

Craegmoor Group (No.1) Limited

(Limited by guarantee)

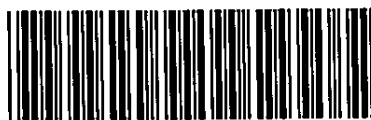
(formerly Craegmoor Guaranteeco Limited)

Annual report and financial statements

for the year ended 31 December 2009

Registered number 6633646

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Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Annual report and financial statements for the year ended 31 December 2009

Contents

	Page
Directors and advisors	1
Directors' report for the year ended 31 December 2009	2
Independent auditors' report to the members of Craegmoor Group (No 1) Limited (formerly Craegmoor Guaranteeco Limited)	.. 5
Balance sheet as at 31 December 2009	7
Notes to the financial statements for the year ended 31 December 2009	8

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Directors and advisors

Executive Directors

Ted Smith
Julian Ball
David Manson

Non-executive directors

Humphrey Battcock
Thomas Allen

Secretary

Scott Morrison
Craegmoor House
Perdiswell Park
Worcester
WR3 7NW

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Solicitors

Pinsent Masons
3 Colmore Circus
Birmingham
B4 6BH

DLA Piper (UK) Solicitors LLP
3 Noble Street
London
EC2V 7EE

Registered Office

Craegmoor House
Perdiswell Park
Worcester
WR3 7NW

Bankers

Barclays Bank
1 Churchill Place
London
E14 5HP

Allied Irish Banks Plc
St Helen's
1 Undershaft
London
EC3A 8AB

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Directors' report for the year ended 31 December 2009

The Directors present their annual report and the audited financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the Company continued to be that of an intermediate holding company

Review of business and future developments

On 24 September 2009 the Company changed its name from Craegmoor Guaranteeco Limited to Craegmoor Group (No 1) Limited

Results and dividends

The Company has generated neither a profit nor a loss. As a result no profit and loss account has been presented. The Directors do not recommend the payment of a dividend for the year ended 31 December 2009 (2008: £Nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Craegmoor Group Limited (formerly Craegmoor Topco Limited), its ultimate parent company in the United Kingdom, and are not managed separately. Accordingly, the principal risks and uncertainties of the Craegmoor Group Limited group ("the Group"), which include those of the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009 which does not form part of this report.

Key Performance Indicators ("KPIs")

The directors of Craegmoor Group Limited manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe that analysis using separate key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Craegmoor Group Limited group, which includes the Company, is discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2009.

Directors

The following directors have held office for the whole year and up to the date of signing the financial statements unless otherwise stated:

Humphrey Battcock

Thomas Allen

Ted Smith

David Manson

Julian Ball

Appointed 28 May 2009

Appointed 28 May 2009

Appointed 30 September 2009

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Directors' report for the year ended 31 December 2009 (continued)

Financial instruments

The Company's financial instruments primarily comprise debtors and creditors with other group companies arising directly from its operations. No trading in financial instruments has been undertaken.

There are no significant risks arising directly from the Company's financial instruments. However, the Company is reliant on the ongoing support of the Group, which has long term financing and overdraft facilities in place. The board of Craegmoor Group Limited, the ultimate UK parent undertaking, has reviewed and agreed the policies for managing the risks related to these facilities as set out below.

Liquidity risk

The Group has secured long term financing and revolving credit facilities with financial institutions, which have high credit ratings that are designed to ensure the Group has sufficient available funds for operations. The majority of the £215,938,000 (2008: £216,682,000) of debt, in the form of loan notes and bank loans (but excluding finance leases and preference shares), is repayable in 2016 to 2018.

Interest rate and cash flow risk

The Group has entered into interest rate swaps to ensure certainty over future interest cash flows. As a consequence, 100% (2008: 77%) of the Group's borrowings (excluding preference shares) are at fixed rates of interest.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 confirm that they have complied with the above requirements in preparing the financial statements.

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.

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Directors' report for the year ended 31 December 2009 (continued)

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent Auditors

The Company has elected, in accordance with section 487 of the Companies Act 2006, to dispense with the obligation to appoint auditors annually

By order of the Board

A handwritten signature in black ink, appearing to read 'D. Manson', followed by a horizontal line.

David Manson
Director
30 April 2010

Independent auditors' report to the members of Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

We have audited the financial statements of Craegmoor Group (No 1) Limited (formerly Craegmoor Guaranteeco Limited) for the year ended 31 December 2009 which comprise 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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.

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 December 2009 and its result 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.

Opinion on other matter prescribed by the Companies Act 2006

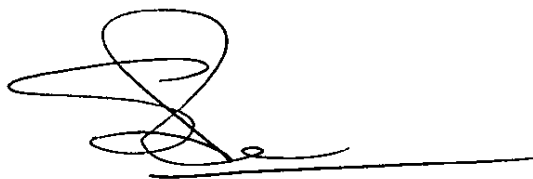
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited) (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

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line.

