

**Bain Capital, Ltd.**

**Annual Report**

**for the year ended 31 December 2006**

**Registered No: 3918901**

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# **Bain Capital, Ltd.**

## **Directors and officers for the year ended 31 December 2006**

### **Directors**

Dwight M Poler  
Michael Colato

### **Company Secretary**

Michael Colato

### **Registered Office**

Devonshire House  
Mayfair Place  
London  
W1J 8AJ

### **Company Registration Number**

3918901

### **Registered Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Southwark Towers, 32 London Bridge Street, London SE1 9SY

### **Bankers**

Royal Bank of Scotland  
62/63 Threadneedle Street  
London, EC2R 8LA

# **Bain Capital, Ltd.**

## **Annual Report for the year ended 31 December 2006**

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# **Bain Capital, Ltd.**

## **Directors' report for the year ended 31 December 2006**

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2006.

### **Principal activities**

The company is principally engaged in the business of providing investment advisory services to affiliated entities

### **Review of business and future developments**

In 2006, revenues were lower due to the transfer out of the portfolio company advisory business and a reduced level of deal activity. Effective 1<sup>st</sup> October 2005, the company sold the portfolio company advisory business to Portfolio Company Advisors Ltd, an affiliated company for £1,080,000. This has resulted in £3,400,000 of lower revenues in 2006 compared to 2005. In addition, during 2006 there were fewer deals closed resulting in reduced fee income of £4,951,000 (2006 £5,319,000 and 2005 £10,270,000). The fund management fees were slightly higher by £740,000.

Staff costs have increased by £3,208,000 and other operating costs have increased by £3,192,000 due to increased headcount and higher costs of unsuccessful deals in 2006.

### **Result and dividend**

The profit for the year ended 31 December 2006 is set out in the profit and loss account on page 5 and has been transferred to reserves. A dividend of £8,500,000 was paid during the year ended 31 December 2006 (2005 £2,632,033).

The directors expect the conditions in 2007 in the markets in which the company operates to be consistent with those experienced in 2006.

### **Directors**

The directors serving during the year were

Dwight M Poler  
Michael A Colato

No other person was a director during any part of the year under review.

### **Directors' interests**

No director held any interest in the share capital of the company at 31 December 2006.

### **Changes in fixed assets**

Movements in fixed assets during the year are shown on page 12 in Note 8 to the financial statements.

### **Charitable Donations**

The company made no charitable contributions during the year ended 31 December 2006 (2005 £2,186).

# **Bain Capital, Ltd.**

## **Directors' Report for the year ended 31 December 2006 (continued)**

### **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the annual report including, as described below, the financial statements

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable Accounting Standards have been followed,
- prepare the financial statements on a 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 which 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 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

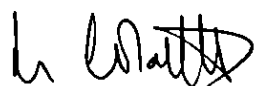
The Directors confirm

- that so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing the report" and,
- that each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

**By order of the Board**



Michael Colato  
Company Secretary  
29 March 2007

# **Bain Capital, Ltd.**

## **Independent auditors' report to the members of Bain Capital, Ltd.**

We have audited the financial statements of Bain Capital Ltd for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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.

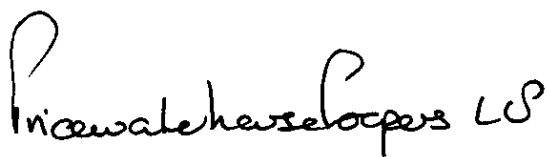
# **Bain Capital, Ltd.**

## **Independent auditors' report to the members of Bain Capital, Ltd. (cont.)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss and cash flows 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

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

*PricewaterhouseCoopers LLP*  
*Chartered Accountants and Registered Auditors*  
*London*  
*29 March 2007*

# Bain Capital, Ltd.

## Profit and loss account for the year ended 31 December 2006

		2006	2005
	Notes	£'000s	£'000s <i>Restated</i>
<b>Turnover</b>	2	26,118	33,719
Staff costs	3	(11,817)	(8,714)
Other operating costs		(14,907)	(11,715)
<b>Operating (Loss)/Profit</b>		(606)	13,290
Net interest receivable	4	33	40
Other Income	5	-	1,080
<b>(Loss)/Profit on ordinary activities before taxation</b>	6	(573)	14,410
Tax Credit/(Charge) on profit on ordinary activities	7	136	(4,051)
<b>(Loss)/Profit for the financial year</b>	14	(437)	10,359

The results and comparatives of the company shown above relate solely to continuing activities

## Statement of Total Recognised Gains and Losses

	2006 £'000s	2005 £'000s <i>Restated</i>
(Loss)/Profit for the financial year	(437)	10,359
Prior year adjustments	1,080	-
<b>Total gains and losses recognised since last annual report</b>	<b>643</b>	<b>10,359</b>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

