

Infinis Acquisitions

Directors' report and financial statements

Registered number 04731536

Year ended 31 March 2011

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Directors' report

The directors (the "Directors") present their Directors' report and audited financial statements for Infinis Acquisitions (the "Company") for the year ended 31 March 2011

Principal activities

The principal activity of the Company is that of a holding company

Results and dividend

The operating loss for the financial year amounted to £1,073,000 (2010 profit of £315,304,000). The profit for the financial year of £14,616,000 (2010 £43,299,000) will be transferred to reserves. During the year the Company paid a dividend of £510,489.059 to Infinis Finance plc (2010 £nil) and £47,638 to Infinis Holdings (2010 £nil).

Charitable and political donations

The Company made no political donations or incurred any political expenditure during the financial year (2010 £nil). There were no charitable donations made during the year (2010 £nil).

Directors

The Directors of the Company during the year and up to the date of signing the accounts were as follows

A P Chadd	(appointed 2 August 2010, resigned 11 July 2011)
M D Darragh	(resigned 11 July 2011)
R C Prior	(resigned 2 August 2010)
N O Steinmeyer	(alternate to A P Chadd and M D Darragh) (resigned 25 May 2011)
T S Banga	(alternate to A P Chadd and M D Darragh) (appointed 17 March 2011, resigned 11 July 2011)
E J Aikman	(appointed 11 July 2011)
S Hardman	(appointed 11 July 2011)

Statement of disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that 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.

Auditors

In accordance with section 487 of the Companies Act 2006 KPMG LLP (a) were deemed to be re-appointed as auditors of the Company for the financial year ended 31 March 2011 at the end of the last period for appointing auditors and (b) are expected to be deemed to be re-appointed as auditors of the Company for the financial year ended 31 March 2012 at the end of the next period for appointing auditors.

On behalf of the board



E J Aikman
Director
22 August 2011

500 Pavilion Drive, Northampton Business Park,
Northampton, NN4 7YJ

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

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Infinis Acquisitions

We have audited the financial statements of Infinis Acquisitions for the year ended 31 March 2011 set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 an auditor's report 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 Directors and auditor

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

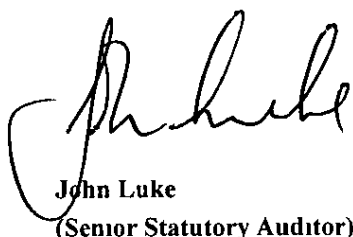
Opinion on other matters prescribed by the Companies Act 2006

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, 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



John Luke
(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom

23 August 2011

Profit and loss account

for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Dividends received		-	315,499
Administrative expenses		(1,073)	(195)
Operating (loss) / profit		(1,073)	315,304
Impairment of investment	7	(3,250)	(282,720)
Interest payable and similar charges	4	(683)	(18,324)
Interest receivable and similar income	5	20,835	33,263
Profit on ordinary activities before taxation		15,829	47,523
Taxation charge on profit on ordinary activities	6	(1,213)	(4,224)
Profit for the financial year	13	14,616	43,299

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented

In the current and prior year the results relate to continuing activities

Balance sheet

at 31 March 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	7	<u>16,562</u>	<u>19,812</u>
Current assets			
Debtors falling due within one year	8	29,376	403,454
Debtors falling due after one year	9	158	82,445
Cash in hand		<u>101,311</u>	<u>132,081</u>
		130,845	617,980
Creditors: amounts falling due within one year	11	<u>(43,140)</u>	<u>(37,604)</u>
Net current assets		<u>87,705</u>	<u>580,376</u>
Total assets less current liabilities		<u>104,267</u>	<u>600,188</u>
Net assets		<u>104,267</u>	<u>600,188</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	<u>104,266</u>	<u>600,187</u>
Equity shareholders' funds	14	<u>104,267</u>	<u>600,188</u>

The financial statements were approved by the board of Directors on 29 July 2011 and were signed on its behalf by



E J Aikman
Director

Company registration no. 04731536

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

1 Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently throughout the year is set out below.

Cash flow statement

The Company is a wholly-owned subsidiary of the group headed by Infinis Holdings (the "Infinis Holdings Group") and is included in the consolidated financial statements of Infinis Holdings. Consequently, in accordance with paragraph 5 (a) of FRS 1 (revised 1996) the Company is not required to publish a cash flow statement.

Related party exemption

As the Company is a wholly-owned subsidiary of the Infinis Holdings Group, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Infinis Holdings Group. The consolidated financial statements of Infinis Holdings can be obtained from the address given in note 17.

Group accounts

The Company is an intermediate holding company which is wholly-owned by an immediate parent undertaking that is established under the law of a member state of the European Economic Community and therefore is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments

Investments are stated at cost less provision for any impairment in value.

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

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

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

2 Auditor's remuneration

	2011 £'000	2010 £'000
Auditor's remuneration	<u>3</u>	<u>3</u>

3 Directors' emoluments and employees

None of the Directors received any remuneration or benefits from the Company during the year ended 31 March 2011
None of the Directors are employees of the Company nor are they remunerated for their services as a Director of the Company. The company had no employees during the current or prior year.

