

IBP IPR Limited

Report and Financial Statements

Year Ended

31 December 2009

Company Number 06498234



IBP IPR Limited

Report and financial statements for the year ended 31 December 2009

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Directors

P Williamson
E Riley

Secretary and registered office

A J Mason, Whitehall Road, Tipton, West Midlands, DY4 7JU

Company number

06498234

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

IBP IPR Limited

Report of the directors for the year ended 31 December 2009

The directors present their report together with the audited financial statements for the year ended 31 December 2009

Results

The profit and loss account is set out on page 6 and shows the loss for the year

The directors do not recommend the payment of a dividend

Principal activities

The company's principal activity is holding Intellectual Property on behalf of fellow group undertakings

Future trading and liquidity risk

The company is part of the Conex Banninger Limited Group ("the Group") of companies and is dependent on the continued funding and trading of certain of the companies in that the Group to continue to trade for at least the next twelve months

Following an extensive period of negotiation relating to bank and shareholder funding arrangements on 28 January 2011 the group's bank funder placed CB Holdings Limited and Conex Banninger Limited (the immediate parent companies of IBP IPR Limited) into administration. The directors understand that the intention of the administration is that the bank funder will maintain funding to a fellow subsidiary company and the main trading company of the Group (IBP Conex Limited) for a period to enable the administrator to restructure the bank and shareholder funding of that company and certain other companies in the Group and arrange the sale of the company and certain other subsidiaries on a going concern basis. IBP Conex Limited, certain other Group trading companies and the itself are not in administration.

Note 1 to these financial statements explains the future trading and liquidity risk of the company and the Group. The financial statements do not include the adjustments (particularly in respect of recorded asset values which are dependent on their being ongoing value in IBP Conex Limited and the other trading companies of the Group) that would result if the company was unable to continue as a going concern.

Directors

The directors of the company during the year were

T J Murch (resigned 22 June 2010)
J D Evans (resigned 22 September 2010)
P Williamson (appointed 22 June 2010)
E Riley (appointed 15 October 2010)

IBP IPR Limited

Report of the directors for the year ended 31 December 2009 (continued)

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 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 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.

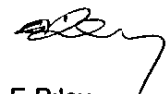
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



E Riley

Director

Date 10 FEBRUARY 2011

IBP IPR Limited

Independent auditor's report

TO THE MEMBER OF IBP IPR LIMITED

We have audited the financial statements of IBP IPR Limited for the year ended 31 December 2009 which comprise the profit and loss account, 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).

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB'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 directors, and the overall presentation of the financial statements.

Qualified opinion on financial statements arising from limitation of audit scope connected to the going concern basis of the preparation of the financial statements, disagreement about impairment reviews of intangible fixed assets and the failure to include failure to include a cash flow statement and all the related party disclosures required.

As detailed in note 1 to the financial statements, the company is party to banking facilities which formally fell due for repayment on 19 December 2010, which the lender extended through January 2011. Note 1 also explains that following an extensive period of negotiation relating to bank and shareholder funding arrangements on 28 January 2011 the bank funder placed CB Holdings Limited and Conex Banninger Limited (the immediate parent companies of IBP IPR Limited) into administration. The directors understand that the intention of the administration is that the bank funder will maintain funding to a fellow subsidiary company and the main trading company of the Group (IBP Conex Limited) for a period to enable the administrator to restructure the bank and shareholder funding of that company and certain other companies in the Group and arrange the sale of the company and certain other subsidiaries on a going concern basis. However, at the date of signing of these financial statements the administration process is in its early stages and there is no evidence to indicate the plan for the restructuring of bank and shareholder fund debt or that replacement funding will be available subsequent to the date of signing these financial statements.