The notes on pages 8 to 17 form an integral part of the financial statements



# Bain Capital, Ltd.

## Balance sheet as at 31 December 2006

		2006	2005
	Notes	£'000s	£'000s <i>Restated</i>
<b>Fixed assets</b>			
Tangible assets	8	1,544	1,428
<b>Current assets</b>			
Cash at bank and in hand		1,280	2,307
Debtors – amounts falling due within one year	9	7,271	13,680
Debtors – amounts falling due after one year	9	858	813
<b>Total Current Assets</b>		9,409	16,800
<b>Creditors – amounts falling due within one year</b>	10	(6,737)	(5,059)
<b>Net current assets</b>		2,672	11,741
<b>Total assets less current liabilities</b>		4,216	13,169
<b>Creditors – amounts falling due after one year</b>	11	(1,049)	(1,057)
<b>Deferred Tax</b>	12	(87)	(95)
<b>Net assets</b>		3,080	12,017
<b>Capital and reserves</b>			
Called up share capital	13	1,854	1,854
Profit and loss account	14	1,226	10,163
<b>Total equity and shareholders' funds</b>	15	3,080	12,017

The notes on pages 8 to 17 form an integral part of the financial statements

The financial statements on pages 5 to 17 were approved by the board of directors on 28 march 2007 and were signed on its behalf by



Michael Colato  
Director

# Bain Capital, Ltd.

## Cash Flow Statement for the year ended 31 December 2006

	Notes	2006 £'000s	2005 £'000s
<b>Net cash inflow from operating activities</b>	16	10,821	3,075
<b>Returns on investment and servicing of finance</b>			
Interest received		113	111
Interest paid		(80)	(71)
		33	40
<b>Taxation</b>		(2,737)	(1,505)
<b>Capital expenditure</b>		(510)	(668)
Payments to acquire fixed assets		(134)	(66)
Payments to acquire lease premiums		(644)	(734)
<b>Dividends Paid</b>		(8,500)	(2,632)
<b>(Decrease) in cash</b>		(1,027)	(1,756)
<b>Reconciliation of net cash flow to movement in net cash</b>		<b>2006 £'000s</b>	<b>2005 £'000s</b>
(Decrease) in cash in year		(1,027)	(1,756)
Net cash at 1 January		1,380	3,136
Net cash at 31 December	17	353	1,380

# **Bain Capital, Ltd.**

## **Notes to the financial statements for the year ended 31 December 2006**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards United Kingdom Generally Accepted Accounting Practice. A summary of the more significant accounting policies, which have been applied consistently, is set out below

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention

#### **Revenue**

Turnover represents sales to clients but excludes VAT Revenue is recognised only when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue can be measured reliably

#### **Depreciation**

Depreciation is provided on a straight line basis on all fixed assets at rates calculated to write off the cost, less their estimated residual values, over their expected useful economic lives The principal annual rates used for this purpose are

	%
Computer hardware and software	33 33
Office equipment	33 33
Furniture and fittings	14 28
Leasehold improvements	10 or life of lease

#### **Cash and cash equivalents**

Cash includes cash on hand and deposits held on call with banks

#### **Trade receivables**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable

#### **Provisions**

Provisions are made when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when reimbursement is virtually certain

# **Bain Capital, Ltd.**

## **Notes to the financial statements**

### **For the year ended 31 December 2006 (continued)**

#### **Trade payables**

Trade payables are carried at the fair value of the consideration to be paid in future for goods and services that have been received or supplied and invoices or formally agreed with the supplier

#### **Foreign exchange**

All monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate prevailing at the balance sheet date. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Gains and losses arising from foreign currency transactions are included in the profit and loss account.

#### **Deferred taxation**

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

Deferred taxation is calculated in accordance with FRS 19 as follows:

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Operating leases**

Rental costs under operating leases are charged to the profit and loss account evenly over the period of the lease.

#### **Restatement**

Prior year numbers have been restated wherever necessary.

#### **Pensions**

The company operates a defined contribution scheme for its employees. Company contributions to the scheme are charged to the profit and loss account as and when they arise.

# Bain Capital, Ltd.

## Notes to the financial statements

For the year ended 31 December 2006 (continued)

### 2 Turnover

All turnover is generated in the United Kingdom. Turnover is received from clients for advisory services, rental income and from an affiliated company for administrative services.

### 3 Directors and employees

The average number of persons, including directors, employed by the company during the year was 45 (2005: 38).

The aggregate staff costs, including directors, was

	2006 £'000s	2005 £'000s
Salaries and wages	9,559	7,129
Social security and taxation	1,047	796
Other staff costs	1,211	789
	<u>11,817</u>	<u>8,714</u>

The remuneration of the directors during the year was

	2006 £'000s	2005 £'000s
Aggregate emoluments	<u>869</u>	<u>499</u>

The emoluments of the highest paid director were £ 557,000 (2005: £281,000).

