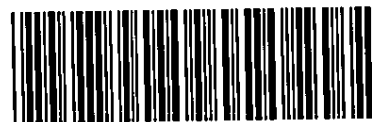


**SHL GROUP HOLDINGS 4 LIMITED (formerly SURREY 4 LIMITED)  
DIRECTORS' REPORT AND ACCOUNTS  
FOR THE 16 MONTH PERIOD ENDED 31 DECEMBER 2007**

**Registered Number: 5922347**

TUESDAY



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**SHL GROUP HOLDINGS 4 LIMITED (formerly SURREY 4 LIMITED)**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE 16 MONTH PERIOD ENDED 31 DECEMBER 2007**

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**REGISTERED OFFICE:** The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE

## DIRECTORS' REPORT

The directors present their directors' report and the audited financial statements of SHL Group Holdings 4 Limited (formerly Surrey 4 Limited) for the period from incorporation on 1 September 2006 to 31 December 2007

### PRINCIPAL ACTIVITIES

The company was incorporated as Surrey 4 Limited on 1 September 2006 and the name was subsequently changed to SHL Group Holdings 4 Limited on 5 March 2007. It is a fully owned subsidiary of SHL Group Holdings 1 Limited (formerly Surrey 1 Limited) and has been consolidated into the accounts. The principal activity of the company is to act as a holding company.

### BUSINESS REVIEW

These are the first financial statements for SHL Group Holdings 4 Limited since its incorporation on 1 September 2006, and therefore sixteen months of results are shown with no comparatives. During the period the company incurred interest on the loan from CIT Capital Finance Limited. The results show a loss on ordinary activities before taxation of £7,396,000.

The directors consider that the company will continue these activities in the coming year.

The company has met the requirements in the Companies Act 1985 to obtain the exemption from the presentation of an enhanced business review.

### DIRECTORS

The directors who held office during the period and since the period end were as follows:

A Burge	Appointed on 1 March 2008
S Barrett	Appointed on 12 February 2007
E V Lancaster	Appointed on 23 October 2006
K Kerrigan	Appointed on 23 October 2006 and resigned on 12 February 2007
J E G Bateson	Appointed on 23 October 2006 and resigned on 12 February 2007
L J Stone	Appointed on 4 September 2006 and resigned on 12 February 2007
R Lincoln	Appointed on 1 September 2006 and resigned on 12 February 2007
A King	Appointed on 1 September 2006 and resigned on 13 September 2006
Instant Companies Limited	Appointed at incorporation and resigned on 1 September 2006

### 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 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 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



**SUZANNA BARRETT**  
Company Secretary  
1 May 2008

## **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 period. 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)

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 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a 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 AUDITORS' REPORT  
TO THE MEMBERS OF SHL GROUP HOLDINGS 4 LIMITED**

We have audited the financial statements of SHL Group Holdings 4 Limited (formerly Surrey 4 Limited) for the 16 month period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

**KPMG LLP**  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
LONDON EC4Y 8BB

/ May 2008

**PROFIT AND LOSS ACCOUNT**  
**16 Month Period Ended 31 December 2007**

	Notes	16 months ended 31 December 2007 £'000
Administrative expenses		(18)
Interest receivable and similar income	2	139
Interest and similar charges	2	(6,947)
Management buy out costs	3	(570)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	<b>(7,396)</b>
Taxation on loss on ordinary activities	4	-
<b>Loss for the period</b>	<b>9</b>	<b>(7,396)</b>

The loss for the period is entirely generated from continuing activities

The company has no recognised gains or losses other than the loss for the period

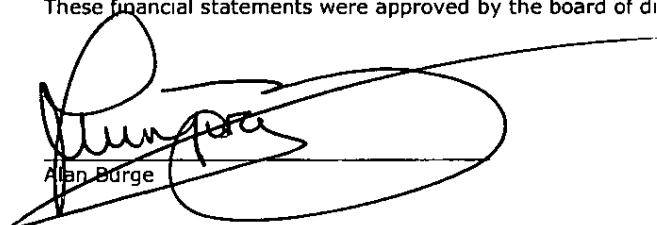
There is no difference between loss for the period as shown in the profit and loss above and historical profit before tax for the current period


**BALANCE SHEET**  
As at 31 December 2007

2007  
£'000

<b>Fixed assets</b>		
Investments	5	102,345
<b>Current assets</b>		
Debtors	6	1,161
Cash		1,176
		2,337
<b>Creditors: amounts falling due within one year</b>	7	(75,721)
<b>Net current liabilities</b>		(73,384)
<b>Total assets less current liabilities</b>		28,961
Loans	8	(34,545)
<b>Net liabilities</b>		(5,584)
<b>Capital and reserves</b>		
Called up share capital	9	1,812
Profit and loss account	9	(7,396)
<b>Shareholders' funds</b>		(5,584)

These financial statements were approved by the board of directors on 1 May 2008 and signed on its behalf by

  
Alan Burge

  
Suzanna Barrett

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### (A) BASIS OF PREPARATION

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention

The company had net liabilities at 31 December 2007 of £5,584,000. The directors consider that the company has access to sufficient funding to meet its liabilities as they fall due for the foreseeable future. As at 31 December 2007 it has access to £6m of unutilised facilities. In addition, £29m of its liabilities fall due in over five years. Accordingly, the directors have prepared the financial statements on a going concern basis.

