

# **AarhusKarlshamn Hull Limited**

## **Annual report for the year ended 31 December 2010**

Registered Number 2193829

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# **AarhusKarlshamn Hull Limited**

## **Annual report**

### **for the year ended 31 December 2010**

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# AarhusKarlshamn Hull Limited

## Directors' report for the year ended 31 December 2010

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

### Principal activities and business review

The business did not trade in the year but continues to hold freehold land and buildings

### Results and dividends

The loss for the year amounted to £30,000 (2009 loss £116,000) The directors do not recommend the payment of an ordinary dividend (2009 £nil) The preference shareholders have waived their right to the preference dividends of £262,500 (2009 £262,500) in respect of the year ended 31 December 2010

### Financial risk management

In the opinion of the directors the company's operations do not expose it to any material financial risks in areas such as market price risk, credit risk, liquidity risk or interest rate risk

### Directors

The directors who held office during the year and up to the date of this report are given below

I McIntosh (resigned 31<sup>st</sup> January 2011)  
T A Stephenson

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# **AarhusKarlshamn Hull Limited**

## **Directors' report for the year ended 31 December 2010 (continued)**

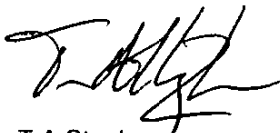
### **Auditors**

In the absence of any notice proposing to terminate their appointment, PricewaterhouseCoopers LLP will be deemed to be reappointed for the next financial year. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

### **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.

By order of the Board



T A Stephenson  
Director

22 March 2011

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# AarhusKarlshamn Hull Limited

## Independent auditors' report to the members of AarhusKarlshamn Hull Limited

We have audited the company financial statements of AarhusKarlshamn Hull Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 3 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### 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 2010 and of the company's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

# **AarhusKarlshamn Hull Limited**

## **Independent auditors' report to the members of AarhusKarlshamn Hull Limited (continued)**

### **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

### **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 by the company, 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



Steve Simpson (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Hull  
24 March 2011

# AarhusKarlshamn Hull Limited

## Profit and loss account for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Administration expenses		(38)	(19)
Other operating income		55	-
<b>Operating profit/(loss)</b>	2	<b>17</b>	<b>(19)</b>
<b>Profit/(loss) on ordinary activities before taxation and interest</b>		<b>17</b>	<b>(19)</b>
Interest payable	3	-	(2)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>17</b>	<b>(21)</b>
Tax on profit/(loss)loss on ordinary activities	5	(47)	(95)
<b>Loss for the financial year after taxation</b>	10	<b>(30)</b>	<b>(116)</b>

There is no significant difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year and their historical cost equivalents

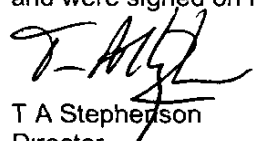
The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

# AarhusKarlshamn Hull Limited

## Balance sheet as at 31 December 2010

	Note	2010 £'000	2010 £'000	2009 £'000	2009 £'000
<b>Fixed assets</b>					
Tangible assets	6		282		277
<b>Current assets</b>					
Debtors	7	8,982		8,940	
<b>Creditors' amounts falling due within one year</b>	8	(766)		(689)	
<b>Net current assets</b>			8,216		8,251
<b>Total assets less current liabilities</b>			8,498		8,528
<b>Creditors' amounts falling due after more than one year</b>	8		(7,000)		(7,000)
<b>Net assets</b>			1,498		1,528
<b>Capital and reserves</b>					
Called up share capital	9		1,500		1,500
Profit and loss account	10		(150)		(120)
Revaluation reserve	11		148		148
<b>Shareholders' funds</b>	12		1,498		1,528

The financial statements on pages 7 to 16 were approved by the board of directors on 22 March 2011 and were signed on its behalf by



T A Stephenson  
Director  
AarhusKarlshamn Hull Limited  
Registered no 2193829



# AarhusKarlshamn Hull Limited

## Notes to the financial statements For the year ended 31 December 2010

### 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 United Kingdom accounting standards and under the historical cost accounting rules, as modified for the revaluation of certain fixed assets

#### **Cash flow statement**

Under Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a group whose consolidated financial statements are publicly available

#### **Fixed assets and depreciation**

Depreciation is provided by the company 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

Freehold buildings            4 %

No depreciation is provided on freehold land

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profits will be available against which the unused tax losses can be utilised

# AarhusKarlshamn Hull Limited

## Notes to the financial statements

For the year ended 31 December 2010 (Continued)

### 2. Operating profit/(loss)

	2010 £'000	2009 £'000
<hr/> Operating profit/(loss) is stated after charging		
Depreciation and other amounts written off tangible fixed assets		
- Owned	-	16

In 2010 and 2009 auditors' remuneration was borne by another group company

### 3. Interest payable

	2010 £'000	2009 £'000
Interest on Corporation Tax	-	2

### 4. Directors' and employees

The directors received no emoluments from the company during the financial year (2009 £nil) and the company had no employees in either year

# AarhusKarlshamn Hull Limited

## Notes to the financial statements For the year ended 31 December 2010 (Continued)

### 5. Taxation

	2010	2009
	£'000	£'000
UK corporation tax at 28% (2009 28%)	7	(1)
Adjustment in respect of previous periods	40	96
<b>Tax charge</b>	<b>47</b>	<b>95</b>