### 4 Net interest receivable

	2006 £'000s	2005 £'000s
Interest payable to UK Holdings Inc	(67)	(69)
Interest payable to third parties	(13)	(2)
Interest receivable	113	111
Net interest receivable	<u>33</u>	<u>40</u>

# Bain Capital, Ltd.

## Notes to the financial statements

For the year ended 31 December 2006 (continued)

### 5 Other income

	2006 £'000s	2005 £'000s <i>Restated</i>
Profit on sale of portfolio company advisory business	-	1,080
	<u>-</u>	<u>1,080</u>

Prior year numbers have been restated to take into account the profit on sale of the portfolio company advisory business to Portfolio Company Advisors Ltd effective 1<sup>st</sup> October 2005. The impact of this restatement has been to increase the 2005 Other Income, retained earnings and intercompany debtors by the profit on sale of the business of £1,080,000. There is no impact on the taxation or the cash flow as a result of this restatement.

### 6 Profit on ordinary activities before taxation

	2006 £'000s	2005 £'000s
<b>Profit on ordinary activities is stated after crediting:</b>		
Rental income	234	236
Administration fee – receivable from Bain Capital Beteiligungsberatung GmbH	62	61
Costs recharge – receivable from Portfolio Company Advisors Ltd	513	-
<b>Profit on ordinary activities is stated after charging:</b>		
Auditors' remuneration for audit services	19	19
Auditors' remuneration for non audit services	1,972	862
Advisory fee – payable to Bain Capital Beteiligungsberatung GmbH	5,163	5,845
Costs recharge – payable to Bain Capital LLC	1,180	493
Foreign exchange loss/(gain)	860	(764)
Depreciation	394	368
Operating lease charges	1,029	1,027

The cost recharged from Bain Capital LLC is in respect of salary and bonus payments made to staff employed in the UK.

# Bain Capital, Ltd.

## Notes to the financial statements

For the year ended 31 December 2006 (continued)

### 7 Taxation

	2006 £'000s	2005 £'000s
a) Analysis of tax charge in the year		
UK corporation tax at 30%	(122)	4,038
Adjustment in respect of previous periods	(6)	1
Total Current Tax	<u>(128)</u>	<u>4,039</u>
UK deferred tax:		
Origination and reversal of timing differences in respect of profit in the period – current year	(8)	12
Total Deferred Tax	<u>(8)</u>	<u>12</u>
Tax on profit on ordinary activities	<u>(136)</u>	<u>4,051</u>
b) Factors affecting tax charge for the period		
(Loss)/Profit on ordinary activities before tax	<u>(573)</u>	<u>14,410</u>
Profit on ordinary activities before tax at 30%	(172)	4,323
Effects of		
Expenses not deductible for tax purposes	14	5
Depreciation in excess of capital allowances	36	34
Adjustments to tax charge in respect of previous periods	(6)	1
Tax Exempt Income	-	(324)
	<u>(128)</u>	<u>4,039</u>

### 8 Tangible fixed assets

	Leasehold Improvements £'000s	Furniture, Fittings and Equipment £'000s	IT £'000s	Totals £'000s
<b>Cost</b>				
At 1 January 2006	1,632	861	271	2,764
Additions	219	241	50	510
Disposals	-	-	-	-
At 31 December 2006	<u>1,851</u>	<u>1,102</u>	<u>321</u>	<u>3,274</u>
<b>Depreciation</b>				
At 1 January 2006	654	542	140	1,336
Current year charge	222	103	69	394
Disposals	-	-	-	-
At 31 December 2006	<u>876</u>	<u>645</u>	<u>209</u>	<u>1,730</u>
<b>Net book value</b>				
At 31 December 2006	<u>975</u>	<u>457</u>	<u>112</u>	<u>1,544</u>
At 31 December 2005	<u>978</u>	<u>319</u>	<u>131</u>	<u>1,428</u>

# Bain Capital, Ltd.

## Notes to the financial statements

For the year ended 31 December 2006 (continued)

### 9 Debtors

	2006 £'000s	2005 £'000s <i>Restated</i>
<b>Amounts falling due within one year</b>		
Trade Debtors	1,991	1,758
Other debtors	73	57
VAT recoverable	101	132
Corporate Tax Refund Due	122	-
Prepayments and accrued income	303	327
Prepayments on lease premiums	232	141
Amount due from Intercompany Debtors	4,449	11,265
	<u>7,271</u>	<u>13,680</u>
<b>Amounts falling due after one year</b>		
Prepayments on lease premiums	82	39
Loan to Bain Capital Beteiligungsberatung GmbH	236	234
Loan to Portfolio Company Advisors Ltd	540	540
	<u>858</u>	<u>813</u>

