

REGISTERED NUMBER: 08962735 (England and Wales)

**REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2016 TO 31 DECEMBER 2016**  
**FOR**  
**ALE UK LIMITED**



**ALE UK LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the period 1 April 2016 to 31 December 2016**

---

	<b>Page</b>
<b>Company Information</b>	1
<b>Report of the Director</b>	2
<b>Statement of Director's Responsibilities</b>	3
<b>Report of the Independent Auditors</b>	4
<b>Statement of Comprehensive Income</b>	5
<b>Statement of Financial Position</b>	6
<b>Statement of Changes in Equity</b>	7
<b>Notes to the Financial Statements</b>	8 to 12

**ALE UK LIMITED**

**COMPANY INFORMATION**  
**for the period 1 April 2016 to 31 December 2016**

---

**DIRECTOR:** P Tebbutt

**REGISTERED OFFICE:** Ground Floor, Lunar House  
Mercury Business Park  
Wycombe Lane  
Wooburn Green  
Buckinghamshire  
HP10 0HH

**REGISTERED NUMBER:** 08962735 (England and Wales)

**INDEPENDENT AUDITORS:** Constantin  
25 Hosier Lane  
London  
EC1A 9LQ

**ALE UK LIMITED**

**REPORT OF THE DIRECTOR**  
**for the period 1 April 2016 to 31 December 2016**

---

The director presents his report with the financial statements of the company for the period 1 April 2016 to 31 December 2016. The comparative period is from 1 April 2015 to 31 March 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of carrying out an activity of commercial prospecting and marketing on behalf of the parent undertaking within the UK.

**GOING CONCERN**

At 31 December 2016 the company had shareholder's funds of £11,763 after making a loss for the financial year of £111,753. The director has been notified by China Huaxin Post and Telecommunication Economic Development Center that the company will continue to receive whatever financial support is required to ensure the company meets its liabilities as they fall due for a period of at least 12 months from the date of this report.

**DIRECTOR**

P Tebbutt held office during the whole of the period from 1 April 2016 to the date of this report.

**FINANCIAL RISK MANAGEMENT**

The company has exposures to four main areas of risk - foreign exchange currency exposure, credit risk, liquidity risk and market risk

**Foreign exchange risk**

The company operates internationally and is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in foreign currencies. Foreign exchange risk could affect future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The net exposure of each currency is monitored and managed at a group level.

**Credit risk**

Credit risk arises from cash and cash equivalents, bank deposits and accounts receivable. Credit risk refers to the risk exposure that potential financial loss to the company may occur if counterparty defaults on its contractual obligations. The maximum exposure to credit risk is the value of assets which might be lost. Cash and cash equivalents are deposited only within banks that are considered by the company to have a minimal risk of default. The company evaluates the concentration of risk with respect to accounts receivables as low, as they relate to a group undertaking.

**Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations. Cash flow forecasting is performed in the company. The company monitors rolling forecasts and the liquidity requirements to ensure it has sufficient cash to meet operational needs and financial obligations.

**Market risk**

Market risk is managed by selecting investments in well understood markets taking into account prevailing economic conditions.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The director has appointed Constantin as auditors of the company. Constantin has expressed its willingness to be appointed for another term and appropriate arrangements have been put in place for them to be proposed for re-appointment.

**SMALL COMPANIES REGIME**

The director has taken advantage of the small companies exemption under section 414B in relation to the preparation of a strategic report.

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

**ON BEHALF OF THE BOARD:**

.....  
P Tebbutt, Director

Date: 03.10.2017

**ALE UK LIMITED**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**  
**for the period 1 April 2016 to 31 December 2016**

---

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ALE UK LIMITED**

---

We have audited the financial statements of ALE UK Limited for the year 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 a Report of the Auditors 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 director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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.

**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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102; 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements..

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**Matters on which we are required to report by exception**

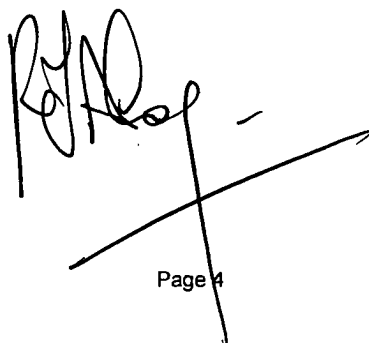
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Alex Legon (Senior Statutory Auditor)  
for and on behalf of Constantin  
25 Hosier Lane  
London  
EC1A 9LQ

3 OCT 2017

Date: .....



