

Inspectorate Investments America Limited  
Annual report  
for the period ended 31 December 2008



# **Inspectorate Investments America Limited**

## **Annual report for the period ended 31 December 2008**

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# **Inspectorate Investments America Limited**

## **Directors' report for the year ended 31 December 2008**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2008.

### **Principal activities**

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

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

The directors consider the year end financial position to be satisfactory.

The company will continue to act as a holding company for the foreseeable future.

### **Principal risks and uncertainties**

Given the company's nature as a holding company the directors do not consider there to be specific risks and uncertainties affecting the company. The company is dependent on the operations of subsidiary companies and fellow group companies to support the recoverability of the various intergroup balances.

### **Directors**

The directors of the company who served during the period ended 31 December 2008 are listed below:

R Bryan  
David Lappage

### **Insurance of directors**

The company maintains insurance for the directors in respect of their duties as directors of the company.

### **Financial risk management**

The Company's objective regarding financial risk management is to keep exposure of price risk, credit risk, liquidity risk and cash flow risk to a minimum. Financial risk management, including the use of financial instruments and the related currency, liquidity, credit and interest rate risks, is dealt with by the central functions of the Inspicio Sarl group on behalf of the Company. Many of the Company's balances are with other members of the Inspicio group, and assessments are made by management as to the recoverability of these balances in the overall context of the group.

# **Inspectorate Investments America Limited**

## **Statement of directors' responsibilities**

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 and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2008 and that applicable accounting standards have been followed.

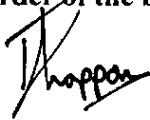
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors has confirmed that there is no relevant audit information of which the company's auditors are unaware; and that they have taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP, as auditors to the Company will be proposed at the Annual General Meeting

**By order of the board**



**Company secretary**

24 April 2009

# Inspectorate Investments America Limited

## Independent auditors' report to the members of Inspectorate Investments America Limited

We have audited the financial statements of Inspectorate Investments America Limited for the year ended 31 December 2008 which comprise the Balance Sheet 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.

### 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 2008 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.

*PricewaterhouseCoopers LLP*  
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors  
Cambridge 28 April 2009.

# Inspectorate Investments America Limited

## Profit and loss account for the year ended 31 December 2008

	2008	2007
	£	£
Administrative expenses	(1,939)	-
<b>Operating loss</b>	<b>(1,939)</b>	-
Interest payable and similar charges	(187)	-
<b>Loss on ordinary activities before tax</b>	<b>(2,126)</b>	-
Taxation	4	-
<b>Loss for the year</b>	<b>(2,126)</b>	-

All income and expenses reported above arise from continuing operations.

The company has no recognized gains and losses other than those above and therefore no separate statement of total recognized gains and losses has been presented.

# Inspectorate Investments America Limited

## Balance sheet at 31 December 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Investments	5	<u>41,420,200</u>	<u>41,420,200</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(2,126)</u>	<u>-</u>
<b>Net current liabilities</b>		<u>(2,126)</u>	<u>-</u>
<b>Net assets</b>		<u><u>41,418,074</u></u>	<u><u>41,420,200</u></u>
<b>Capital and reserves</b>			
Called up share capital	7	120,202	120,202
Share premium account	8	41,299,998	41,299,998
Profit and loss account		<u>(2,126)</u>	<u>-</u>
<b>Shareholders' funds</b>	9	<u><u>41,418,074</u></u>	<u><u>41,420,200</u></u>

The financial statements on pages 4 to 10 were approved by the board of directors on 24 April 2009 and were signed on its behalf by:



**Director**

# **Inspectorate Investments America Limited**

## **Notes to the financial statements for the period ended 31 December 2008**

### **1 Principal accounting policies**

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

In accordance with Financial Reporting Standard 18, "Accounting Policies", the directors confirm that the accounting policies used by the company are the most appropriate, consistently applied and adequately disclosed.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

No group accounts have been prepared as the Company is a subsidiary in a group headed by an undertaking established in Luxembourg and is included in the consolidated accounts of that undertaking.

The company has taken advantage of the exemption available to it under Financial Reporting Standard 1, which provides that where a company is a member of a group and the ultimate parent company produces a consolidated cash flow statement, the company does not have to prepare a cash flow statement.

#### **Related party transactions**

The company has taken advantage of the exemption available under Financial Reporting Standard 8 ("Related Party Transactions") not to provide details of transactions with other group companies.