As also detailed in note 1 to the financial statements the group has significant liabilities in respect of funding provided and guarantees assumed by the group and connected companies, which have been financed by the ultimate parent company of the group from loans made by the ultimate controlling party and a minority shareholder. The ultimate controlling party, the minority shareholder and a fellow group company have not confirmed this funding as not being repayable for at least the period to February 2012 and there is therefore a risk that these parties could request repayment of their funding / guarantees at any time within the next 12 months triggering a chain of requests for repayment of group company balances against other companies in the group which could impact the company.

After giving careful consideration to these significant uncertainties the directors consider it appropriate to prepare the financial statements on a going concern basis. However, with respect to these matters we have

IBP IPR Limited

Independent auditor's report (*continued*)

been unable to obtain sufficient appropriate evidence to assess the ability of the company to obtain the bank facilities or other funding required to enable the company to continue to trade for the period immediately subsequent to signing these financial statements and for at least the next twelve months or to assess that the significant loan funding and guarantees assumed payable to group and connected companies and an indirect minority shareholder will not be called for payment within the next twelve months. We also note the fact that the immediate parent companies of the company have been placed in administration which may change the control arrangements for the company and the ability of the directors of the company to control and direct future events. As a result of these significant factors we have been unable to form a view as to the appropriateness of the going concern basis of preparation of the financial statements.

Also as explained in note 4 to these financial statements given the circumstances explained in note 1 the directors have not performed an impairment review and have maintained the intangible fixed assets at recorded asset values. This is contrary to Financial Reporting Standard 11, "Impairment of Fixed Assets and Goodwill", which requires directors to undertake a review for impairment of intangible fixed assets if events or changes in circumstances indicate that the carrying amount of the intangible fixed assets may not be recoverable. In the absence of the relevant information, it is not practicable for us to quantify the financial effect if any, on intangible fixed assets or the profit and loss account of this non compliance.

In addition, as explained in note 1 to these financial statements, given the timing of the administration process and the need to file the financial statements of IBP IPR Limited the directors have decided to continue to prepare and file the financial statements as they were prepared prior to the administration of Conex Banninger Limited (which was expected to prepare and file consolidated financial statements) and therefore not to comply with the requirements to prepare a cash flow statement, Financial Reporting Standard 1, "Cash flow statements", and to give more extensive disclosure of related party transactions, Financial Reporting Standard 8, "Related party disclosures".

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient evidence concerning the appropriateness of the going concern basis of preparation of the financial statements and except for the appropriateness of the value of recorded tangible fixed assets and except for the failure to prepare a cash flow statement and give more extensive disclosure of related party transaction, in our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss 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

IBP IPR Limited

Independent auditor's report (*continued*)

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

In respect solely of the limitation on our work relating to going concern, we have not received all the information and explanations that we considered necessary for the purpose for our audit

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
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

BDO LLP

*Thomas Lawton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

Date *10 February 2011*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

IBP IPR Limited

Profit and loss account for the year ended 31 December 2009

	Note	Year ended 31 December 2009 £	11 months ended 31 December 2008 £
Administrative expenses		55,958	50,417
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation for the financial year		(55,958)	(50,417)
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses in the current year and prior period are included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

IBP IPR Limited

Balance sheet at 31 December 2009

Company number 06498234

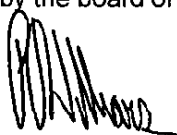
	Note	31 December 2009 £	31 December 2008 £
Fixed assets			
Intangible assets	4	1,003,625	1,049,583
Creditors: amounts falling due within one year	5	1,109,999	1,099,999
		<u> </u>	<u> </u>
Total assets less current liabilities		(106,374)	(50,416)
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account		(106,375)	(50,417)
		<u> </u>	<u> </u>
Shareholder's deficit	7	(106,374)	(50,416)
		<u> </u>	<u> </u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 10 FEBRUARY 2011



E Riley
Director



P Williamson
Director

The notes on pages 8 to 13 form part of these financial statements

IBP IPR Limited

Notes forming part of the financial statements for the year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Going concern

The company is part of the Conex Banninger Limited Group ("the Group") of companies and is dependent on the continued funding and trading of the Group to continue to trade for at least the next twelve months

