

Infinis Operations 1
Directors' report and financial
statements

Registered number 05721180

Year ended 31 March 2010

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Directors' report

The directors (the "Directors") present their Directors' report and financial statements of Infinis Operations I (the "Company") for the year ended 31 March 2010

Principal activities

The principal activity of the Company is that of an investment vehicle

Results and dividend

The results for the year ended 31 March 2010 are disclosed on page 5

During the year the Company paid a dividend in specie of £315,499,000 by way of the assignment of receivables (2009 £nil)

Directors

The Directors who held office during the year and were appointed or who resigned subsequent to the year end are as follows

M D Darragh

R C Prior Appointed 1 February 2010

Q R Stewart Resigned 1 February 2010

N O Steinmeyer (Alternate to M D Darragh and R C Prior)

Charitable and political donations

The Company made no charitable or political donations during the current or previous year

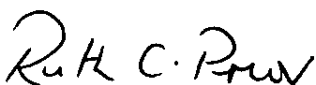
Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

In accordance with section 487 of the Companies Act 2006 KPMG LLP (a) were deemed to be re-appointed as auditors of the Company for the financial year ended 31 March 2010 at the end of the last period for appointing auditors and (b) are expected to be deemed to be re-appointed as auditors of the Company for the financial year ended 31 March 2011 at the end of the next period for appointing auditors

By order of the board



R C Prior
Director

2 July 2010

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)

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 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 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 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 LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Infinis Operations 1

We have audited the financial statements of Infinis Operations 1 for the year ended 31 March 2010 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, 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 members those matters we are required to state to them in an auditors' 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

As explained more fully in the Directors' responsibilities statement set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

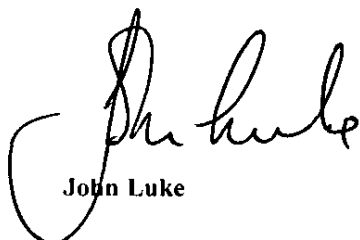
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Infinis Operations 1 *(continued)*

Matters on which we are required to report by exception

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
- we have not received all the information and explanations we require for our audit



John Luke

**(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

2 July 2010

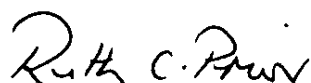
Profit and Loss account
for the year ended 31 March 2010

	<i>Note</i>	2010 £'000	2009 £'000
Interest receivable and similar income	3	18,304	20,277
Profit before tax		18,304	20,277
Tax	5	(5,125)	(5,678)
Profit for the year		13,179	14,599

Balance Sheet
at 31 March 2010

	<i>Note</i>	2010 £'000	2009 £'000
Current assets			
Debtors	6	25,614	322,809
		<u>25,614</u>	<u>322,809</u>
Current liabilities	7	(10,803)	(5,678)
		<u>(10,803)</u>	<u>(5,678)</u>
Net assets		14,811	317,131
		<u><u>14,811</u></u>	<u><u>317,131</u></u>
Capital and reserves			
Called up share capital	8	-	-
Share premium account	9	19,813	19,813
Profit and loss account	9	(5,002)	297,318
		<u>14,811</u>	<u>317,131</u>
		<u><u>14,811</u></u>	<u><u>317,131</u></u>

These financial statements were approved by the board of Directors on 2 July 2010 and were signed on its behalf by



R C Prior
Director

Company registration number: 05721180

Reconciliation of Movements in Shareholders' Funds
for the year ended 31 March 2010

	2010 £'000	2009 £'000
Profit for the financial year	13,179	14,599
Issue of share premium	-	19,812
Dividend paid	(315,499)	-
	<hr/>	<hr/>
Net (decrease)/increase to shareholders' funds	(302,320)	34,411
Opening shareholders' funds	317,131	282,720
	<hr/>	<hr/>
Closing shareholders' funds	<u>14,811</u>	<u>317,131</u>

Notes

forming part of the financial statements for the year ended 31 March 2010

1 Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared and approved by the Directors in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and under historical cost accounting rules

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group headed by Infinis Holdings. The consolidated financial statements of Infinis Holdings within which the Company is included, can be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ

Investments

Investments are stated at cost less provision for any impairment in 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, without discounting, 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 Taxation"

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

Notes

forming part of the financial statements for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

2 Information regarding Directors and employees

None of the Directors received any remuneration or benefits from the Company during the year or the prior year. The Directors are not employees of the Company and are not remunerated for their services as Directors. The Company had no employees during either year.

