Registered number 5861215

ALERT COMMUNICATIONS GROUP HOLDINGS LIMITED

Annual report and Financial Statements

for the year ended 31 March 2010

ALERT COMMUNICATIONS GROUP HOLDINGS LIMITED

Annual report and financial statements for the year ended 31 March 2010

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ALERT COMMUNICATIONS GROUP HOLDINGS LIMITED

Company Information

Directors	Douglas Umbers (Resigned 30 June 2009) Andrew Noble (Resigned 15 May 2009) Victoria Bradley (Appointed 26 February 2009) Richard Taylor (Appointed 30 June 2009) David Hobbs (Appointed 30 June 2009) Thomas Haga (Appointed 7 July 2010) BIIF Corporate Services Limited (Appointed 7 July 2010)
Company secretary	Richard Taylor
Registered office	33 Wigmore Street London W1U 1QX
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors PO Box 90 Erskine House 68-73 Queen Street Edinburgh EH2 4NH
Bankers	Barclays Bank plc One Churchill Place London E14 5HP

Directors' report for the year ended 31 March 2010

The director's present their report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 31 March 2010 The Company's registered number is 5861215

Principal activity

The principal activities of the group are to finance, design, build, operate and maintain a Received Signal Service Communications Link as a Private Finance Initiative project with the Ministry of Defence

Review of business and further developments

The Directors expect the Company and Group 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 to the end of the contract The current balance sheet shows an overall net debt position, this is in line with the model for the project and the project is still forecast to make an overall profit

The Group enters into interest rate swaps, the purpose of which is to manage the interest rate risk arising from the Group's borrowings

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

Results and dividends

The Group's profit and loss account for the year is disclosed on page 5 The directors do not recommend a dividend for the year ended 31 March 2010 (2009 £nil)

Derivative Financial Instruments

Details of the Company's financial risk management objectives and policies are included in note 1 to the accounts The fair values of the financial instruments are included in note 12 to the accounts

Directors

The directors and alternate directors who served during the year and up to the date of this report were as follows

Douglas Umbers	Resigned 30 June 2009
Andrew Noble	Resigned 15 May 2009
Victoria Bradley	Appointed 26 February 2009
Richard Taylor	Appointed 30 June 2009
David Hobbs	Appointed 30 June 2009
Thomas Haga	Appointed 7 July 2010
BIIF Corporate Services Limited	Appointed 7 July 2010

Directors' responsibilities statement

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) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the year ended 31 March 2010 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 proper accounting records that 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

In so far as the Directors are aware

- there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Directors' responsibilities were approved by the board on 7 October 2010 and signed on its behalf by

Nigel Middleton
Director
2010

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

We have audited the Group and Parent Company financial statements ("the financial statements") of Alert Communications Group Holdings Limited for the year ended 31 March 2010 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets 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 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 Group's and Company's affairs as at 31 March 2010 and of the Group's profit and cashflows 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

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 parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company 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

25 October 2010

Consolidated profit and loss account for the year ended 31 March 2010

	Notes	2010	2009
		£	£
Turnover	2	**11,403,243**	7,546,969
Cost of sales		**(2,740,765)**	(2,741,964)
Gross profit		**8,662,478**	4,805,005
Administration expenses		**(2,556,871)**	(2,538,832)
Operating profit		**6,105,607**	2,266,173
Finance charges	5	**(4,409,556)**	(4,439,185)
Profit/(Loss) on ordinary activities before taxation	3	**1,696,051**	(2,173,012)
Tax on (profit)/loss on ordinary activities	6	**(7,697)**	675,943
Profit/(Loss) for the financial year	15	**1,688,354**	(1,497,069)

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 profit / (loss) on ordinary activities before taxation and the profit / (loss) for the year stated above and their historical cost equivalents