**ALE UK LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**for the period 1 April 2016 to 31 December 2016**

	Notes	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
<b>TURNOVER</b>	3	3,477,975	3,857,124
Administrative expenses		<u>(3,346,879)</u>	<u>(3,697,907)</u>
<b>OPERATING PROFIT</b>	4	131,096	159,217
Interest receivable and similar income	5	1,079	-
Interest payable and similar expenses	6	<u>(256,732)</u>	<u>(46,603)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(124,557)	112,614
Tax on (loss)/profit on ordinary activities	7	<u>12,804</u>	<u>(29,715)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		(111,753)	82,899
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>		<u>(111,753)</u>	<u>82,899</u>

All transactions arose from continuing activities.

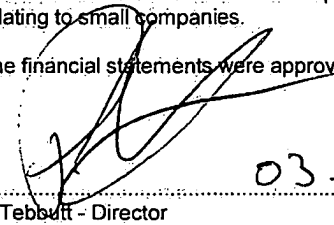
**ALE UK LIMITED (REGISTERED NUMBER: 08962735)**

**STATEMENT OF FINANCIAL POSITION**  
**31 December 2016**

	Notes	2016 £	2016 £
<b>CURRENT ASSETS</b>			
Debtors	8	1,006,709	1,104,446
Cash at bank		<u>181,525</u>	<u>120,780</u>
		1,188,234	1,225,226
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(737,579)</u>	<u>(1,101,710)</u>
<b>NET CURRENT ASSETS</b>		<u>450,655</u>	<u>123,516</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>450,655</u>	<u>123,516</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	<u>(438,892)</u>	<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,763</u>	<u>123,516</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1	1
Retained earnings		<u>11,762</u>	<u>123,515</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>11,763</u>	<u>123,516</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 03.10.2017 and were signed by:

  
03.10.2017  
P Tebbutt - Director



**ALE UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**for the period 1 April 2016 to 31 December 2016**

---

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2015</b>	1	40,616	40,617
<b>Changes in equity</b>			
Total comprehensive (loss)/income	-	82,899	82,899
<b>Balance at 31 March 2016</b>	<u>1</u>	<u>123,515</u>	<u>123,516</u>
<b>Changes in equity</b>			
Total comprehensive (loss)/income	-	(111,753)	(111,753)
<b>Balance at 31 December 2016</b>	<u>1</u>	<u>11,762</u>	<u>11,763</u>

## **ALE UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **for the period 1 April 2016 to 31 December 2016**

---

#### **1. COMPANY INFORMATION**

ALE UK Limited ("the company") is a private limited company incorporated and domiciled in England and Wales, registration number 08962735. The address of its registered office is Ground Floor, Lunar House, Mercury Business Park, Wycombe Lane, Wooburn Green, Buckinghamshire, HP10 0HH.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

No significant judgements or key assumptions have been made by management in preparing these financial statements.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **Expenses**

Expenses are included in the statement of comprehensive income on an accrual basis, net of discounts and value added tax.

##### **Foreign currencies**

The functional and presentational currency of the company is British Pound. Monetary assets and liabilities in foreign currencies are translated into British Pound at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into British Pound at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Operating leases**

Rentals paid in respect of operating leases are charged to the statement of comprehensive income as incurred.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to statement of comprehensive income in the period to which they relate.

##### **Going concern**

The financial statements have been prepared under the going concern basis. The parent company will continue to support the business by providing funds to enable the company to meet its liabilities as they fall due.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are only recognised to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

##### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks and are subject to an insignificant risk of changes in value.

**ALE UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the period 1 April 2016 to 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group. The directors are not aware of any other material related party transactions or disclosures, as required to be disclosed under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', other than those already disclosed in these financial statements.

