Quadriga EMEA Limited

Directors' report and financial statements

Registered number 3038297

31 March 2007

Contents

Directors' report

The directors present their annual report and the audited financial statements of Quadriga EMEA Limited ("the company") for the year ended 31 March 2007

Principal activity

The principal activity of the company is the supply of equipment and software enabling the provision of in-room technology based services to hotels and similar services through a network of European branch operations outside of the UK Systems deployed provide functionality in the areas of guest entertainment, hotel information, and communications Quadriga EMEA Limited has operations in Dubai and branches in Bulgaria, Czech Republic, Malta, Turkey and Hungary

Business review

Turnover for the year ended 31 March 2007 increased by 81% to £2,854,000 *(2006 £1,574,000)* and the company reduced the loss for the year before taxation to £225,000 *(2006 loss of £632,000)* The improvement in performance has been driven by an increase in the rental of interactive TV systems and retail sales of televisions and equipment which increased gross profit to £722,000 *(2006 £492,000)* and a foreign exchange profit of £116,000 *(2006 loss of £136,000)* The company employs one full time employee *(2006 one)*

Going concern

The company has net liabilities of £3 6m at the balance sheet date This is primarily due to intercompany balances with Quadriga Worldwide Limited ("QWW"), the immediate parent undertaking and Quadriga Holdings Limited ("QHL"), an intermediate parent undertaking

As disclosed in note 16, on the 23 August 2007, the company's intermediate parent company, Interactive Hotel Services Limited ("IHSL"), was sold to Co-Investment Acquisition No 10 LP Inc ("CIA 10"), a Guernsey incorporated limited partnership Following the acquisition, QHL has been party to an extensive capital reconstruction of the IHSL group and which the directors believe has significantly improved the financial position of QHL

Consequently QWW received assurances from QHL that it will continue to provide financial and other support to QWW for the foreseeable future to enable it to meet its liabilities as they fall due

The Board has received appropriate assurances from QWW and QHL that they will continue to provide financial and other support to the company for the foreseeable future to enable it to meet its liabilities as they fall due QWW and QHL have confirmed that they will not seek repayment of the outstanding intercompany creditor balances within 12 months from the date of approval of these financial statements Consequently, these financial statements are prepared on a going concern basis

Strategy

The strategy adopted by the company during the year has been to increase the number of hotel rooms in which the company's systems are installed

Key performance indicators

The company's key performance indicators are Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and the number of hotel rooms in which the company's systems are installed

Directors' report *(continued)*

Principal risks and uncertainties

The company's business and strategy are subject to a number of risks The directors have set out below the principal risks facing the business

The directors are of the opinion that the Group has adopted a thorough risk management process that involves the formal review of all the risks identified below Where possible, processes are in place to monitor and mitigate such risks

Competitor Action

The company seeks to compete effectively and maintain market share by continuously developing and updating its product portfolio through its fellow subsidiary undertaking Quadriga Worldwide Limited, and its relationships with key customers along with a regular review of actions from its competitors and developments in the marketplace

Loss of Key Personnel

The company employs one full time employee and has branch operations through various subcontracted agents Regular operational reviews ensure that knowledge and key customer and supplier relationships are retained by the directors and officers of the company so that the impact of the loss of any employee or agent would be reduced

Financial risk management objectives and policies

The company's assets primarily consist of rental and other fixed assets, trade debtors, installation of equipment in progress and cash The company's liabilities primarily consist of trade creditors, accruals and amounts due to fellow group undertakings

Liquidity risk
Liquidity risk is monitored on an ongoing basis by undertaking cash flow forecasting procedures In order to ensure continuity of funding, the company seeks to arrange funding ahead of business requirements and maintain sufficient un-drawn committed borrowing facilities

Interest rate risk
The exposure of the company to interest rate fluctuations is managed by maintaining funding flexibility through a combination of cash pooling, shareholder funding and borrowings while obtaining a large degree of certainty in its commitments by borrowing extensively under fixed rates

Credit Risk

The company actively mitigates the risk of payment default by seeking favourable payment methods and credit arrangements with its customers and by reviewing outstanding payments and provisions for payment default regularly