Consolidated and Company balance sheets as at 31 March 2010

	Notes	Group 2010 £	Company 2010 £	Group 2009 £	Company 2009 £
Fixed assets					
Tangible assets	7	51,008,772	-	53,487,749	-
Investments	8	-	6,785,000	-	6,785,000
		51,008,772	6,785,000	53 487,749	6,785 000
Current assets					
Debtors amounts falling due after more than one year	9	3,321,552	4,012,624	3 328 385	4 267,007
Debtors amounts falling within one year	9	968,505	828,932	650 811	721 559
Cash at bank and in hand		679,443	-	1,120,500	-
		4,969,500	4,841,556	5 099,696	4 988 566
Creditors amounts falling due within one year	10	(4,888,111)	(6,587,580)	(5,997 996)	(6,156,381)
Net current assets/(liabilities)		81,389	(1,746,024)	(898,300)	(1 167,815)
Total assets less current liabilities		51,090,161	5,038,976	52 589,449	5 617 185
Creditors: amounts falling due after more than one year	11	(54,184,573)	(4,012,624)	(57,372,215)	(4,267,007)
Net (liabilities)/assets		(3,094,412)	1,026,352	(4,782 766)	1,350,178
Capital and reserves					
Called-up share capital	14	10	10	10	10
Capital contribution	15	80,485	-	80 485	-
Profit and loss account	15	(3,174,907)	1,026,342	(4,863,261)	1,350,168
Equity shareholders' (deficit)/funds	16	(3,094,412)	1,026,352	(4.782,766)	1,350.178

The financial statements on pages 5 to19 were approved by the board of directors on
7 october 2010 and were signed on its behalf by

N Middleton on behalf of BIIF Corporate Services Ltd - Director

R Taylor - Director

Consolidated cash flow statement for the year ended 31 March 2010

	Notes	2010	2009
		£	£
Net cash inflow from continuing operations	**18**	**8,104,786**	5 608 867
Returns on investments and servicing of finance			
Interest paid		**(4,391,586)**	(4 439 922)
		(4,391,586)	(4,439 922)
Net cash outflow before financing		**3,713,200**	1,168,945
Financing			
Repayment of loan notes 2030		**(138,611)**	-
Capital repayment of term loan		**(4,015,646)**	(470 328)
		(4,154,257)	(470 328)
(Decrease) / increase in cash in the year	**20**	**(441,057)**	698,617
Net cash at 1 April 2009		**1,120,500**	421 883
Net cash at 31 March 2010	**19**	**679,443**	1,120 500

Notes to the financial statements for the year ended 31 March 2010

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 accounting

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

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2010

Tangible fixed assets

Tangible fixed assets include all directly attributable costs, including those incurred during the commissioning year, of construction together with directly attributable finance costs Directly attributable costs are capitalised until substantially all the activities necessary to get the asset ready for use are complete To the extent that the group is liable to decommissioning costs a provision at the balance sheet date is set up for the net present cost A corresponding tangible fixed asset is recognised in respect of the decommissioning costs, based on price levels at the balance sheet date

Depreciation is provided to write off the cost, less estimated residual value, of all tangible fixed assets evenly over their expected useful economic lives Depreciation, for leasehold property and plant and equipment, is charged over 27 years This represents the life of the project the assets are to be used within

Finance cost

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs The carrying amount is increased by the amount of finance cost amortised in respect of the accounting period and reduced by payments made in the year

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

Deferred taxation

Deferred taxation 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 group'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 year in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred taxation is discounted using post tax yields to maturity that could be obtained at the balance sheet date on government bonds with maturity dates similar to those of the deferred taxation assets and liabilities

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is more likely than not that there will be adequate future taxable profits against which to recover carried forward tax losses

Derivative financial instruments

The group uses hedging agreements in the form of Sterling interest rate swaps to limit its exposure to interest rate fluctuations Alert Communications Limited has hedged the majority of its borrowings against LIBOR The effect of the hedge is to fix the borrowing rate at 6 4% for the term loan until 31 March 2027

Parent undertaking profit and loss account

As permitted by section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements The parent company's loss for the financial year was £323,826

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. Turnover

Turnover represents the value of services provided during the year All turnover excludes Value Added Tax and is solely derived from the United Kingdom