Following an extensive period of negotiation relating to bank and shareholder funding arrangements on 28 January 2011 the group's bank funder placed CB Holdings Limited and Conex Banninger Limited (the immediate parent companies of IBP IPR Limited) into administration. The directors understand that the intention of the administration is that the bank funder will maintain funding to a fellow subsidiary company and the main trading company of the Group (IBP Conex Limited) for a period to enable the administrator to restructure the bank and shareholder funding of that company and certain other companies in the Group and arrange the sale of the company and certain other subsidiaries on a going concern basis. IBP Conex Limited, certain other Group trading companies and the company itself are not in administration.

Although the funding arrangements required to support fellow subsidiary companies and company trading for at least the period to February 2012 is not yet in place the directors consider that the administration process will enable a significant restructuring of the bank and shareholders loans debts which will in turn enable the fellow subsidiary companies and the company to secure replacement bank and equity funding from a yet to be identified new lender and shareholder and also facilitate the purchase of the trading companies and the company by a trade buyer or finance house investor. Therefore despite the current significant funding difficulties and without being able to make any guarantees as to the future of the company the directors consider that the administration process should support the company in being able to continue to trade for at least the twelve months ended February 2012 and also secure the long-term prospects of the company.

Significant loan funding has been made available to the group through the group structure which formed a series of intermediate parent companies. This loan funding made into the group to enable and support group and company funding was made available to the parent company of the group (Pearl Fittings Holdings S a r l, incorporated in Luxembourg ("Pearl") by the ultimate controlling party (Sun European Capital Partners LLP ("Sun")) and this initial funding has not been confirmed as not being repayable for at least the period to February 2012 by the ultimate controlling party. In addition the group has received further significant loan funding from an indirect minority (<1%) shareholder (Endless LLP ("Endless")) which has not been confirmed as not being repayable for at least the period to February 2012 by the shareholder. The company and group is also subject to a cross guarantee for debts owed to Endless and a company related through the ownership of Pearl (Hamsard 3008 Ltd ("Hamsard")) by EP Holdco Limited, Europower Group Limited and Copper II IPR Limited. The directors consider that the companies noted above will not be able to make the required loan repayments to Hamsard and Endless and on this basis the guarantee offered by the company and the wider Conex Banninger group is likely to be called at some time in the future to cover the amounts payable and have been included in the liabilities of a parent company (Conex Banninger Limited) as at 31 December 2009. The initial funding to Hamsard was made available to the parent company of the Hamsard group, Pearl, by the ultimate controlling party. The funding from Hamsard has not been confirmed as not being repayable for at least the period to February 2012 by the ultimate controlling party. In addition the funding from Endless has not been confirmed as not being repayable for at least the period to February 2012 by the shareholder. Therefore there is a risk that Hamsard, the minority shareholder or the ultimate controlling party could request repayment of the loan funding and the cross guaranteed debt from the group (via Pearl) within the next 12 months which request could trigger demands for repayment of group company balances against other companies in the group including the company itself. However the directors note that the group does not have the funding to make any payments of these group company debts and consider that the administration process referred to above will mean that these loans are restructured.

IBP IPR Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

1 Accounting policies (*continued*)

As a result of the above matters the directors have carefully considered going concern in the preparation of these financial statements and although the directors continue to adopt the going concern basis in preparing the financial statements, the conditions described above indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern

The financial statements do not include the adjustments (particularly in respect of recorded asset values) that would result if the company was unable to continue as a going concern