Foreign Exchange Risk

The majority of the company's transactions originate in Sterling with a minimal exposure to foreign exchange fluctuations The company seeks to further reduce this risk by, where possible, matching foreign currency receipts with payments and, for certain countries, to negotiate payments from customers and to suppliers in more stable currencies such as Sterling and Euro

Proposed dividend

The directors do not recommend the payment of a dividend *(2006 £nil)*

Directors' report *(continued)*

Directors

The directors who held office during the year and subsequently were as follows

I Crabb	
M Budie	
M Tataryn	
P Tyrrell	(resigned 5 April 2006)
P Gallagher	(resigned 16 January 2008)
P Wilson	(appointed 28 April 2006)
G Marsh	(appointed 24 May 2007)
L Miller	(appointed 16 January 2008)

Post balance sheet events

On 27 May 2007, Terra Firma Investments (GP) Limited, a wholly owned subsidiary of TFCP Holdings Limited, the ultimate controlling party of the company, agreed to dispose of its entire interest in Carmelite Capital Limited ("CCL"), a parent undertaking, to Co-Investment Acquisition No 2 LP Inc ("CIA 2"), a Guernsey incorporated limited partnership The disposal subsequently completed on 19 July 2007

On 19 July 2007 Caversham Finance Limited, a fellow subsidiary undertaking of the CCL Group, repaid its credit facility provided by National Westminster Bank and the CCL Group was released from its guarantee and security obligations with respect to this debt, for which the company was a guarantor

On 23 August 2007 CCL sold its entire holding of shares in Interactive Hotel Systems Limited, the company's intermediate holding company, to Co-Investment Acquisition No 10 LP Inc ("CIA 10"), a Guernsey incorporated limited partnership The directors now regard CIA 10, as the ultimate parent company and ultimate controlling party

On 19 July 2007 CIA 2 purchased the committed banking facilities provided by Royal Bank of Scotland plc to Quadriga Holdings Limited, a fellow group undertaking, of which the company was a joint guarantor and provider of security for the amount borrowed under the facility This loan was acquired by CIA 10 on 23 August 2007 as part of the transaction under which it acquired Interactive Hotel Systems Limited from CCL The company was subsequently released from its obligations under this guarantee on 6 March 2008 as part of a restructuring of the finance arrangements for the Quadriga Group

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

On behalf of the board

L A Miller

L Miller
Director

Forum 1
Station Road
Theale, Berkshire
RG7 4RA

3 June 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 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)

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 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 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 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 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

KPMG Audit Plc
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Independent auditors' report to the members of Quadriga EMEA Limited

We have audited the financial statements Quadriga EMEA Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movement in Shareholders' funds 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 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 if, in our opinion, the Directors' Report is not 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 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

Independent auditors' report to the members of Quadriga EMEA Limited
(continued)

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 March 2007 and of its loss for the year 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 Audit Plc

5 June 2008

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Profit and loss account

for the year ended 31 March 2007

	Note	2007 £000	2006 £000
Turnover	2	**2,854**	1,574
Cost of sales	3	**(2,132)**	(1,082)
Gross profit		**722**	492
Net operating expenses	3,4	**(983)**	(932)
Operating loss		**(261)**	(440)
Interest receivable and similar income	5	**117**	2
Interest payable and similar charges	6	**(81)**	(194)
Loss on ordinary activities before taxation		**(225)**	(632)
Tax on loss on ordinary activities	7	**(14)**	(2)
Loss for the financial year		**(239)**	(634)

All results relate to continuing operations

There are no material differences between the results stated above and their historical cost equivalents

Balance sheet
at 31 March 2007

	Note	2007 £000	2007 £000	2006 £000	2006 £000
Fixed assets					
Intangible assets	*8*	68		95	
Tangible assets	*9*	2,030		1,449	
Investments	*10*	-		-	
			2,098		1,544
Current assets					
Work in progress		297		58	
Debtors	*11*	1,355		452	
Cash at bank and in hand		304		460	
		1,956		970	
Creditors: amounts falling due within one year	*12*	(7,628)		(5,820)	
Net current liabilities			(5,672)		(4,850)
Net liabilities			(3,574)		(3,306)
Capital and reserves					
Called up share capital	*13*		-		-
Profit and loss account	*14*		(3,574)		(3,306)
Shareholders' deficit			(3,574)		(3,306)

