

Alert Communications Group Holdings Limited

Directors' report and financial statements

for the year ended 31 March 2011

Registered number: 5861215

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Alert Communications Group Holdings Limited

Directors' report and financial statements for the year ended 31 March 2011

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Directors' report for the year ended 31 March 2011

The directors present their report and the audited financial statements for the year ended 31 March 2011

Principal activity

The principal activity of the company is that of a holding company and it is expected that this will continue for the foreseeable future

Review of business and further developments

The directors expect the group of which the company is a member to continue to fulfil its contractual obligations and to operate in line with the Alert Communications Group model. It is expected that this will continue for the foreseeable future and through to the end of the contract concession period.

Key performance indicators

The directors believe that the analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the performance or position of the company.

Change of control of VT Group plc

On 8 July 2010 Babcock International Group PLC acquired 100% of the share capital of VT Group plc (the ultimate parent company of Costpool Limited who own 20% of the company).

Going concern

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Results and dividends

The company made a loss of £233,155 for the year (2010: loss £233,155). The directors do not recommend a dividend for the year ended 31 March 2011 (2010: £nil).

Directors

The directors and alternate directors who held office during the year and up to the date of signing of this report were as follows:

David Hobbs	resigned 8 October 2010
Richard Taylor	resigned 8 October 2010
Victoria Bradley	
Thomas Haga (alternate)	appointed 7 July 2010
BIIF Corporate Services Limited	appointed 7 July 2010
Andrew Nicholls	appointed 8 October 2010
Elizabeth Narey	appointed 8 October 2010

Directors' report for the year ended 31 March 2011 (continued)**Directors' responsibilities statement**

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 prepared 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 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

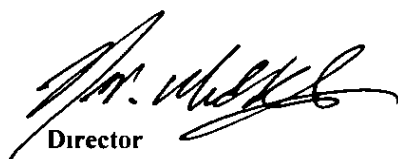
Each of the directors at the date of approval of this report, confirm the following

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the Board



Director

N. MIDDLETON

24 September 2011

Independent auditors' report to the members of Alert Communications Group Holdings Limited

We have audited the financial statements of Alert Communications Group Holdings Limited for the year ended 31 March 2011 which comprise the profit and loss account, the 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 set out on page 2, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2011 and of its 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.

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 Alert Communications Group Holdings 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

Martin Cowie

Martin Cowie (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
3 October 2011

Profit and loss account for the year ended 31 March 2011

	Notes	2011 £	2010 £
Finance charges (net)	2	<u>(323,826)</u>	<u>(323,826)</u>
Loss on ordinary activities before taxation		(323,826)	(323,826)
Tax on loss on ordinary activities	3	<u>90,671</u>	<u>90,671</u>
Loss for the financial year	9	<u>(233,155)</u>	<u>(233,155)</u>

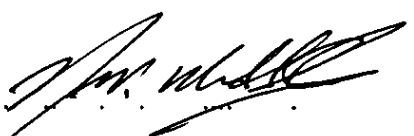
The company has no recognised gains and losses other than those included in the results above, which all relate to continuing activities, and therefore no separate statement of total recognised gains and losses has been presented


There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

Balance sheet as at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Investments	4	<u>6,785,000</u>	<u>6,785,000</u>
		<u>6,785,000</u>	<u>6,785,000</u>
Current assets			
Debtors amounts falling due after more than one year	5	3,758,243	4,012,624
Debtors amounts falling within one year	5	<u>651,766</u>	<u>1,135,635</u>
		<u>4,410,009</u>	<u>5,148,259</u>
Creditors: amounts falling due within one year	6	<u>(6,336,866)</u>	<u>(6,587,580)</u>
Net current liabilities		<u>(1,926,857)</u>	<u>(1,439,321)</u>
Total assets less current liabilities		<u>4,858,143</u>	<u>5,345,679</u>
Creditors: amounts falling due after more than one year	7	<u>(3,758,243)</u>	<u>(4,012,624)</u>
Net assets		<u>1,099,900</u>	<u>1,333,055</u>
Capital and reserves			
Called-up share capital	8	10	10
Profit and loss account	9	<u>1,099,890</u>	<u>1,333,045</u>
Equity shareholders' funds	10	<u>1,099,900</u>	<u>1,333,055</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 27 September 2011 and were signed on its behalf by


N Middleton
Director
on behalf of BIIF Corporate Services Ltd


E Narey
Director

Notes to the financial statements for the year ended 31 March 2011

1. Principal 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 under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The financial statements have been prepared on a going concern basis as the company's financial projections indicate that sufficient funds will be generated to allow on-going obligations to be met as they fall due.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Investments

Investments are carried at cost less provisions for impairment. Investments are tested for impairment when an event that might affect asset values has occurred. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by the discounted future cash flows from the investment.