Implications connected to the administration of the immediate parent companies

In prior years up to 31 December 2008 Conex Banninger Limited (parent company of CB Holdings Limited, IBP IPR Limited and fellow subsidiaries) prepared and filed consolidated financial statements and this enabled the company to take advantage of certain exemptions of the disclosure of related party transactions. Until Conex Banninger Limited was placed in administration on 28 January 2011 the directors of the company were of the view that the directors of Conex Banninger Limited would prepare and file consolidated financial statements for the year ended 31 December 2009 and that this would enable the company to continue to take advantage of the noted exemption. However since this company has been placed in administration the directors are aware that consolidated financial statements for Conex Banninger may not be filed. In addition the directors are aware that the no other parent company, including the ultimate parent company of the group (Pearl Fittings Holdings S a r l, incorporated in Luxembourg) prepares and files consolidated financial statements. Therefore in the absence of any of its parent companies preparing and filing consolidated financial statements there is a requirement for the financial statements of IBP Conex Limited to,

- include a cashflow statement

- include more extensive disclosures on transactions with related parties

However, given the timing of the administration process and the need to file the financial statements of IBP IPR Limited the directors have decided to continue to prepare and file the financial statements of the company and not to follow the requirements noted above

Intellectual property

The intellectual property is recorded at cost. The directors note the circumstances detailed in note 1 above to the financial statements but consider that it is appropriate to maintain the intangible assets at the recorded value given their confidence in the continued and profitable trading of the company and its parent company group over the long term

Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Conex Banninger Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

Accounting period

The current accounting period is for the year ended 31 December 2009. The previous accounting period was from 8 February 2008 - 31 December 2008

IBP IPR Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (*continued*)

2 Operating loss

	Year ended 31 December 2009 £	11 months ended 31 December 2008 £
This is arrived at after charging		
Amortisation of intellectual property	55,958	50,417

The general administration expenses of the company are borne by a fellow group undertaking

3 Directors' remuneration

No director received any emoluments during the current year (2008 - £Nil) and was remunerated by the parent company

4 Intangible fixed assets

	Intellectual Property £
<i>Cost</i>	
At 1 January 2009	1,100,000
Additions	10,000
	<hr/>
At 31 December 2009	1,110,000
	<hr/>
<i>Amortisation</i>	
At 1 January 2009	50,417
Provided for the year	55,958
	<hr/>
At 31 December 2009	106,375
	<hr/>
<i>Net book value</i>	
At 31 December 2009	1,003,625
	<hr/>
At 31 December 2008	1,049,583
	<hr/>

Intangible assets relate to IBP trademarks held by the group. Given the circumstances explained in note 1 to these financial statements the directors have not performed an impairment review of intangible fixed assets and have maintained the assets at recorded asset value. The directors note the circumstances detailed in note 1 but consider that it is appropriate to maintain the intangible assets at the above value given their confidence in the continued and profitable trading of the group over the long term.

IBP IPR Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

5 Creditors' amounts falling due within one year

	31 December 2009 £	31 December 2008 £
Amounts owed to group undertakings	<u>1,109,999</u>	<u>1,099,999</u>

In the year ended 31 December 2010 the directors took the decision to restructure the group balances within the group as much as possible by way of inter-company waivers and substantial elements of amounts payable to group companies will not be paid when these waivers are put in place but have been maintained as amounts payable for the 2009 year end. Given the circumstances described in note 1 to the financial statements the amounts payable to group companies are shown as being payable in less than one year.

Amounts owed to fellow subsidiaries are unsecured, have no fixed repayment terms and are interest free.

6 Share capital

	31 December 2009 £	31 December 2008 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

7 Reconciliation of movements in shareholder's deficit

	31 December 2009 £	31 December 2008 £
Loss for the year/period	(55,958)	(50,417)
Issue of shares	-	1
Net deductions from shareholder's deficit	<u>(55,958)</u>	<u>(50,416)</u>
Opening shareholder's deficit	(50,416)	-
Closing shareholder's deficit	<u>(106,374)</u>	<u>(50,416)</u>

IBP IPR Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (continued)

8 Contingent liabilities

As explained in note 1 to these financial statements CB Holdings Limited and Conex Banninger Limited (the immediate parent companies of the company) were placed in administration on 28 January 2011. The notes below refer to cross guarantees and arrangements with these companies that may be significantly affected by the administration process.