### 10 Creditors

	2006 £'000s	2005 £'000s
<b>Amounts falling due within one year</b>		
Social security and taxation	2,292	1,319
Corporation tax	-	2,749
Other creditors	6	3
Accruals	2,215	411
Amount due to Bain Capital - Beteiligungsberatung GmbH	1,160	577
Amount due to Portfolio Company Advisors Ltd	1,064	-
	<u>6,737</u>	<u>5,059</u>



# Bain Capital, Ltd.

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 11 Creditors: amounts falling due after one year

	2006 £'000s	2005 £'000s
Subordinated loan due to UK Holding, Inc	927	927
Amount due to UK Holding, Inc	113	120
Amount due to Bain Capital, LLC	9	10
	<u>1,049</u>	<u>1,057</u>

The company has a subordinated loan agreement with an affiliated company, UK Holdings, Inc. The loan is repayable upon the expiry of 2 months' written notice provided that such notice shall expire on a day falling six years from the inception of the loan. The loan bears interest at LIBOR +2.5%. This rate is set every six months and interest is payable on 31 March and 30 September each year.

### 12 Deferred Tax

	2006 £'000s	2005 £'000s
Deferred Taxation		
At 1 January	95	83
Transfer to the profit and loss account	<u>(8)</u>	<u>12</u>
At 31 December	<u>87</u>	<u>95</u>
The sole component of the provision for deferred taxation is as follows		
Accelerated capital allowances	<u>87</u>	<u>95</u>

# Bain Capital, Ltd.

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 13 Called up share capital

	2006 Number	2005 Number
<b>Authorised</b>		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
<b>Allotted, called up and fully paid</b>		
1,854,039 Ordinary shares of £1 each	<u>£1,854,039</u>	<u>£1,854,039</u>

The ordinary shares are entitled to one vote per share

The ordinary shares are entitled to a participation in the distributable reserves at the discretion of the Directors

### 14 Profit and loss account

	2006 £'000s	2005 £'000s <i>Restated</i>
Balance at 1 January	10,163	2,436
(Loss)/Profit for the financial year	(437)	10,359
Dividend Paid	<u>(8,500)</u>	<u>(2,632)</u>
At 31 December	<u>1,226</u>	<u>10,163</u>

### 15 Reconciliation of movements in shareholder's funds

	2006 £'000s	2005 £'000s <i>Restated</i>
At 1 January	12,017	4,290
(Loss)/Profit for the financial year	(437)	10,359
Dividend Paid	<u>(8,500)</u>	<u>(2,632)</u>
Shareholders' funds at 31 December	<u>3,080</u>	<u>12,017</u>

# Bain Capital, Ltd.

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 16 Reconciliation of operating profit to net cash inflow from operating activities

	2006 £'000s	2005 £'000s
Operating (loss)/profit	(606)	13,290
Depreciation charges	394	368
Amortisation of lease premiums	258	246
Decrease/(Increase) in debtors	6,364	(10,185)
Increase/(Decrease) in creditors	4,411	(644)
Net cash inflow from operating activities	<u>10,821</u>	<u>3,075</u>

### 17 Analysis of change in net debt

	At 31 December 2005 £'000s	Cash flows £'000s	At 31 December 2006 £'000s
Cash at bank and in hand	2,307	(1,027)	1,280
Debt due after more than a year	(927)	-	(927)
<b>Total</b>	<u>1,380</u>	<u>(1,027)</u>	<u>353</u>

### 18 Related party disclosures

Interest payable to, administrative fee income receivable from, interest and advisory fees payable to, and amounts due to related parties, are shown in notes 4, 5, 6, 9, 10 and 11 respectively

# Bain Capital, Ltd.

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 19 Financial commitments under operating leases

At 31 December 2006 the company has annual commitments under non-cancellable operating leases expiring as follows

	Other	Land and	Other	Land and
	2006	Buildings	2005	buildings
	£'000s	2006	£'000s	2005
		£'000s		£'000s
Within one year	25	-	11	-
Within two to five years	67	1,341	55	1,029

Rent receivable of £217,855 per annum from a sub-lease is not included in above, which expires in March 2009

### 20 Parent company

The company is a wholly owned subsidiary of Bain Capital, LLC a US company. The principal place of business of Bain Capital LLC is 111 Huntington Avenue, Boston, Massachusetts, USA

### 21 Financial Instruments

As part of its business transactions, the company generates revenues in US dollars and Euros. As a consequence of this, the company holds foreign currency debtor and creditor balances and has a net foreign currency exposure. The company, where possible, ensures that its expenses and liabilities match the currency of the revenues and assets. The resulting net foreign exchange exposure is not hedged, and deemed acceptable for the size and nature of the company's activities. Any debtor balances are reviewed periodically to ensure they are recoverable.