2. Finance charges

	2011	2010
	£	£
Interest payable and similar charges		
Bank loans and overdrafts	820,590	986,764
	<u>820,590</u>	<u>986,764</u>
Interest receivable		
Bank interest receivable	597,197	662,938
	<u>597,197</u>	<u>662,938</u>
Financing charges (net)	<u>(323,826)</u>	<u>(323,826)</u>

Notes to the financial statements for the year ended 31 March 2011 (continued)

3 Tax on loss on ordinary activities

The tax credit comprises

	2011	2010
	£	£
Current tax		
UK corporation tax on losses of the year	90,671	90,671
Total current tax credit	90,671	90,671

There are no difference between the tax assessed for the year (2010 no difference) and the standard effective rate of corporation tax in the UK for the year ended 31 March 2011 of 28% (2010 28%)

4. Investments

Subsidiary undertaking
£

Cost

At 1 April 2010 and 31 March 2011 **6,785,000**

The company owns the whole of the issued ordinary share capital of Alert Communications (Holdings) Limited, a company incorporated in the UK. The principal activity of Alert Communications (Holdings) Limited is that of a holding company

5. Debtors

	2011	2010
	£	£
Amounts falling due within one year:		
Amounts due from subsidiary undertakings	651,766	1,135,635
	651,766	1,135,635
Amounts falling due after more than one year:		
Amounts due from subsidiary undertakings	3,758,243	4,012,624
	3,758,243	4,012,624

No interest is charged on amounts due from subsidiary undertakings due within one year, and the amount is payable on demand

Interest on the amounts due from subsidiary undertakings, due after one year, is charged at 14.04% per annum on the basis of a 365 day year

Notes to the financial statements for the year ended 31 March 2011 (continued)

6. Creditors amounts falling due within one year

	2011	2010
	£	£
Subordinated secured loan notes 2030 (note 7)	254,382	508,765
Amounts due to subsidiary undertakings	6,082,484	5,758,658
Accruals and other creditors	-	320,157
	<u>6,336,866</u>	<u>6,587,580</u>

Interest is charged on amounts due to subsidiary undertakings due within one year at 6.9% per annum and the amount is payable on demand

7. Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Subordinated secured loan notes 2030	3,758,243	4,012,624
	<u>3,758,243</u>	<u>4,012,624</u>

Borrowings

	2011	2010
	£	£
Subordinated secured loan notes 2030	4,012,625	4,521,389
	<u>4,012,625</u>	<u>4,521,389</u>

Maturity of debt

	2011	2010
	£	£
Within one year	254,382	508,765
Between one and two years	57,492	254,382
Between two and five years	432,371	311,874
After five years	3,268,380	3,446,368
	<u>4,012,625</u>	<u>4,521,389</u>

The subordinated secured loan notes 2030 are secured by way of a floating charge over the assets of the company and by way of a floating charge over the assets and a fixed charge over the shares of Alert Communications Limited. Interest on the secured loan notes is charged at fixed rate 14.04% per annum on the basis of a 365 day year.

The secured loan notes will be redeemed in instalments at face value starting from 30 March 2009 through to and including 30 March 2030. The payment due on 30 March 2010 was not paid until July 2010, however the payment due on 30 March 2011 was made on time.

Notes to the financial statements for the year ended 31 March 2011 (continued)

8. Called-up share capital

	2011	2010
Allotted and fully-paid		
10 (2010 10) ordinary shares of £1 each	<u>10</u>	<u>10</u>

9. Reserves

	Profit and loss account £
At 1 April 2010	1,333,045
Loss for the year	(233,155)
At 31 March 2011	<u>1,099,890</u>

10. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	<u>(233,155)</u>	<u>(233,155)</u>
Net change in shareholders' funds	<u>(233,155)</u>	<u>(233,155)</u>
Shareholders' funds as at 1 April	<u>1,333,055</u>	<u>1,566,210</u>
Shareholders' funds as at 31 March	<u>1,099,900</u>	<u>1,333,055</u>

11. Related party transactions

Barclays Integrated Infrastructure Fund LP

Barclays Integrated Infrastructure Fund LP holds 80% of the issued share capital of Alert Communications Group Holdings Limited as well as £4,102,625 (2010 4,521,389) of Subordinated Secured Loan Notes 2030 Interest of £nil (2010 £319,293) was accrued to 31 March 2011 for these Loan Notes

12. Ultimate controlling party

The immediate and ultimate parent and controlling entity is Barclays Integrated Infrastructure Fund LP

Barclays Integrated Infrastructure Fund LP is owned by a number of investors, with no one investor having individual control