#### **Investments**

Investments are valued at cost, except where the directors consider that there has been a permanent diminution in value. Provision is made against the cost of an investment to reduce its value where a permanent diminution is considered to have occurred.

#### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated using 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.



# Inspectorate Investments America Limited

## 1 Principal accounting policies (continued)

### Deferred taxation

The company provides for deferred tax in full at the rate of tax expected to apply when timing differences reverse. Deferred tax assets are recognised only to the extent that they are considered recoverable in the future. Deferred tax balances are not discounted.

## 2 Directors' emoluments and auditors' remuneration

Directors' emoluments are borne by other group companies without specific recharge. No director of the company received any emoluments in respect of their services to the Company.

The fees paid to the company's auditor, PricewaterhouseCoopers LLP, and its associates by the Inspicio Sàrl group for the audit of the company were £3,000 (2007: £3,000). Fees paid to PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the company are not disclosed since the consolidated financial statements of the company's parent, Inspicio Sàrl, are required to disclose non-audit fees on a consolidated basis.

## 3 Employee information

The average number of persons employed by the company (including directors) during the period was 2 (2007: 2). Staff costs were £Nil (2007: £Nil).

## 4 Taxation on profit on ordinary activities

	2008 £	2007 £
Current tax:		
UK corporation tax at 28.5%	-	-
Under-provision in respect of prior years	-	-
	<hr/>	<hr/>
Deferred tax	-	-
	<hr/>	<hr/>
Tax charge for period	<hr/>	<hr/>

# Inspectorate Investments America Limited

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below;

	2008 £	2007 £
Result on ordinary activities before tax	(2,126)	-
Result on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007:30%)	(606)	-
Effects of:		
Losses surrendered as group relief	606	-
Current tax charge for period	<u>-</u>	<u>-</u>

## 5 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 January and 31 December 2008	41,420,200

The company's holdings in direct subsidiary undertakings at 31 December 2008 were:

Company	Place of incorporation or registration	Equity Interest	Nature of business
Inspectorate Investments U.S. Inc	USA	100%	Holding company

The company has taken the exemption available under the Companies Act 1985 Section 231 (5) from listing all its direct and indirect holdings.

## 6 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank Overdraft	2,126	-
	<u>2,126</u>	<u>-</u>

# Inspectorate Investments America Limited

## 7 Called up share capital

	2008 £	2007 £
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
<b>Allotted, called up and fully paid</b>		
120,202 ordinary shares of £1 each	<u>120,202</u>	<u>120,202</u>

## 8 Reserves

	Share premium account £000	Profit and loss account £000	Total £000
At 1 January 2008	41,299,998	-	41,299,998
Loss for the year	-	(2,126)	(2,126)
At 31 December 2008	<u>41,299,998</u>	<u>(2,126)</u>	<u>41,297,872</u>

## 9 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds	41,420,200	41,420,200
Profit for the year	(2,126)	-
Dividends	-	-
Closing shareholders' funds	<u>41,418,074</u>	<u>41,420,200</u>

## 10 Financial commitments

Along with other group undertakings, the company has guaranteed certain loans of Inspicio Sàrl Group, which at 31 December 2008 amounted to £249,407,508 (2007: £58,700,000 loans of Inspicio Limited). The Directors believe that there will be no material impact on the company's financial position as a result of these guarantees.

## 11 Related party transactions

The Company has taken advantage of the exemption under FRS 8 "Related party disclosures" not to provide details of transactions with other members of the Inspicio group.

# **Inspectorate Investments America Limited**

## **12 Immediate and ultimate parent undertaking**

The company is a wholly-owned subsidiary of Inspectorate America Investments Inc., which is registered in the United Kingdom.

Until February 2008, the ultimate parent undertaking and controlling party was Inspicio Limited (formerly Inspicio plc).

In February 2008, the Inspicio Limited (formerly Inspicio plc) group was acquired by a management buyout financed by funds managed by 3i Investments plc.

In the opinion of the directors the ultimate parent undertaking is Inspicio Sarl, a company incorporated in Luxembourg.

The ordinary share capital of Inspicio Sarl is owned by several parties including a number of funds each under the management of 3i Investment plc. None of these funds individually has a controlling interest in the company and the directors are therefore of the opinion that there is no ultimate controlling party.

The consolidated accounts of this group are available to the public and may be obtained from 10 Buckingham Street, London, WC2N 6DF.