These financial statements were approved by the board of directors on 3 June 2008 and were signed on its behalf by

L A Miller

L Miller
Director

Statement of total recognised gains and losses
for the year ended 31 March 2007

	2007 £000	2006 £000
Loss for the financial year	**(239)**	(634)
Foreign exchange movement on opening reserves	**(29)**	4
Total recognised losses relating to the financial year	**(268)**	(630)

Reconciliation of movements in shareholders' deficit
for the year ended 31 March 2007

	2007 £000	2006 £000
Loss for the financial year	**(239)**	(634)
Foreign exchange movement on opening reserves	**(29)**	4
Net addition to shareholders' deficit	**(268)**	(630)
Opening shareholders' deficit	**(3,306)**	(2,676)
Closing shareholders' deficit	**(3,574)**	(3,306)

Note

(forming part of the financial statements)

1 Accounting policies

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

In these financial statements FRS 20 'Share based payments' has been adopted for the first time The adoption of this standard has had no material effect on the current year results or restatement of the corresponding amounts in these financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

The company has net liabilities of £3 6m at the balance sheet date This is primarily due to an intercompany balance with Quadriga Worldwide Limited ("QWW"), the immediate parent undertaking

As disclosed in note 16, on the 23 August 2007, the company's intermediate parent company, Interactive Hotel Services Limited ("IHSL"), was sold to Co-Investment Acquisition No 10 LP Inc ("CIA 10"), a Guernsey incorporated limited partnership

The company's principal assets are rental assets which have arisen due to the investment in the company's asset base These will generate significant future cash flows During the period to the date of these financial statements, the company has continued to benefit from significant investment from its intermediate and ultimate parent undertakings

The company has prepared a long term plan which defines its strategy and sets out the continued planned investment in the underlying assets and architecture of the company and its subsidiary undertakings which will be required to grow their principal activities The plan includes detailed cash flow projections for the twelve month period from the date of these financial statements, and future periods, against which actual cash flows are monitored and short term forecasts updated

Following from the assurances given by QHL, the Board has received appropriate assurances from QWW that it will continue to provide financial and other support to the company for the foreseeable future to enable it to meet its liabilities as they fall due QWW has confirmed that it will not seek repayment of the outstanding intercompany creditor balance within 12 months from the date of approval of these financial statements Consequently, these financial statements are prepared on a going concern basis

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts These financial statements present information about the company as an individual undertaking and not about its group

Under FRS 1 'Cash flow statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that Carmelite Capital Limited ("CCL"), a parent undertaking, includes the company in its own published consolidated financial statements

As the company was a wholly owned subsidiary of CCL during the year, the company has taken advantage of the exemption contained in FRS 8 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the CCL group (or investees of the group qualifying as related parties) The consolidated financial statements of CCL, within which this company is included, can be obtained from the address given in note 18

Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment calculated as the lower of the sale value of the investment less costs and the value in use

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost and amortised over their useful economic lives Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably These are is amortised to nil by equal annual instalments over the estimated useful life

Notes *(continued)*

1 Accounting policies *(continued)*

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Rental assets	-	3 to 7 years
Office equipment	-	5 years
Computer equipment	-	3 years
Fixtures and fittings	-	5 to 10 years

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

The assets and liabilities of overseas branches are translated at the closing exchange rates Profit and loss accounts of the branches are consolidated at the average rates of exchange during the period Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Work in progress

Work in progress is stated at the lower of cost and net realisable value

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'

Turnover

Turnover consists principally of amounts (excluding value added tax) derived from the rental of in-room equipment and software to hotels or from hotel guest viewing of Pay-TV and other in-room technology based services through a network of European branch operations outside of the UK Turnover also includes the outright sale and after-sales service of in-room equipment

2 Segmental information

The directors consider that the company has one class of business being supply of equipment and software enabling the provision of in-room technology based services to hotels and similar services

	2007	2006
	£000	£000
Turnover by geographical market		
Europe	2,266	856
Middle East	588	718
	2,854	1,574

