "financial statements") of ALcontrol Netherlands Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet, the 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 Directors' Report and 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 2.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 misstatement 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 group's and 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 Netherlands 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 company's affairs as at 31 March 2006 and of the company's profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

22 June 2006

ALCONTROL NETHERLANDS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2006**

		2006	2005
	Notes	£'000	£'000
OPERATING PROFIT		-	-
Profit on disposal of fixed asset investment	2	-	64,991
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		-	64,991
Interest receivable and similar income	3	13,036	3,615
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,036	68,606
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		13,036	68,606
Retained profit brought forward		68,606	-
RETAINED PROFIT CARRIED FORWARD	7	81,642	68,606

All activities are continuing.

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

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH 2006**

	2006	2005
	£'000	£'000
PROFIT FOR THE FINANCIAL YEAR	13,036	68,606
New share capital subscribed	-	41,168
NET INCREASE IN SHAREHOLDERS' FUNDS	13,036	109,774
Opening shareholders funds	121,164	11,390
	134,200	121,164

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**BALANCE SHEET
AT 31 MARCH 2006**

	Note	2006 £'000	2005 £'000
CURRENT ASSETS			
Debtors (including amounts falling due after more than one year)	5	134,200	121,164
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>134,200</u>	<u>121,164</u>
NET ASSETS		<u>134,200</u>	<u>121,164</u>
CAPITAL AND RESERVES			
Called up share capital	6	52,558	52,558
Profit and loss account	7	81,642	68,606
Shareholders' funds		<u>134,200</u>	<u>121,164</u>

These financial statements were approved by the board of directors on 22 June 2006 and were signed on its behalf by:



IC Robinson
Director

22 June 2006

ALCONTROL NETHERLANDS LIMITED

NOTES

(FORMING PART OF THE FINANCIAL STATEMENTS)

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below:

Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention.

The Company is exempt from the requirement to prepare a cash flow statement under FRS1 on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

2. PROFIT ON DISPOSAL OF FIXED ASSET INVESTMENTS

	2006 £'000	2005 £'000
Profit on disposal of fixed asset investment	-	64,991

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £'000	2005 £'000
Interest receivable on amounts owed by group undertakings	13,036	3,615

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NOTES (CONTINUED)

4. TAXATION

	2006	2005
	£'000	£'000
<i>UK Corporation tax</i>		
Current tax on income in the year	-	-

Factors affecting the tax charge for the year

The differences between the tax assessed for the period and the standard rate of corporation tax (30%, 2005: 30%) are explained below:

	2006	2005
	£'000	£'000
Profit on ordinary activities before taxation	<u>13,036</u>	<u>68,606</u>
Tax at standard rate (30%; 2005: 30%)	3,911	20,582
<i>Effects of:</i>		
Non taxable income	-	(19,498)
Group relief not paid for	<u>(3,911)</u>	<u>(1,084)</u>
Current year corporation tax charge (as above)	<u>-</u>	<u>-</u>

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NOTES (CONTINUED)

5. DEBTORS

Amounts due after more than one year:	2006	2005
	£'000	£'000
Amounts owed by group undertakings	134,200	121,164
The above amount includes £16,651,000 (2005:£3,615,000) of accrued interest.		

6. CALLED UP SHARE CAPITAL

	2006		2005	
	Number	Nominal	Number	Nominal
	'000	Value	'000	Value
		£'000		£'000
AUTHORISED				
Ordinary shares of £1 each	56,858	56,858	56,858	56,858
ALLOTTED, CALLED UP AND FULLY PAID				
Ordinary shares of £1 each	52,558	52,558	52,558	52,558

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Profit and Loss Account £'000
At 31 March 2005	68,606
Profit retained for the year	13,036
At 31 March 2006	81,642

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NOTES (CONTINUED)

8. ULTIMATE PARENT UNDERTAKING

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

The ultimate parent undertaking and controlling party is ALcontrol Group Holdings Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of ALcontrol Group Holdings Limited consolidated financial statements can be obtained from the Company Secretary at Templeborough House, Mill Close, Rotherham, South Yorkshire, S60 1BZ.