Income is recognised at the point at which the service is provided

3. Profit / (Loss) on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2010	2009
	£	£
Depreciation of tangible fixed assets	2,478,977	2,478 977
Auditors' remuneration - audit services	15,000	15 000

The auditors' remuneration for audit services are borne by VT Communications Limited and recharged to the company via the operation and maintenance fee

The company had no employees during the year (2009 nil)

4. Directors' emoluments

	2010	2009
	£	£
Sums paid to third parties for directors services	49,580	48 513

5. Finance charges

	2010	2009
	£	£
Interest payable and similar charges		
Bank loans and overdrafts	4,382,321	4 436 009
Amortisation of issue costs on bank loans	27,235	3 176
	4,409,556	4,439.185

6. Tax on loss on ordinary activities

The tax charge comprises

	2010	2009
	£	£
Current tax		
- UK corporation tax at 28% (2009 28%)	864	-
Total current tax	**864**	-
Deferred taxation (Note 13)		
- Origination and reversal of timing differences	**677,471**	478,957
- Decrease in discount	**(670,638)**	196,986
Total deferred tax	**6,833**	675,943
Tax on loss on ordinary activities	**7,697**	675,943

Reconciliation of current tax charge

	2010	2009
	£	£
Profit / (loss) on ordinary activities before taxation	**1,696,051**	(2 173,012)
Tax on loss on ordinary activities at 28% (2009 28%)	**474,894**	(608,443)
Capital allowances in excess of depreciation	**125,898**	65,842
Other timing differences	**124,409**	124,449
Losses utilised in the year	**(724,337)**	-
Unutilised losses recognised as a deferred tax asset	-	418,152
Current tax charge for the year	**864**	-

At 31 March 2010 the group had corporation tax losses of approximately £34,316,087 (2009 £36,927,000) available to be carried forward against future taxable profits

7. Tangible fixed assets

Group	Leasehold property	Plant & equipment	Total
	£	£	£
Cost			
At 1 April 2009 and 31 March 2010	**4,660,615**	**54,489,245**	**59,149,860**
Depreciation			
At 1 April 2009	444,893	5 217,218	5,662,111
Charge for the year	194,022	2,284,955	2,478,977
At 31 March 2009	**638,915**	**7,502,173**	**8,141,088**
Net book value			
At 31 March 2010	**4,021,700**	**46,987,072**	**51,008,772**
At 31 March 2009	4,215,722	49,272,027	53,487 749

Cumulative interest capitalised and other finance costs included in the cost of tangible fixed assets amounts to £9,963,913 (2009 £9,963,913)

8. Investments

Company	Subsidiary undertaking
	£
Cost	
At 1 April 2009 and 31 March 2010	**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

9. Debtors

	Group 31 March 2010 £	Company 31 March 2010 £	Group 31 March 2009 £	Company 31 March 2009 £
Amounts falling due within one year.				
Amounts due from subsidiary undertaking	-	828,932	-	721,559
Prepayments and accrued revenue	968,505	-	650 811	-
	968,505	828,932	650,811	721,559
Amounts falling due after more than one year:				
Amounts due from subsidiary undertaking	-	4,012,624	-	4 267,007
Deferred taxation (Note 13)	3,321,552	-	3 328,385	-
	3,321,552	4,012,624	3 328,385	4,267 007

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

Interest on the amounts due from subsidiary undertakings, due after one year, is charged at 14% per annum on the basis of a 365 day year, increasing annually by 0 16% of the annual rate of interest payable in the previous year, up to a maximum of 18% per annum

10. Creditors: amounts falling due within one year

	Group 31 March 2010 £	Company 31 March 2010 £	Group 31 March 2009 £	Company 31 March 2009 £
Bank loans – secured (note 11)	2,960,495	-	4 015 646	-
Subordinated secured loan notes 2030 (note11)	508,765	508,765	392 993	392 993
Amounts due to subsidiary undertaking	-	5,758,658	-	5 434,832
Accruals and other creditors	1,418,851	320,157	1,589,357	328,556
	4,888,111	6,587,580	5,997,996	6,156 381