Notes *(continued)*

3 Cost of sales and net operating expenses

	2007 £000	2006 £000
Depreciation and other amounts written off rental assets	**583**	431
Amortisation of intangible fixed assets	**27**	-
Other costs of sale	**1,522**	651
Cost of sales	**2,132**	1,082
Other net operating expenses	**983**	932

Having regard to the nature of the company's business, the analysis of operating costs as prescribed by the Companies Act 1985 is not meaningful In the circumstances, as prescribed by paragraph C3 (3) of Schedule 4 of the Companies Act 1985, the directors have adapted the prescribed format to the requirements of the company's business

The fees for the audit of these financial statements were £11,852 *(2006 £5,097)* These were borne by Quadriga Worldwide Limited, the immediate parent undertaking

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent undertaking, CCL

4 Remuneration of directors and staff numbers and costs

No director received any remuneration during the year in respect of qualifying services to the company *(2006 £nil)*

The company employs one person *(2006 one)* The aggregate payroll cost of this employee was £65,000 *(2006 £51,000)* Administration services are provided by Quadriga Worldwide Limited and Quadriga Italia SA, a subsidiary undertaking

5 Interest receivable and similar income

	2007 £000	2006 £000
Bank interest receivable	**-**	2
Net foreign exchange gains	**117**	-
	117	2

6 Interest payable and similar charges

	2007 £000	2006 £000
On amounts payable to fellow group undertakings	**81**	58
Net foreign exchange losses	**-**	136
	81	194

Notes *(continued)*

7 Taxation

	2007 £000	2006 £000
UK corporation tax		
Current year tax charge on loss on ordinary activities	-	-
Overseas tax	14	2
	14	2

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than *(2006 higher)* the standard rate of corporation tax in the UK of 30% *(2006 30%)* The differences are explained below

	2007 £000	2006 £000
Current tax reconciliation		
Loss on ordinary activities before tax	(225)	(632)
Current tax at 30% *(2005 30%)*	(68)	(190)
Effects of		
Timing differences between depreciation and capital allowances	180	(49)
Net non-trading debit (foreign exchange and internal interest)	-	2
Disallowable expenses	7	7
(Utilisation of tax losses bought forward)/unutilised tax losses	(119)	232
Overseas tax	14	-
Total current tax charge (see above)	14	2

Factors that may affect future tax charges

a) Tax losses

Taxable profits for the year ended 31 March 2007 were £395,353 (£118,606 tax value) which were offset against prior year trading losses Following this utilisation of losses brought forward, tax losses carried forward at 31 March 2007 amounted to £405,922 (£121,777 tax value) *(2006 £632,000, £189,600 tax value)* The losses can be analysed between losses of £238,000 *(2006 £274,000)* which can only be offset against future interest and other income receivable under loan relationship legislation and losses of £167,922 *(2006 £527,275)* which can be offset against trading profits No deferred tax asset has been recognised in respect of these losses, as the ability of the company to obtain tax relief is dependant on suitable profits arising in the future, which cannot be estimated with sufficient certainty

b) Accelerated capital allowances

The company has fixed assets which have a tax written down value of £1,492,272 (£447,682 tax value) *(2006 £330,061, £99,018 tax value)* in excess of their net book value as at 31 March 2007 No deferred tax asset has been recognised in respect of this timing difference as the ability of the company to obtain tax relief is dependent upon suitable profits arising in the future which cannot be estimated with sufficient certainty

c) Tax rate

It was announced in the 2007 Budget that the corporation tax rate will be cut from 30% to 28% from April 2008

Notes *(continued)*

8 Intangible fixed assets

On 31 March 2006, the company purchased certain rental assets relating to customer contracts from Quadriga Interactive Systems Limited and Quadriga Worldwide Limited, fellow group undertakings, for a total consideration of £0 3m which represented the fair value of these assets On completion of the transaction, the company recognised an intangible asset of £95,000, which represents the future income stream associated with these fixed assets over the remaining contract life of between 3-7 years

	Customer Contracts £000
Cost	
At beginning and end of year	95
Amortisation	
At beginning of year	-
Charge for year	27
At end of year	27
Net book value	
At 31 March 2007	**68**
At 31 March 2006	95

