

ELECTRA INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2011**



**REGISTERED NUMBER
21895**

ELECTRA INVESTMENTS LIMITED

Report of the Directors

The Directors present their Report and the Audited Financial Statements of Electra Investments Limited (the 'Company') for the year ended 30 September 2011

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is that of an investment company.

The Company will continue to hold investments for the foreseeable future.

RESULTS AND DIVIDENDS

The profit after tax attributable to shareholders for the year amounted to £28,951,435 (2010: £18,884,557). The Directors do not recommend the payment of a dividend (2010: nil) leaving the profit of £28,951,435 (2010: £18,884,557) to be transferred to reserves.

DIRECTORS

Mr PJ Dyke, Mr RJ Lewis, Mr HALH Mumford and Mr SD Ozin were Directors of the Company throughout the year ended 30 September 2011. No other person was a Director at any time during the year under review.

FINANCIAL RISK MANAGEMENT

The Company's investment objective is to seek capital growth from a portfolio of securities. In pursuing this objective, the Company faces three primary risks – market risk, interest rate risk and foreign currency risk. From the perspective of the Company, these principal risks and uncertainties are integrated with the principal risk of the Group, Electra Private Equity PLC, and are not managed separately. Accordingly, the principal risks and uncertainties of the Electra Private Equity PLC Group, which include those of the Company, are discussed on pages 40 to 46 of Electra's annual report, which does not form part of this report.

GOING CONCERN

Despite the Company being in a net liability position at the end of the year, the financial statements have been prepared under the going concern basis which assumes the Company will continue in operational existence for the foreseeable future. The appropriateness of the going concern basis is dependent on continued support from the Company's Parent, Electra Private Equity PLC. The Company has received a letter of support from Electra Private Equity PLC, the ultimate parent company, confirming that it will provide financial support to the Company sufficient to enable it to meet its obligations as and when they fall due. For the reason noted above, the Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

ELECTRA INVESTMENTS LIMITED

Report of the Directors (continued)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each Director in office at the date the Directors' Report is approved, that

- so far as the Director is aware, there is no relevant audit information 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

ELECTIVE RESOLUTIONS

On 8 December 1992, elective resolutions were approved whereby the Company is no longer required to hold annual general meetings, with the result that PricewaterhouseCoopers LLP will continue as Auditors, and the Directors are no longer required to lay Financial Statements before the Company in general meeting

ELECTRA INVESTMENTS LIMITED

Statement of Directors' Responsibilities

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 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 judgments 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.

The financial statements are published on www.electraequity.com, which is a website maintained by the Electra Partners. The maintenance and integrity of the website maintained by Electra or any of its subsidiaries is, so far as it relates to the Company, the responsibility of Electra Partners. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



By Order of the Board of Directors
PJ Dyke, Secretary
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

16 May 2012

ELECTRA INVESTMENTS LIMITED

Independent Auditors' Report to the Members of Electra Investments Limited

We have audited the financial statements of Electra Investments Limited for the year ended 30 September 2011 which comprise Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 Statement of Directors' Responsibilities set out on page 4 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 Report of Directors 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 30 September 2011 and of its profit 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 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.

ELECTRA INVESTMENTS LIMITED

Independent Auditors' Report to the Members of Electra Investments 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, or
- the directors were not entitled to prepare the directors' report in accordance with the small company regime



Mark Pugh (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 May 2012

ELECTRA INVESTMENTS LIMITED

Profit and Loss Account

		Year ended 30 September 2011 £	Year ended 30 September 2010 £
	Note		
Turnover	3	24,405,503	8,972,599
Operating Expenses	4	(7,034)	(26,077)
Other Expenses	5	(77,353)	(185,000)
Operating Profit		24,321,116	8,761,522
Realised Capital Gain/(Loss)		6,658,691	1,266,880
Unrealised Capital Gain/(Loss)		5,160,067	15,907,589
Interest Receivable and Similar Income		201,323	6,727
Interest Payable and Similar Charges	6	(7,389,762)	(7,067,701)
Profit/ (Loss) on Ordinary Activities before Taxation		28,951,435	18,875,017
Taxation on Ordinary Activities	7	-	9,540
Profit/ (Loss) on Ordinary Activities after Taxation and Profit/ (Loss) for the Financial year		28,951,435	18,884,557

All results and comparatives shown in the profit and loss account above are from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		Year ended 30 September 2011 £	Year ended 30 September 2010 £
	Note		
Profit/(Loss) for the Financial Year		28,951,435	18,884,557
Movement in unrealised Revaluation Reserve	15	(133,575)	(230,294)
Unrealised transferred to realised in the period	15	(1,257,334)	(2,710,908)
Total Recognised Gain/(Loss)		27,560,526	15,943,355