**3. TURNOVER**

The turnover and loss (31.03.2016 - profit) before taxation are attributable to the one principal activity of the company. An analysis of turnover by class of business is given below:

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Rendering of services	<u>3,477,975</u>	<u>3,857,124</u>
	<u>3,477,975</u>	<u>3,857,124</u>

An analysis of turnover by geographical market is given below:

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Europe	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Auditors' remuneration	7,150	7,000
Other operating leases	66,082	93,802
Pension costs	<u>247,609</u>	<u>214,221</u>
Directors' remuneration	112,917	168,576
Directors' pension contributions to money purchase scheme	<u>18,785</u>	<u>28,297</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

	Period 1.4.16 to 31.12.16	Year ended 31.3.16
The average monthly number of employees during the year was as follows:		
Sales and marketing	<u>31</u>	<u>33</u>

**ALE UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
for the period 1 April 2016 to 31 December 2016****5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Interest receivable on deposits	<u>1,079</u>	<u>-</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Interest payable on loans from parent company	35,245	9,260
Exchange rate losses	<u>221,487</u>	<u>37,343</u>
	<u>256,732</u>	<u>46,603</u>

**7. TAXATION****Analysis of the tax charge**

The tax charge on the loss (31.03.2016 - profit) on ordinary activities for the period was as follows:

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Current tax:		
UK corporation tax	-	26,899
Adjustments in respect of previous periods	<u>(12,804)</u>	<u>2,816</u>
Total current tax	<u>(12,804)</u>	<u>29,715</u>

UK corporation tax has been charged at 20% (1 April 2015 to 31 March 2016 - 20%).

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
(Loss)/profit before tax	<u>(124,557)</u>	<u>112,614</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	(24,911)	22,523
Effects of:		
Expenses not deductible for tax purposes	3,260	4,376
Adjustments to tax charge in respect of previous periods	<u>(12,804)</u>	<u>2,816</u>
Losses carried back	<u>21,651</u>	<u>-</u>
Total tax charge	<u>(12,804)</u>	<u>29,715</u>

**Factors affecting future tax charges**

In the Budget on 8 July 2015, the Chancellor announced planned reductions in the Corporation Tax rate to 19% from 1 April 2017 and 18% from 1 April 2020. This will reduce any future current tax charge accordingly.

A further reduction to the corporation tax rate by 1% to 17% by 1 April 2020 was announced in the Chancellor's 2016 budget statement and substantively enacted on 15 September 2016.

**ALE UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
for the period 1 April 2016 to 31 December 2016****8. DEBTORS**

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Amounts falling due within one year:		
Amounts owed by parent undertaking	566,493	623,402
Other debtors – security deposit	86,053	154,767
VAT	18,457	-
Called up share capital not paid	-	1
Prepayments and accrued income	<u>34,627</u>	<u>26,276</u>
	<u>705,630</u>	<u>804,446</u>

Amounts falling due after more than one year:  
Other debtors

<u>301,079</u>	<u>300,000</u>
----------------	----------------

Aggregate amounts

<u>1,006,709</u>	<u>1,104,446</u>
------------------	------------------

The amounts owed by the group undertaking are unsecured, interest free and are repayable in line with the terms of the related invoices.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Amounts owed to parent undertaking	-	373,474
Corporation tax	35,727	40,511
Social security and other taxes	89,042	180,687
VAT	-	10,430
Other creditors	6,273	35,176
Accruals and deferred income	<u>606,537</u>	<u>461,432</u>
	<u>737,579</u>	<u>1,101,710</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Period 1.4.16 to 31.12.16 £	Year ended 31.3.16 £
Amounts owed to parent undertaking	<u>438,892</u>	<u>-</u>

The amounts owed to the parent undertaking comprises of a loan from the parent company, ALE Holding. Interest is charged on the loan at a rate of EURIBOR plus 3% per annum, with no security given and is repayable on 18 March 2018.

**ALE UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
for the period 1 April 2016 to 31 December 2016****11. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Land and Buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Within one year	77,175	77,175	13,020	-
Between one and five years	308,700	308,700	26,039	-
In more than five years	270,113	347,288	-	-
	<u>655,988</u>	<u>733,163</u>	<u>39,059</u>	<u>-</u>

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2016	2016
Number:	Class:			
1	Share capital 1	£1	<u>1</u>	<u>1</u>

The share capital consideration was paid during the period ended 31 December 2016.

**13. ULTIMATE CONTROLLING PARTY**

The immediate parent undertaking is Alcatel-Lucent Enterprise Holding, a company incorporated in France.

The ultimate parent undertaking and controlling party is China Huaxin Post and Telecommunication Economic Development Center, a company incorporated in People's Republic of China.

China Infotech (Luxembourg) S.A. is the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of China Infotech (Luxembourg) S.A. are available from 11-13, Boulevard de la Foire, L-1S28 Luxembourg.