Interest is charged on amounts due from subsidiaries due within one year at 6 9%, the amount is payable on demand

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

	Group 31 March 2010 £	Company 31 March 2010 £	Group 31 March 2009 £	Company 31 March 2009 £
Subordinated secured loan notes 2030	**4,012,624**	**4,012,624**	4,267,007	4,267,007
Bank loans - secured	**50,171,949**	**-**	53,105,208	-
	54,184,573	**4,012,624**	57,372,215	4,267,007

Borrowings

	Group 31 March 2010 £	Company 31 March 2010 £	Group 31 March 2009 £	Company 31 March 2009 £
Subordinated secured loan notes 2030	**4,521,389**	**4,521,389**	4,660,000	4,660,000
Bank loans - secured	**53,132,443**	**-**	57,120,854	-
	57,653,832	**4,521,389**	61,780,854	4,660,000

Maturity of debt

	Group 31 March 2010 £	Company 31 March 2010 £	Group 31 March 2009 £	Company 31 March 2009 £
Within one year	**3,469,260**	**508,765**	4,408,639	392,993
Between one and two years	**3,079,471**	**254,382**	3,214,878	254,382
Between two and five years	**5,081,086**	**311,874**	6,135,504	436,309
After five years	**46,024,016**	**3,446,368**	48,021,833	3,576,316
	57,653,833	**4,521,389**	61,780,854	4,660,000

The bank loans and facilities are secured by way of a fixed and floating charge over the assets of Alert Communications Group Holdings Limited and by way of a floating charge over the assets and a fixed charge over the shares of Alert Communications Limited Interest on the term loan is charged at LIBOR plus 1 05% per annum

Bank loans are stated net of unamortised issue costs of £362,870 Issue costs of £397,013 were incurred as part of the refinancing and will be amortised over the life of the new loans

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 14% per annum on the basis of a 365 day year, increasing annually by 0 16% of the annual rate of interest payable in the previous year, up to a maximum of 18% per annum

11. Creditors: amounts falling due after more than one year (continued)

The secured loan notes will be redeemed at face value, with the first redemption falling due on 30 March 2010 Further redemption will occur every year after this on 30 March, up to 30 March 2030 The redemption payment due on 30 March 2010 was not made due to the covenant sign off process, which will effect redemption payments each year The redemption payment due on 30 March 2010 has been paid post year end

12. Fair values of financial assets and financial liabilities

A comparison by category of fair values and book values of the group's financial liabilities at 31 March was as follows

	Book value	**Fair value**	Book value	Fair value
	2010	**2010**	2009	2009
	£	**£**	£	£
Primary instrument held or issued to finance				
the group's operations				
Long-term borrowing	**53,495,312**	**43,839,222**	57 120 854	76,515 905
Derivative financial instruments held to				
manage the interest rate profile				
Interest rate swap	**-**	**9,656,090**	-	(19 395 051)

The fair values of the fixed rate borrowing and the interest rate swap have been calculated by discounting the fixed cash flows at the prevailing interest rates at the year end

13. Deferred tax

	Group	**Company**	Group	Company
	2010	**2010**	2009	2009
	£	**£**	£	£
Tax losses carried forward	**9,615,268**	-	10 339 643	-
Advanced capital allowances	**(4,275,358)**	-	(4 218 934)	-
Other timing differences	**(2,144,085)**	-	(2 247 414)	-
Undiscounted provision for deferred tax	**3,195,825**	-	3 873 295	-
Discount	**125,727**	-	(544,910)	-
Discounted provision for deferred tax	**3,321,552**	-	3 328 385	-
Balance at 1 April	**3,328,385**	-	2 652 442	-
Deferred tax credit in the profit and loss account (Note 6)	**(6,833)**	-	675 943	-
Deferred tax asset at 31 March	**3,321,552**	-	3 328 385	-

