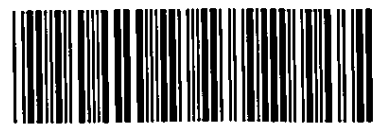


Inflexion Managers Limited  
Unaudited report and accounts  
for the period ended 30 April 2007

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Inflexion Managers Limited  
Report and accounts  
for the period ended 30 April 2007  
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# **Inflexion Managers Limited**

## **Directors' report for the period ended 30 April 2007**

The directors present their report and the unaudited financial statements of the company for the 13 month period ended 30 April 2007

### **Principal activities, review of business and dividends**

The company is a wholly owned subsidiary of Inflexion Private Equity Partners LLP, a limited liability partnership registered in England and Wales

The company's principal activity was private equity fund management until the 3 November 2006 when the company's trade and certain assets and liabilities were transferred to Inflexion Private Equity Partners LLP, from which point the company traded principally as a debt holding company

The results for the period are set out in the profit and loss account on page 3. Total dividends of £nil (2006: £253,000) were paid during the year.

During the period, the Company's accounting reference date was changed during the period from 31 March to 30 April

### **Directors**

Simon Turner and John Hartz each have a 50% beneficial interest in Inflexion Private Equity Partners LLP which, in turn owns 100% of Inflexion Managers Limited

The directors who held office during the period are given below

JF Hartz  
SEH Turner  
DJ Jordan

### **Statement of directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group and of the profit or loss of the group 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,
- state whether applicable 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 confirm that they have complied with the above requirements in preparing the financial statements

# **Inflexion Managers Limited**

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to smaller companies.

**By order of the Board**

DJ Jordan

**Secretary**

**29 February 2008**

# Inflexion Managers Limited

## Profit and loss account for the period ended 30 April 2007

	Note	2007 £'000	2006 £'000
<b>Continuing operations</b>			
Turnover	2	1,083	1,208
Cost of sales		-	-
<b>Gross profit</b>		<b>1,083</b>	<b>1,208</b>
Administrative expenses		(1,857)	(1,912)
Other operating income		1,441	1,311
<b>Operating profit</b>	3	<b>667</b>	<b>607</b>
Interest payable and receivable	5	(5)	(27)
<b>Profit on ordinary activities before taxation</b>		<b>662</b>	<b>580</b>
Tax on profit on ordinary activities	6	(26)	(172)
<b>Profit on ordinary activities after taxation</b>		<b>636</b>	<b>408</b>
Dividends	7	-	(253)
<b>Profit for the financial period</b>		<b>636</b>	<b>155</b>

The notes on pages 6 to 13 form an integral part of these financial statements

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the period and their historical cost equivalents

# Inflexion Managers Limited

## Balance sheet as at 30 April 2007

	Note	2007	2006
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	8	-	32
Investment in subsidiaries	9	-	-
		-	32
<b>Current assets</b>			
Debtors	10	497	545
Cash		1,166	1,627
		1,663	2,172
<b>Creditors – amounts falling due within one year</b>	11	(490)	(1,107)
<b>Net current assets</b>		1,173	1,065
<b>Total assets less current liabilities</b>		1,173	1,097
<b>Creditors – amounts falling due after more than one year</b>	12	-	(560)
<b>Net assets</b>		1,173	537
<b>Capital and reserves</b>			
Called up share capital	13	240	240
Profit and loss account	14	933	297
<b>Total equity shareholders' funds</b>	15	1,173	537

The Directors are satisfied that the company is entitled to exemption from the provision of the Companies Act 1985 relating to the audit of the financial statements for the period by virtue of Section 249A (1), and that no member or members have requested an audit pursuant to section 249B (2) of the Act

The Directors acknowledge their responsibilities for

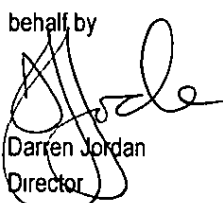
- 1 Ensuring that the company keeps proper accounting records which comply with Section 221 of the Act, and
- 2 Preparing financial statement which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit and loss for the financial period in accordance with the requirement of Section 226, and which otherwise comply with the requirement of the Act relating to the financial statements, so far as applicable to the company

# Inflexion Managers Limited

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller entities (effective January 2005)

The notes on pages 6 to 13 form an integral part of these financial statements

The financial statements on pages 3 to 13 were approved by the board of directors on 29 February 2008 and were signed on its behalf by



Darren Jordan  
Director

# **Inflexion Managers Limited**

## **Notes to the financial statements for the period ended 30 April 2007**

### **1 Accounting policies**

#### **Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2005) and the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives at the following rates -

Motor vehicles – over three years

Office equipment – over three years

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Provision is made for deferred taxation, in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not subject to discounting.

#### **Leases**

Operating lease rentals are charged against profit on a straight line basis over the period of the lease.

#### **Investment in subsidiaries**

Investments in subsidiaries are stated at cost less provision for impairment in value.

# Inflexion Managers Limited

## 2 Turnover

Turnover comprises management fees recognised on an earned basis, excluding value added tax

## 3 Operating profit

Operating profit is stated after charging

	2007	2006
	£'000	£'000
Wages and salaries	1,057	1,278
Social security costs	137	207
Staff costs	1,194	1,485
Depreciation	7	2
Auditors remuneration audit services	-	17
Auditors remuneration non-audit services	-	-
Profit arising from business transfer (note 16)	650	-

In the prior period there is an amount within total administration expenses of £1,894,630 which related to the recharge of expenses from the Company's former parent, Inflexion plc

## 4 Directors emoluments and staff numbers

The average number of persons (including executive directors) employed by the Company was

	2007	2006
Investment	6	8
Administration	3	5

The directors received emoluments of £nil from the Company during the year. In the previous year each of the directors were employed and remunerated by the then parent company Inflexion plc, and two of the directors (Messrs Hartz and Turner) were also directors of Inflexion plc