4 Interest payable and similar charges

	2011 £'000	2010 £'000
Interest payable to group companies	<u>(683)</u>	<u>(18,324)</u>
	<u>(683)</u>	<u>(18,324)</u>

5 Interest receivable and similar income

	2011 £'000	2010 £'000
Bank interest receivable and other similar income	118	33,263
Interest receivable from group companies	<u>20,717</u>	<u>-</u>
	<u>20,835</u>	<u>33,263</u>

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

6 Taxation

	2011 £'000	2010 £'000
United Kingdom corporation taxation at 28% (2010 28%)		
Current tax on income in the year	1,144	-
Adjustment in respect of prior year	40	-
Total current tax	1,184	-
Analysis of deferred tax charge		
Origination/reversal of timing differences	-	4,224
Adjustment in respect of prior year	29	-
Total deferred taxation charge	29	4,224
Total taxation charge	1,213	4,224

The tax assessed for the year is different from the standard rate of corporation tax in the UK (28%)
The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	15,829	47,523
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	4,432	13,306
Effects of		
Expenses not deductible for tax purposes	-	96
Exempt interest income for tax purposes	(4,198)	-
Non taxable income	-	(88,340)
Amortisation/impairment	910	79,162
Utilisation of brought forward tax losses	-	(4,224)
Adjustment to tax charge in respect of prior years	40	-
Current tax	1,184	-

The Budget on 23 March 2011 announced that the UK corporation tax rate will reduce from 28% to 23% over a period of four years from 1 April 2011. The first reduction in the UK corporation tax rate from 28% to 26% was substantively enacted on 29 March 2011 and will be effective from 1 April 2011.

These changes in tax rates will reduce the Company's potential future tax charges accordingly.

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

7 Investments

	2011 £'000	2010 £'000
Investments at 1 April	19,812	302 532
Impairment	(3,250)	(282,720)
Investments at 31 March	<u>16,562</u>	<u>19,812</u>

Subsidiary undertakings	Country of incorporation	Principal Activity	Percentage ownership	
			31 Mar 2011	31 Mar 2010
Infinis Operations 1	England and Wales	Investment vehicle	75.2%	75.2%
Infinis Guarantee Company Limited	England and Wales	Intermediate holding company	100.0%	100.0%

During the year a £3,250,000 impairment loss was recognised in the investment in Infinis Operations 1 due to a loss of value of the investment in the year.

All shares held are in ordinary share capital.

8 Debtors due in less than one year

	2011 £'000	2010 £'000
Amounts owed by group undertakings	29,176	403,454
Amounts owed by related parties	200	-
	<u>29,376</u>	<u>403 454</u>

9 Debtors due in more than one year

	2011 £'000	2010 £'000
Amounts owed by group undertakings	158	82,416
Deferred tax asset (see note 10)	-	29
	<u>158</u>	<u>82,445</u>

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

10 Deferred tax asset

	Deferred taxation £'000
As at 1 April 2010	29
Charge to the profit and loss for the year	(29)
As at 31 March 2011	-

11 Creditors - amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed to group undertakings	41,956	37,604
Accruals and deferred income	-	-
Corporation tax creditor	1,184	-
	43,140	37,604

The Corporation tax creditor relates to group relief payable

12 Called up share capital

	2011 Number	2010 Number	2011 £'000	2010 £'000
Authorised				
Ordinary shares of £0.01 each	10,100	10,100	-	-
12% cumulative preference shares of 0.0007p each	120,686,900	120,686,900	1	1
	120,697,000	120,697,000	1	1
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	10,001	10,001	-	-
12% cumulative preference shares of 0.0007p each	120,686,900	120,686,900	1	1
	120,696,901	120,696,901	1	1

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

13 Profit and loss account

	Profit and loss account £'000
As at 1 April 2010	600,187
Dividend	(510,537)
Profit for the financial year	14,616
As at 31 March 2011	104,266

14 Reconciliation of movements in equity shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	14,616	43,299
Dividend	(510,537)	-
Opening equity shareholders' funds	600,188	556,889
Closing equity shareholders' funds	104,267	600,188

15 Contingent liabilities

The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the group

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

(continued)

16 Related parties

Terra Firma Investments (GP) 2 Limited, acting as a general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund Terra Firma Capital Partners II L P – H and TFCP II Co-Investment I L P (“Terra Firma”) has the ability to exercise a controlling influence through the holding of shares in a parent company. The Directors therefore consider Terra Firma to be a related party.

During the year a £200,000 loan was made available to Monterey Capital II S a r l, a subsidiary company of Terra Firma and parent company of Infinis Holdings. The amount is repayable on demand and no interest is charged.

Infinis Holdings has the ability to exercise a controlling influence over the Company and other subsidiary undertakings. Consequently the Directors also consider these subsidiary undertakings to be related parties.

17 Ultimate and immediate parent undertaking

The Directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity.

There were no transactions between the Company and TFCP Holdings Limited during the year.

Infinis Finance plc is the immediate parent company and does not produce consolidated financial statements. The head of the largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member is Infinis Holdings. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.