At 31 December 2009 the company was also party to loan note agreements whereby it guaranteed the combined debts of Europower Group Limited, EP Holdco Limited and Copper II IPR Limited owing to Endless and Hamsard 3008 Limited ("Hamsard"). Europower Group Limited, EP Holdco Limited, Copper II IPR Limited and Hamsard are all owned by Pearl Fittings Holdings S a r l ("Pearl") an intermediate parent undertaking of IBP IPR Limited. Pearl also owns all of the share capital of Copper Topco Limited which owns the company through its ownership of the Conex Banninger Group. Pearl is in turn owned by Sun. At 31 December 2009 the following balances were due:

	Amount owed to Hamsard 3008 Limited 31 December 2009 £	Amount owed to Hamsard 3008 Limited 31 December 2008 £	Amount owed to Endless LLP 31 December 2009 £	Amount owed to Endless LLP 31 December 2008 £
EP Holdco Limited	1,300,000	1,187,000	299,000	294,000
Europower Group Limited	8,072,000	7,369,000	1,854,000	1,823,000
Copper II IPR Limited	1,491,000	1,361,000	344,000	337,000
	<u>10,863,000</u>	<u>9,917,000</u>	<u>2,497,000</u>	<u>2,454,000</u>

At 31 December 2009 Hamsard had a liability to Pearl which is equivalent to the total amount shown above.

During year ended 31 December 2009, EP Holdco Limited, Europower Group Limited and Copper II IPR Limited entered administration. The directors therefore consider that the companies noted above will not be able to make the required loan repayments to Hamsard and Endless. On this basis the guarantee offered by the Conex Banninger group is likely to be called at some time in the future to cover the amounts payable to Pearl (and then to Sun). These amounts are included in the liabilities of Conex Banninger Limited as at 31 December 2009.

The initial loan funding made into the Hamsard group to enable and support this group's funding was made available to the parent company of the group (Pearl) by the ultimate controlling party. The amounts now regarded as payable by the group to Hamsard have not been confirmed as not being repayable for at least the period to February 2012 by the ultimate controlling party. In addition the amounts now regarded as being due to Endless have not been confirmed as not being repayable for at least the period to February 2012. Therefore there is a risk that Hamsard, Sun or Endless could request repayment of the amounts payable from the group or Pearl within the next 12 months which request could trigger demands for repayment of group company balances against other companies in the group. However the directors note that the group does not have the funding to make any payments of these group company debts and do not consider that there is any likelihood that a request for repayment will be received within the next twelve months.

The loans from Hamsard and Endless accrue interest at the greater of 10% and 2% above the RBS base rate. Accrued interest is payable annually on the anniversary of the loans but has not been paid and has been added to the principal of the loans.

IBP IPR Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*continued*)

9 Ultimate controlling party and group structure

The company is a wholly owned subsidiary of CB Holdings Limited which is itself a wholly owned subsidiary of Conex Banninger Limited, a company incorporated in Great Britain. Conex Banninger Limited is owned by Copper Topco Limited (with a small minority held by another shareholder) which is owned by Pearl Fittings Holdings S a r l, incorporated in Luxembourg. As explained in note 1 for the year ended 31 December 2009 there is no parent company in the group that prepares and files consolidated financial statements.

The ultimate controlling party is Sun European Capital Partners IV, LP.

10 Post balance sheet events

Following an extensive period of negotiation relating to bank and shareholder funding arrangements on 28 January 2011 the bank funder placed CB Holdings Limited and Conex Banninger Limited (the immediate parent companies of IBP IPR) into administration. The directors understand that the intention of the administration is that the bank funder will maintain funding to a fellow subsidiary company and the main trading company of the Group (IBP Conex Limited) for a period to enable the administrator to restructure the bank and shareholder funding of that company and certain other companies in the Group and arrange the sale of the company and certain other subsidiaries on a going concern basis. IBP Conex Limited, certain other group trading companies and the company itself are not in administration.