# Inflexion Managers Limited

## 5 Interest payable and receivable

	2007 £'000	2006 £'000
Interest on 5% unsecured loan stock	(30)	(27)
Bank interest payable and similar charges	(2)	-
Bank interest receivable	20	-
Interest receivable on unsubordinated loan	7	-
	(5)	(27)

## 6 Tax on profit on ordinary activities

### (a) Analysis of charge in the period

	2007 £'000	2006 £'000
<b>Current tax</b>		
UK corporation tax on profits for the period	26	172
<b>Deferred tax</b>	-	-
<b>Tax on profit on ordinary activities</b>	26	172

### (b) Analysis of charge in the period

The tax charge for the period is different to the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £'000	2006 £'000
<b>Profit on ordinary activities before tax</b>	662	580
Profit on ordinary activities multiplied by the standard rate of corporation tax	199	172
Profit on disposal of business (note 16)	(195)	1
Underpayment in respect of prior period	2	-
Expenses disallowable for tax purposes	20	-
<b>Current tax charge for the period (note 6a)</b>	26	172

# Inflexion Managers Limited

## 7 Dividends

	2007	2006
	£'000	£'000
Equity – Ordinary		
Interim paid £nil (2006 £1 05421) per £1 share	-	253

## 8 Tangible assets

	Motor vehicles £'000	Office equipment £'000	Total £'000
<b>Cost</b>			
At 1 April 2006	17	17	34
Additions	-	38	38
Disposals	-	-	-
Transfer (note 16)	(17)	(55)	(72)
At 30 April 2007	-	-	-
<b>Accumulated depreciation</b>			
At 1 April 2006	1	1	2
Charge for the year	2	5	7
Disposals	-	-	-
Transfer (note 16)	(3)	(6)	(9)
At 30 April 2007	-	-	-
<b>Net book amount</b>			
At 30 April 2007	-	-	-
At 1 April 2006	16	16	32

# Inflexion Managers Limited

## 9 Subsidiaries

On the 3 November 2006 the company's investment in its subsidiary undertaking's were transferred to a fellow group company, Inflexion Private Equity Partners LLP (note 16) At the previous year end the subsidiaries were as follows

Name	Year end	Country of incorporation	Nature of business	Interest in ordinary shares held	Company %
Inflexion General Partner Limited	30 September	Great Britain	General Partner		100%
Inflexion 2006 General Partner Limited	31 December	Great Britain	General Partner		100%

The Company owned 100% of the £1 issued share capital in each of these subsidiaries. In the opinion of the directors, the value of the subsidiary undertaking was not less than the amount at which they are stated in these accounts

The subsidiaries had a different year end to the Company as a result of having been established on a different date

## 10 Debtors

	2007	2006
	£'000	£'000
Trade debtors	-	377
Amounts owed by group undertakings	497	6
Other debtors	-	21
Prepayments and accrued income	-	141
	497	545

Included within amounts owed by group undertakings is a unsecured loan to a group company of £439,000. This loan is unsecured, subject to interest of 5% and repayable on demand. The remaining amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

# Inflexion Managers Limited

## 11 Creditors – amounts falling due within one year

	2007	2006
	£'000	£'000
Loan notes (note 12)	222	72
Trade creditors	-	49
Amounts due to parent company	65	-
Tax and social security	203	229
Other creditors	-	668
Accruals and deferred income	-	89
	490	1,107

Amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment

## 12 Creditors – amounts falling due after more than one year

	2007	2006
	£'000	£'000
Loan stock due to parent undertaking	-	120
Other loan stock (Unsecured, 5%)	-	440
	-	560

The unsecured 5% loan stock totalled £222,000 (2006 £512,000), redeemable at par per a redemption schedule between 2006 and 2010. The directors consider that the loan stock is likely to be settled within the next year and so the balance is included in amounts due is less than one year

	2007	2006
	£'000	£'000
<b>Loan stock maturity</b>		
In one year or less	222	72
In more than one year but not more than two years	-	110
In more than two years, but not more than five years	-	450
In more than five years	-	-
	222	632

# Inflexion Managers Limited

## 13 Called up share capital

	2007	2006
	£'000	£'000
<b>Authorised</b>		
240,000 ordinary shares of £1 each	240	240
<b>Allotted and fully paid</b>		
240,000 ordinary shares of £1 each	240	240

## 14 Profit and loss account

	2007	2006
	£'000	£'000
Balance as at 1 April	297	130
Retained profit for the year	636	167
Balance as at 30 April / (31 March)	933	297

## 15 Reconciliation of movements in equity shareholders' funds

	2007	2006
	£'000	£'000
Opening equity shareholders' funds	537	370
Retained profit for the financial year	636	167
<b>Closing equity shareholders' funds</b>	<b>1,173</b>	<b>537</b>

# **Inflexion Managers Limited**

## **16 Transfer of trade and certain assets**

On the 3 November 2006 the trade and certain assets and liabilities were transferred from the Company to its parent Inflexion Private Equity Partners LLP

The assets and liabilities transferred, the consideration, and the resulting profit on disposal are shown in the table below

	£000s
Fixed assets	63
Current assets	459
Cash	1,251
Current liabilities	(1,773)
Consideration	605
Profit on disposal	650

On the date of the transfer a sum of £439,000 was also loaned to Inflexion Private Equity Partners LLP (note 10)

## **17 Operating lease commitments**

At 30 April 2007 the Company had lease commitments of £100,000 in respect of property (2006 £103, 000)

## **18 Ultimate parent undertaking**

As at 30 April 2007, the whole of the company's issued share capital is held by Inflexion Private Equity Partners LLP, a limited liability partnership registered in England and Wales