The company is exempt from the requirement of FRS 1 (revised 1996) *Cash Flow Statements* to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of SHL Group Holdings 1 Ltd and its cash flows are included within the consolidated cash flow statement of that company.

#### (B) INVESTMENTS

Fixed asset investments are stated in the company's accounts at cost less provision for any impairment in value. Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company.

#### (C) TAXATION

Corporation tax payable is provided on taxable profits at the current rate. Except where otherwise required by accounting standards, full provision without discounting is made for deferred taxation on timing differences between the treatment of certain items for accounting and taxation purposes which have arisen but not reversed at the balance sheet date.

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

#### (D) FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

### 2. NET INTEREST PAYABLE AND OTHER SIMILAR CHARGES

	2007 £'000
Bank interest receivable	104
Other interest receivable	35
Total interest receivable	139
Bank interest payable	(3,822)
Other interest and charges	(442)
Net exchange losses	(2,683)
Total interest payable and similar charges	(6,947)
Net interest payable and other similar charges	(6,808)



## NOTES TO THE ACCOUNTS (CONTINUED)

### 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Management buy-out costs of £570,000 were incurred during the period. The management buy-out costs were incurred when the ultimate parent undertaking, SHL Group Holdings 1 Limited (formerly Surrey 1 Limited) acquired SHL Group Plc and primarily include professional advisors' fees.

No staff costs were incurred during the period and the directors received no emoluments from the company.

Audit fees are borne by the group undertaking, SHL Group Limited.

### 4. TAXATION

	2007 £'000
Tax charge on loss on ordinary activities for the period	-
<hr/>	
A tax reconciliation is provided below	
Tax on loss on ordinary activities at the standard rate of UK corporation tax (30%)	(2,219)
Effects of	
Expenses not deductible for tax purposes	155
Other timing differences	
Loss carried forward	1,934
Group relief surrendered	130
	<hr/>
	-
	<hr/>

A deferred tax asset of £1,934,000 has not been recognised as at 31 December 2007 as the directors do not consider that it is more likely than not that there will be suitable taxable profits from which these losses can be deducted.

### 5. INVESTMENTS

	Equity in Group Undertaking £'000
On incorporation	-
Additions	102,345
	<hr/>
At 31 December 2007	102,345
	<hr/>

The company has fixed asset investments in group undertakings as follows:

	Country of Incorporation	Effective Holding 2007
SHL Group Limited	UK	100%

SHL Group Limited's principal activity is the provision of web-based psychometric assessment, of which a substantial proportion is delivered online.

# **NOTES TO THE ACCOUNTS (CONTINUED)**

## **6. DEBTORS DUE WITHIN ONE YEAR**

	2007 £'000
Amount owed by parent undertaking	1,161

## **7. CREDITORS: Amounts falling due within one year**

	2007 £'000
Other creditors	169
Bank loan	3,831
Amounts owed to group undertakings	61,533
Amounts owed to parent undertaking	10,188
	<hr/> 75,721 <hr/>

## **8. CREDITORS: Amounts falling due after more than one year**

	2007 £'000
Bank loans	34,545
	<hr/>
These loan amounts fall due	
	2007 £'000
Within 1 year	3,831
Within 2-5 years	5,951
After 5 years	28,594
	<hr/> 38,376 <hr/>

The company has entered into the following loan agreements with CIT Capital Finance (UK) Limited

- a £6m multi-currency revolving credit facility
- £24m of euro denominated senior debt (known as Senior A and B), of which part is to be repaid in instalments over 2007 to 2013, and part is to be repaid on 31 December 2014
- £13m senior debt (known as Senior C), which is to be repaid on 31 December 2015

These facilities are secured by a fixed and floating charge over the company, all the Group's UK incorporated subsidiaries and a number of its foreign incorporated subsidiaries. Interest rates are payable on the loans at the following margins above either sterling LIBOR, or in relation to the euro-denominated loans, EURIBOR

Revolving credit facility	1 25 - 2 25%
Senior A	1 25 - 2 25%
Senior B	2 25 - 2 75%
Senior C	3 25%

## NOTES TO THE ACCOUNTS (CONTINUED)

### 9 SHARE CAPITAL AND RESERVES

	Authorised 2007 No	Allotted, Called up and Fully Paid 2007 No	
Equity			
Ordinary shares of £1 each	1,811,767	1,811,767	
	<hr/>	<hr/>	
	Called Up Share Capital £'000	Profit & Loss Account £'000	Total  £'000
On incorporation	-	-	-
Shares issued	1,812	-	1,812
Loss for the period	-	(7,396)	(7,396)
At 31 December 2007	<hr/> 1,812	<hr/> (7,396)	<hr/> (5,584)

### 10. RELATED PARTY TRANSACTIONS

The company is exempt from the requirements of FRS 8 *Related Party Disclosures* to disclose transactions with other group undertakings as it is a wholly owned subsidiary of SHL Group Holdings 1 Ltd, whose accounts are available from the Registrar of Companies

### 11. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary undertaking of SHL Group Holdings 3 Ltd, which is incorporated and registered in England. The largest group into which the company will be consolidated and the ultimate controlling parent company is SHL Group Holdings 1 Ltd. No other group financial statements include the results of the company.