The notes on pages 9 to 13 form part of the financial statements

ELECTRA INVESTMENTS LIMITED

Balance Sheet

		30 September 2011	30 September 2010
	Note	£	£
Fixed Assets			
Fixed asset investments	8	127,946,283	169,639,117
Investments in subsidiary	9	-	1,390,909
		127,946,283	171,030,026
Current Assets			
Debtors	10	41,005,199	9,716,318
Cash at bank and in hand		991,562	110,437
		41,996,761	9,826,755
Current Liabilities			
Creditors: Amounts falling due within one year	11	11,168,408	49,405,343
Net Current (Liabilities)/Assets		30,828,353	(39,578,588)
Total Assets Less Current Liabilities		158,774,636	131,451,438
Creditors: Amounts falling due after one year	12	163,707,427	163,944,755
Net Liabilities		(4,932,791)	(32,493,317)
Capital and Reserves			
Called-up share capital	13	870,000	870,000
Share premium	14	157,389	157,389
Non-distributable realised profits	14	166,486	166,486
Revaluation reserve	14	362,721	1,753,630
Profit and loss account	14	(6,489,387)	(35,440,822)
Total Shareholders' Funds	15	(4,932,791)	(32,493,317)

The notes on pages 9 to 13 form part of the financial statements.

The Financial Statements on pages 7 to 13 were approved by the Board of Directors on 16 May 2012 and were signed on its behalf by



SD Ozin
Director
Electra Investments Limited
Registered Number 21895

ELECTRA INVESTMENTS LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The more significant accounting policies are listed below.

- (a) The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments in accordance with the Companies Act 2006 and applicable accounting standard and the going concern basis which assumes the Company will continue in operational existence for the foreseeable future.
- (b) Turnover is recognised on an accruals basis.
- (c) Fixed asset investments are shown at cost less impairment based on the Director's valuation. Where the values of investments are considered to have been impaired this has been shown as an unrealised capital loss in the profit and loss account. Investments in subsidiaries are accounted for in accordance with the alternative accounting rules as prescribed by the Companies Act. Subsidiaries are initially recognised at cost and are subsequently measured at reporting dates at the market value of net assets. Changes in the net assets of subsidiaries are recognised in the revaluation reserve.
- (d) Current asset investments are shown at the lower of cost and net realisable value.
- (e) The Company is a wholly owned subsidiary of Electra Private Equity PLC, an EU company which publishes consolidated accounts which are publicly available that include a consolidated cash flow statement and therefore is not required to produce a cash flow statement under the terms of FRS 1.
- (f) Expenses and interest are accounted for on an accruals basis.
- (g) Foreign currency transactions are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities, including long-term liabilities, in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. All exchange differences arising are dealt with in the profit and loss account. The effect of currency retranslation is disclosed in note 5.

2. DIRECTORS AND EMPLOYEES

No remuneration was payable to the Directors during the year (2010: £nil) in respect of their services to the Company. There are no employees of the Company (2010: none).

For the year ended 30 September		2011	2010
		£	£
3. TURNOVER			
Unfranked Investment Income	21,319,939	8,972,599	
Franked Investment Income	3,085,564	-	
Interest on loan to Electra Private Equity PLC	-	-	
	24,405,503	8,972,599	

ELECTRA INVESTMENTS LIMITED

Notes to the Financial Statements (continued)

	2011	2010
	£	£
For the year ended 30 September		
4 OPERATING EXPENSES		
Administrative expenses	2,034	21,077
Auditor's remuneration	5,000	5,000
	7,034	26,077

The audit fee was borne by another Group company

	2011	2010
	£	£
For the year ended 30 September		
AUDIT FEES		
Statutory audit of the company	5,000	5,000

	2011	2010
	£	£
For the year ended 30 September		
5 OTHER EXPENSES		
Exchange losses	77,353	185,000

	2011	2010
	£	£
For the year ended 30 September		
6 INTEREST PAYABLE AND SIMILAR CHARGES		
Bank interest payable	7,389,762	6,846,966
Holding company loan interest payable	-	220,735
	7,389,762	7,067,701

	2011	2010
	£	£
For the year ended 30 September		
7 TAXATION		
Current tax		
Prior year adjustment	-	-
UK corporation tax on profits for the year	-	9,540
Total current tax	-	9,540

Factors affecting tax charge for the year

Profit/(Loss) on ordinary activities before tax	28,951,435	18,875,017
Profit/(Loss) on ordinary activities multiplied by standard rate in the UK 27% (2010 28%)	7,816,887	5,285,005
Effects of		
Timing differences on gains in Partnerships	-	-
Disallowed Expenses	-	-
Unrealised capital loss/(Gain)	(1,393,218)	(4,454,125)

ELECTRA INVESTMENTS LIMITED

Income taxable received in partnership	1,267,497	1,667,682
Expenses deductible received in partnership	(1,161,959)	(1,568,911)
Prior year adjustment	-	9,540
Tax losses utilized in the period	(4,576,159)	(733,084)
Losses carried forward	-	-
Group Relief	(692,911)	-
Realised Capital Loss	-	(88,797)
Dividend Income not taxable	(833,102)	-
Capital Allowances	(427,035)	(107,770)
Current tax charge for the year	-	9,540