14. Called-up share capital

Company	31 March 2010 £	31 March 2009 £
Authorised		
6,785,010 ordinary shares of £1 each	**6,785,010**	6,785,010
	6,785,010	6,785,010
Allotted, called-up and fully-paid		
10 ordinary shares of £1 each	**10**	10
	10	10

15. Reserves

Group	Profit and loss account £	Capital Contribution £	Total £
At 1 April 2009	(4 863,261)	80 485	(4 782 776)
Profit for the financial year	1,688,354	-	1,688 354
At 31 March 2010	**(3,174,907)**	**80,485**	**(3,094,422)**

Company	Profit and loss account £
At 1 April 2009	1,350,168
Loss for the year	(323 826)
At 31 March 2010	**1,026,342**

16. Reconciliation of movements in shareholders' (deficit)/funds

	Group 31 March 2010	Company 31 March 2010	Group 31 March 2009	Company 31 March 2009
	£	£	£	£
Profit/(Loss) for the financial year	**1,688,354**	**(323,826)**	(1,497 069)	(323,826)
Net change in shareholders (deficit)	**1,688,354**	**(323,826)**	(1,497,069)	(323,826)
Shareholders (deficit)/funds as at 1 April	**(4,782,766)**	**1,350,178**	(3.285,697)	1 674,004
Shareholders (deficit)/funds 31 March	**(3,094,412)**	**1,026,352**	(4.782.766)	1 350,178

17. Financial commitments

Annual commitments under non-cancellable operating leases are as follows

Group	31 March 2010 Land and buildings	31 March 2009 Land and buildings
	£	£
Expiry date		
- after five years	**2**	2
	2	2

The group has primary and secondary site leases from the Secretary of State for Defence at £1 per annum per site until 31 December 2030

18. Cash flow from operating activities

	31 March 2010	31 March 2009
	£	£
Operating profit	**6,105,607**	2 266 173
Depreciation on tangible fixed assets	**2,478,977**	2 478 977
(Increase) in debtors	**(317,694)**	(20 872)
(Decrease)/Increase in creditors	**(162,104)**	884,589
Net cash outflow from operating activities	**8,104,786**	5,608 867

19. Analysis of net debt

	At 1 April 2009 £	Acquisitions £	Cash flow £	Other non-cash changes £	**At 31 March 2010 £**
Cash at bank	1 120,500	-	(441 057)	-	**679,443**
	1 120 500	-	(441,057)	-	**679,443**
Debt due within 1 year	(4,408 639)	-	4 154 256	(3 214 877)	**(3,469,260)**
Debt due after 1 year	(57,372,215)	-	-	3,187,643	**(54,184,572)**
	(60,660,354)	-	3,713,199	(27 234)	**(56,974,389)**

20. Reconciliation of movement in net debt

	31 March 2010 £	31 March 2009 £
Increase/(decrease) in cash in the year	**(441,057)**	698,617
Cash inflow from increase in debt	**4,154,256**	470,328
Other non-cash movements	**(27,234)**	(3,176)
Movement in net debt in the year	**3,685,965**	1 165,769
Opening net debt	**(60,660,354)**	(61,826,123)
Closing net debt	**(56,974,389)**	(60,660,354)

21. Related party transactions

VT Communications Limited

The design, build, operation and maintenance of the project has been subcontracted to VT Communications Limited, (a wholly owned subsidiary of VT plc) which owns all of the share capital of Costpool Limited a holder of 20% of the share capital of Alert Communications Group Holdings Limited During the year ended 31 March 2010 Alert Communications Limited was invoiced £2,740,867 (2009 £3,179,983) by VT Communications Limited in connection with operation and maintenance fees The outstanding balance at the year end was £520,558 (2009 £769,878)

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 £4,521,389 (2009 4,660,000) of Subordinated Secured Loan Notes 2030 Interest of £319,293 (2009 £328,556) was accrued for to 31 March 2010 for these Loan Notes, all of which remains outstanding at the year end

22. 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