Stephen Rowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 April 2010

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

**Balance sheet
as at 31 December 2009**

	Note	2009 £'000	Restated (note 1) 2008 £'000
Fixed assets			
Investments	5	1,123	1,123
Total assets		1,123	1,123
Net assets		1,123	1,123
Capital and reserves			
Capital contribution	6	1,123	1,123
Total shareholders' funds		1,123	1,123

The financial statements on pages 7 to 10 were approved by the Board of Directors on 30 April 2010 and signed on its behalf by



David Manson
Director
Company registered number 6633646

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Notes to the financial statements for the year ended 31 December 2009

1 Principal accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

Restatement of prior year balances

In preparing the 2009 financial statements, the Company identified that it had misstated amounts received from its parent company, as part of the incorporation of the Company, in the 2008 financial statements. The 2008 financial statements recorded a loan from its parent company of £1,200,000 and an investment of this balance in Craegmoor Group (No 2) Limited (formerly Craegmoor Mezz Cleanco Limited). Following a review of the documents of incorporation of the Company in preparing the 2009 financial statements, it was identified that:

- the Company received capital contributions amounting to £1,123,226 rather than a loan of £1,200,000 in 2008, and
- the capital contributions were made in the form of 1,125,800 £0.01 ordinary shares in Craegmoor Group (No 2) Limited.

The balance sheet as at 31 December 2008 has been restated to reflect the above transaction. The adjustment did not have any impact on the profit and loss account for the year or on the tax charge recorded for the Company for the period ended 31 December 2008. Further details of the Company's investment in Craegmoor Group (No 2) Limited and the capital contribution received by the Company are included in notes 5 and 6 to the financial statements.

Investments

The carrying value of fixed asset investments is based on historic cost less provisions for impairment where necessary in accordance with FRS 11. Any provisions for impairment in the carrying value of fixed assets to below cost are charged to the profit and loss account.

Cash flow statement

The Company is a wholly owned subsidiary of Craegmoor Group Limited, and the cash flows of the Company are included in the consolidated group cash flow statement of that company. Consequently, the Company is exempt under the terms of FRS 1 (Revised) from publishing a cash flow statement.

2 Directors' emoluments

The emoluments of the Directors were paid by Craegmoor Facilities Company Limited, a fellow subsidiary of Craegmoor Group Limited. The Directors were also directors of a number of other fellow subsidiaries during the year ended 31 December 2009 and period ended 31 December 2008 and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the emoluments of the Directors are disclosed within the accounts of Craegmoor Facilities Company Limited.

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Notes to the financial statements for the year ended 31 December 2009 (continued)

3 Employee information

The Company has no employees other than the Directors (2008 None)

4 Profit and loss account

The audit fee for the Company for the year ended 31 December 2009 of £2,000 (26 week period ended 31 December 2008 £5,000) is borne by a fellow subsidiary company without recourse to the Company

The Company has not traded in the year As a result no profit and loss account has been presented for the period

5 Investments

	Shares in associate undertakings £'000
Cost and net book value at 1 January 2009 (as previously reported)	1,200
Prior year restatement (note 1)	(77)
Cost and net book value at 1 January 2009 (restated)	1,123
Cost and net book value at 31 December 2009	1,123

The shares held in associate undertakings consist of 1,125,800 £0 01 ordinary shares in Craegmoor Group (No 2) Limited, representing 26% of that company's issued share capital

6 Capital contribution

	2009 £'000	2008 £'000
Opening capital contribution (as previously reported)	-	-
Prior year restatement (note 1)	1,123	-
Opening capital contribution (restated)	1,123	-
Movements in the year/period	-	1,123
Closing capital contribution	1,123	1,123

On 2 July 2008, the Company received, by way of a capital contribution of £26 from Craegmoor Group Limited, 26 £1 Ordinary shares in Craegmoor Group (No 2) Limited These shares were subsequently subdivided into 2,600 £0 01 Ordinary shares

On 18 July 2008, the Company received, by way of a capital contribution of £1,123,226 from Craegmoor Group Limited, 1,123,226 £0 01 ordinary shares in Craegmoor Group (No 2) Limited

The Company is limited by Guarantee and therefore has no share capital

Craegmoor Group (No.1) Limited (formerly Craegmoor Guaranteeco Limited)

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Post balance sheet events

The Directors do not consider there have been any material events since the year end requiring disclosure in accordance with FRS 21 "Events after the Balance Sheet Date"

8 Contingent liabilities

There is a fixed and floating charge over the assets of the Company and certain of its fellow subsidiaries in respect of an external loan undertaken by a fellow subsidiary in the Craegmoor group. Amounts drawn down on the facility of £192,622,000 (2008 £207,000,000) amounted to £179,767,000 (2008 £179,023,000) inclusive of accrued interest, as at 31 December 2009.

9 Capital commitments

As at 31 December 2009 the Company had instructed suppliers to carry out work on ongoing capital projects with a total value of £Nil (2008 £Nil).

10 Related party transactions

The Company has taken advantage of the exemption granted under paragraph 5 of the amendment to FRS 8 and not disclosed any transactions with other group companies where they are wholly owned by a common parent.

11 Immediate and ultimate parent companies

The Directors regard Craegmoor Group Limited, a company registered in England and Wales, as the immediate parent company, and the ultimate parent company in the United Kingdom, of Craegmoor Group (No 1) Limited. The ultimate controlling party is Advent Miro (Cayman) Limited, a company registered in the Cayman Islands.

Craegmoor Group Limited is the parent company of the largest and smallest group in which Craegmoor Group (No 1) Limited is consolidated. Copies of Craegmoor Group Limited's consolidated financial statements may be obtained from its registered office, Craegmoor House, Perdiswell Park, Worcester, WR3 7NW.