3 Interest receivable and similar income

	2010 £'000	2009 £'000
Intragroup interest receivable	18,304	20,277
Total interest receivable	18,304	20,277

4 Auditors' remuneration

	2010 £'000	2009 £'000
Audit of these financial statements	3	3

The above fees were borne by another group company, Infinis plc (formerly Infinis Limited).

Notes

forming part of the financial statements for the year ended 31 March 2010 (continued)

5 Taxation

	2010 £'000	2009 £'000
Analysis of charge in year		
<i>UK corporation tax</i>		
Current tax on income for the year	5,125	5,678
Total current tax	5,125	5,678
<i>Deferred income tax</i>		
Origination/reversal of timing differences	-	-
Tax on profit on ordinary activities	5,125	5,678

Factors affecting the tax charge for the current year

The current tax charge for the year is equal to (2009 lower than) the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010 £'000	2009 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	18,304	20,277
Current tax at 28% (2009 28%)	5,125	5,678
Total current tax charge (see above)	5,125	5,678

Notes

forming part of the financial statements for the year ended 31 March 2010 (continued)

6 Debtors

	2010 £'000	2009 £'000
Amounts receivable from group companies	<u>25,614</u>	<u>322,809</u>

7 Creditors

	2010 £'000	2009 £'000
Amounts payable to group companies	<u>10 803</u>	<u>5,678</u>

Notes

forming part of the financial statements for the year ended 31 March 2010 (continued)

8 Called up share capital

	2010	2009
<i>Authorised</i>	No	No
<i>Authorised</i>		
10,000 ordinary shares of £1 each	200	200
	<u>200</u>	<u>200</u>
	£	£
1 ordinary share of £1	105	105
	<u>105</u>	<u>105</u>
Shares classified in shareholders' funds	<u>105</u>	<u>105</u>

Notes

forming part of the financial statements for the year ended 31 March 2010 (continued)

9 Reconciliation of movements in capital and reserves

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2009	-	19,813	297,318	317,131
Profit for the period	-	-	13,179	13,179
Dividends paid	-	-	(315,499)	(315,499)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2010	-	19,813	(5,002)	14,811
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10 Related Parties

Terra Firma Investments (GP) 2 Limited, acting as a general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II L P – H and TFCP II Co-Investment I L P (“Terra Firma”), has the ability to exercise a controlling influence through the holding of shares in a parent company. The Directors therefore consider Terra Firma to be a related party.

Infinis Holdings has the ability to exercise a controlling influence over the Company and other subsidiary undertakings. Consequently the Directors also consider these subsidiary undertakings to be related parties.

During the year the Company paid a dividend in specie of £315,499,000 by way of the assignment of receivables (2009: £nil).

At 31 March 2010 the Company had an outstanding loan receivable plus accrued interest of £25,613,922 from Infinis Acquisitions, an outstanding loan payable plus accrued interest of £5,677,560 to Infinis Capital Limited and an amount of £5,125,014 being surrendered in relation to corporation tax balances which have been created through the group relief of tax losses.

11 Ultimate parent company and parent company of larger group

The Directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity.

There were no transactions between the Company and TFCP Holdings Limited during the year.

Infinis Acquisitions and Infinis Guarantee Company Limited are the immediate parent companies and do not produce consolidated financial statements. The head of the largest and smallest group for which consolidated financial statements are prepared is Infinis Holdings. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.