The Company has not recognised any deferred tax asset in respect of tax losses as there is currently insufficient available evidence as required by FRS 19 that there will be future taxable profits against which a deferred tax asset can be used. Had the deferred tax asset been recognised in full, it would have increased the net assets on the balance sheet by a further £5,741 (2010 £4,925,098)

The unrecognised deferred tax asset is in respect of tax losses carried forward

The unrecognised Deferred tax asset is calculated using the 25.5% corporate tax rate enacted at the balance sheet date, the government announced in the 2011 Budget that the corporation tax rate would fall to 26% with effect from 1 April 2011 and fall to 23% by 2014

	2011	2010
For the year ended 30 September	£	£
8. FIXED ASSET INVESTMENTS		
Valuation at 1 October	169,639,117	73,903,308
Purchases at cost	160,239	109,930,164
Sales at valuation	(52,349,616)	(30,101,944)
Movement in valuation of investment disposed	5,336,476	-
Increase/(Decrease) in valuation	5,160,067	15,907,589
Valuation at 30 September	127,946,283	169,639,117
Cost at 30 September	141,684,476	187,215,162

	2011	2010
For the year ended 30 September	£	£
9. INVESTMENT IN SUBSIDIARY		
Valuation at 1 October	1,390,909	22,745,467
Purchases at cost	14,400	(10,537)
Sales at valuation	(1,271,734)	(21,113,727)
(Decrease)/ Increase in valuation	(133,575)	(230,294)
Valuation at 30 September	-	1,390,909
Cost at 30 September	-	-

ELECTRA INVESTMENTS LIMITED
Notes to the Financial Statements (continued)

	2011	2010
	£	£
For the year ended 30 September		
10 DEBTORS		
Amounts due from Group Undertakings		
- Electra Private Equity PLC	11,258,736	-
Taxation recoverable	-	-
Prepayments and accrued income	29,746,463	9,716,318
	<u>41,005,199</u>	<u>9,716,318</u>

	2011	2010
	£	£
For the year ended 30 September		
11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts due to Group Undertakings	11,162,696	49,391,993
Corporation Tax	-	-
Other creditors	5,712	13,350
	<u>11,168,408</u>	<u>49,405,343</u>

	2011	2010
	£	£
For the year ended 30 September		
12 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR		
Bank loans due in 1-2 years (2010 1-3 years)	163,707,427	163,944,755
	<u>163,707,427</u>	<u>163,944,755</u>

A variable rate of interest is charged on the bank loan. The bank loan relates to a £185,000,000 (2010 £185,000,000) committed multi-currency revolving credit facility, entered into on 17 July 2009 and repayable on 17 January 2013. Under the Facility Agreement the Company is liable to pay interest at LIBOR rates plus a margin of 3%.

	2011	2010
	£	£
For the year ended 30 September		
13. CALLED UP SHARE CAPITAL		
Authorised		
100,000 ordinary shares of £10 each	1,000,000	1,000,000
Allotted, called-up and fully paid		
87,000 ordinary shares of £10 each	870,000	870,000

ELECTRA INVESTMENTS LIMITED
Notes to the Financial Statements (continued)

	Share Premium £	Unrealised revaluation reserve £	Non- distributable Realised Profits £	Profit and Loss Account £
14 RESERVES				
At 1 October 2010	157,389	1,753,630	166,486	(35,440,822)
Movement in unrealised revaluation reserve	-	(133,575)	-	-
Amounts realised in period	-	(1,257,334)	-	-
Profit for the financial year	-	-	-	28,951,435
At 30 September 2011	157,389	362,721	166,486	(6,489,387)

	As at 30 September 2011 £	As at 30 September 2010 £
15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit/(Loss) for the financial year	28,951,435	18,884,557
Movement in unrealised revaluation reserve	(133,575)	(230,294)
Amount transferred to realised in period	(1,257,334)	(2,710,908)
Net increase/(reduction) to shareholders' funds	27,560,526	15,943,355
Opening shareholders' funds	(32,493,317)	(48,436,672)
Closing shareholders' funds	(4,932,791)	(32,493,317)

16 RELATED PARTY TRANSACTIONS

Electra Private Equity PLC owns 100% of the immediate voting rights of Electra Investments Limited. Electra Investments Limited has relied upon the exemption given in FRS 8 not to disclose transactions between itself and fellow group companies.

17 ULTIMATE HOLDING COMPANY

The Company's ultimate holding company is Electra Private Equity PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of the Financial Statements are available from the Secretary of the Company at Paternoster House 65 St. Paul's Churchyard London EC4M 8AB.

18 POST BALANCE SHEET EVENTS

On 12 October 2012 the Bank Loan, a £185 million revolving multi-currency credit facility agreement dated 17 July 2009 was amended and restated on broadly similar terms at a revised total facility amount of £195 million and repayable on 30 June 2016.