9 Tangible fixed assets

	Rental assets £000	Office Equipment £000	Total £000
Cost			
At beginning of year	3,931	46	3,977
Additions	1,189	3	1,192
Disposals	(521)	(3)	(524)
At end of year	4,599	46	4,645
Depreciation			
At beginning of year	2,482	46	2,528
Charge for year	582	1	583
Eliminated on disposal	(493)	(3)	(496)
At end of year	2,571	44	2,615
Net book value			
At 31 March 2007	**2,028**	**2**	**2,030**
At 31 March 2006	1,449	-	1,449

Notes *(continued)*

10 Investments

	Share in subsidiary undertakings £
Cost and net book value	
At beginning and end of year	1

The undertaking in which the company had an interest at the year end was as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
Quadriga Technology Limited	England	Dormant	Ordinary 100%

11 Debtors

	2007 £000	2006 £000
Trade debtors	**1,030**	408
Prepayments and accrued income	**134**	40
Amounts owed by fellow group undertakings	**5**	-
Corporation tax	**15**	-
Other debtors	**171**	4
	1,355	452

All debtors are due within one year *(2006 trade debtors due in more than one year £125,000)*

12 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	**212**	2
Amounts owed to fellow group undertakings	**7,152**	5,349
Accruals and deferred income	**122**	469
Other creditors	**103**	-
Corporation tax	**39**	-
	7,628	5,820

Amounts owed to fellow group undertakings have no fixed date for repayment

Notes *(continued)*

13 Called up share capital

	2007	2006
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

14 Reserves

	Profit and loss account £000
At beginning of year	(3,306)
Loss for the financial year	(239)
Foreign exchange movement on opening reserves	(29)
At end of year	**(3,574)**

15 Contingent assets and liabilities

On 19 July 2007 Caversham Finance Limited, a fellow subsidiary undertaking of the CCL Group, repaid its credit facility provided by National Westminster Bank and the CCL Group was released from its guarantee and security obligations with respect to this debt, for which the company was a guarantor

On 19 July 2007 Co-Investment Acquisition No 2 LP Inc ("CIA 2"), a Guernsey incorporated limited partnership, purchased the committed banking facilities provided by Royal Bank of Scotland plc to QHL of which the company was a joint guarantor and provider of security for the amount borrowed under the facility This loan was acquired by CIA 10 on 23 August 2007 as part of the transaction under which it acquired IHSL from CCL The company was subsequently released from its obligations under this guarantee on 6 March 2008 as part of a restructuring of the finance arrangements for the Quadriga Group

At the date of these financial statements, the company is party to a cross guarantee in favour of CIA 10

16 Post balance sheet events

On 27 May 2007, Terra Firma Investments (GP) Limited, a wholly owned subsidiary of TFCP Holdings Limited, the ultimate controlling party of the company, agreed to dispose of its entire interest in Carmelite Capital Limited ("CCL"), a parent undertaking, to Co-Investment Acquisition No 2 LP Inc ("CIA 2"), a Guernsey incorporated limited partnership The disposal subsequently completed on 19 July 2007

On 23 August 2007 CCL sold its entire holding of shares in Interactive Hotel Systems Limited, the company's intermediate holding company, to Co-Investment Acquisition No 10 LP Inc ("CIA 10"), a Guernsey incorporated limited partnership The directors now regard CIA 10, as the ultimate parent company and ultimate controlling party

Notes *(continued)*

17 Related party disclosures

As at 31 March 2007 TFCPI an English Limited Partnership, acting through its general partner Terra Firma Investments (GP) Limited, a company incorporated in Guernsey, held 100% of the issued share capital of CCL, the largest group of which the company is a member and for which group financial statements are prepared The directors therefore considered TFCPI to be a related party for the year ended 31 March 2007

The company had no significant transactions with TFCPI during the year

18 Ultimate parent company and parent undertaking of larger group of which the company is a member

The directors regard Co-Investment Acquisition No 10 LP Inc, a Guernsey incorporated limited partnership, as the ultimate parent company and ultimate controlling party

Carmelite Capital Limited is the largest and smallest group of which the company was a member at 31 March 2007 and for which group financial statements are prepared Copies of the financial statements are available to the public and may be obtained from Carmelite, 50 Victoria Embankment, Blackfriars, London EC4Y 0DX