#### Factors affecting the tax charge for the year.

The current tax charge is higher (2009 higher) than the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

Profit/(loss) on ordinary activities before taxation	17	(21)
Expected tax charge/(credit) at 28% (2009 28%)	5	(6)
Expenses not deductible for tax purposes	2	1
Depreciation in the period in excess of capital allowances	-	4
Adjustment in respect of prior periods	40	96
<b>Current tax</b>	<b>47</b>	<b>95</b>

# AarhusKarlshamn Hull Limited

## Notes to the financial statements For the year ended 31 December 2010 (Continued)

### 6. Tangible assets

	Freehold land and buildings £'000
<b>Cost or valuation</b>	
At 31 December 2009	680
Additions	5
<b>At 31 December 2010</b>	<b>685</b>
<b>Accumulated depreciation</b>	
At 1 January 2010	403
Charge for the year	-
<b>At 31 December 2010</b>	<b>403</b>
<b>Net book amount</b>	
<b>At 31 December 2010</b>	<b>282</b>
At 31 December 2009	277

The gross book value of freehold land and building includes £282,000 (2009 £277,000) of land that is not depreciated

### 7. Debtors

	2010	2009
	£'000	£'000
Amounts owed by parent and subsidiary undertakings	8,982	8,940

Amounts owed by group companies are interest free and repayable on demand

# AarhusKarlshamn Hull Limited

## Notes to the financial statements For the year ended 31 December 2010 (Continued)

### 8. Creditors

Amounts falling due within one year	2010 £'000	2009 £'000
Amounts owed to parent and fellow subsidiary undertakings	719	678
Corporation taxation	47	11
	766	689

Amounts owed to parent and fellow subsidiary undertakings are interest free and repayable on demand

Amounts falling due after more than one year	2010 £'000	2009 £'000
7,000,000 redeemable preference shares of £1 each	7,000	7,000
	7,000	7,000

# **AarhusKarlshamn Hull Limited**

## **Notes to the financial statements For the year ended 31 December 2010 (Continued)**

### **8 Creditors (continued)**

The following is a summary of the rights under the company's articles of association relating to voting, income, capital, conversion and redemption rights which attach to the preference shares

#### **Voting**

The preference shares shall entitle the holders to receive notice of but shall not entitle the holders to attend and vote at any general meeting of the company unless

the preference dividend shall be in arrears for at least six months, or  
the company shall have defaulted in its redemption obligations, or  
the business of the meeting includes a resolution for the winding up of the company

In the event of the above the preference shareholder will be entitled to one vote for every preference share held by him

#### **Income**

The preference shares carry the right to a fixed annual cumulative preferential dividend of 3 75p (net) payable in arrears in equal instalments on 1 January and 1 July each year. The preference shareholders have waived their right to the dividends of £262,500 in respect of the year ended 31 December 2010

#### **Capital**

The preference shares rank ahead of the ordinary shares on a winding up or other return of capital (other than by purchase or redemption of shares) in respect of £1 per share together with any arrears and accruals of dividend at the date of the repayment

#### **Conversion**

The preference shares are non-convertible

#### **Redemption**

Subject to the provisions of the Companies Act, the company may at any time on giving no less than thirty days notice in writing, redeem all or any of the Preference Shares. On 31 December 2095 the company shall redeem any shares remaining in issue and outstanding on that date. The preference shares so redeemed shall be redeemed at £1 per share together with any arrears or accruals of dividend to the date of redemption

# AarhusKarlshamn Hull Limited

## Notes to the financial statements

For the year ended 31 December 2010 (Continued)

### 9 Called up share capital

	2010	2009
	£'000	£'000
Authorised and allotted		
1,500,000 ordinary shares of £1 each	1,500	1,500

### 10 Movement on reserves

	Profit and loss £'000	Revaluation Reserve £'000	Total £'000
At 1 January 2010	(120)	148	28
Loss for the financial year	(30)	-	(30)
<b>At 31 December 2010</b>	<b>(150)</b>	<b>148</b>	<b>(2)</b>

### 11 Reconciliation of movements in shareholders' funds

	Total £'000
Opening shareholders' funds	1,528
Loss for the financial year	(30)
<b>Closing shareholders' funds</b>	<b>1,498</b>

### 12 Related party disclosures

The company has taken advantage of the exemption under FRS 8, 'Related Party Disclosures' not to disclose related party transactions with fellow group companies. The exemption is available as it is a wholly owned subsidiary and its financial information is included in the consolidated financial statements of the ultimate parent company (see note 12)

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# **AarhusKarlshamn Hull Limited**

## **Notes to the financial statements**

### **For the year ended 31 December 2010 (Continued)**

#### **13 Ultimate and immediate parent undertaking**

The company is a wholly owned subsidiary of Karlshamns UK Holdings plc, a company registered in England and Wales

At 31 December 2010, the directors regarded AarhusKarlshamn AB, incorporated in Sweden, as the ultimate parent undertaking and controlling party. Copies of the group accounts are available from AarhusKarlshamn AB, Skeppsgatan 19, SE-211 19 Malmö, Sweden