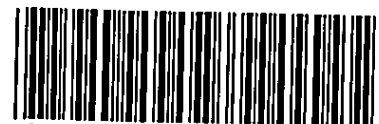


Cunningham Lindsey Holdings II (UK) Limited
Annual report and financial statements
for the year ended 31 December 2010

THURSDAY



A59

A6SRMXDV

08/09/2011

44

COMPANIES HOUSE

Cunningham Lindsey Holdings II (UK) Limited

Annual report and financial statements for the year ended 31 December 2010

Contents

	Page
Company information	1
Directors' report	2
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

Cunningham Lindsey Holdings II (UK) Limited

Company information for the year ended 31 December 2010

Directors

E Mullen
P Bes

Company secretary

D J Bruce

Registered office

Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1AX

Registered number

06444708 (England and Wales)

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
Berkshire
RG1 1JG

Cunningham Lindsey Holdings II (UK) Limited

Directors' report for the year ended 31 December 2010

The directors present their report with the audited financial statements of the company for the year ended 31 December 2010

Principal activities

The principal activity of the company in the year under review was that of a holding company

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with those of the Cunningham Lindsey Group and are not managed separately. The ultimate parent company of this group is Cunningham Lindsey Group Limited. Accordingly, the principal risks and uncertainties of Cunningham Lindsey Group Limited, which include those of the company, are discussed in this group's annual report, which does not form part of this report.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Future developments

The company will continue to be a holding company in the foreseeable future.

Financial risk management

The company has considered the risks of credit and pricing and their potential impact on the business. The directors do not consider such risks to be applicable or to have any significant impact on the business.

Liquidity risk

The company maintains short-term facilities with other group companies to ensure it has sufficient funds for operations.

Interest rate risk

The company's interest rate risk arises from both interest bearing assets and interest bearing liabilities, which bear interest at various rates. Interest bearing liabilities relate primarily to amounts owed to group undertakings. The company has not used interest rate swaps or cash flow hedges of future interest payments as this risk is managed at group level.

Results and dividends

The company's loss before tax for the year is £9,887,000 (2009 loss £6,859,000). No dividends were distributed for the year ended 31 December 2010 (2009 £nil).

Directors

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of signing of these financial statements unless otherwise stated below.

E Mullen

P Bes

Director's indemnities

The company's ultimate parent company maintains liability insurance for the company's directors and officers. The liability insurance includes an indemnity for the company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Cunningham Lindsey Holdings II (UK) Limited

Directors' report for the year ended 31 December 2010 (continued)

Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent, Cunningham Lindsey Group Limited, has indicated that it will not seek repayment of intercompany funding provided directly or indirectly to the company for a period of at least 12 months from the signing of these financial statements, where such repayment would restrict the ability of Cunningham Lindsey Holdings II (UK) Limited to meet its liabilities as they fall due

Statement of directors' responsibilities

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 the directors have prepared 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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

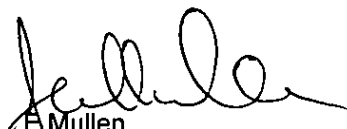
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On behalf of the Board



E. Mullen
Director

8th July 2011

Registered number: 06444708

Independent auditors' report to the members of Cunningham Lindsey Holdings II (UK) Limited

We have audited the financial statements of Cunningham Lindsey Holdings II (UK) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, 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 Statement of directors' responsibilities 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 and express an opinion on 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 2010 and of its loss 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.

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.

Stephanie Hyde.

Stephanie Hyde (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

8th July 2011

Cunningham Lindsey Holdings II (UK) Limited

Profit and loss account for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Turnover		-	-
Administrative expenses – (charge) / income		(54)	6
Operating (loss) / profit	3	(54)	6
Interest receivable and similar income	4	3,273	2,807
Interest payable and similar charges	5	(13,105)	(9,672)
(Loss) on ordinary activities before taxation		(9,886)	(6,859)
Tax on (loss) on ordinary activities	6	2,768	4,557
(Loss) for the financial year		(7,118)	(2,302)

All operations of the company relate to continuing activities

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

The notes on pages 7 to 12 form part of these financial statements

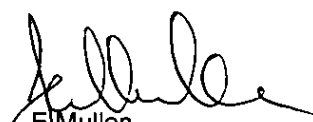
Cunningham Lindsey Holdings II (UK) Limited

Balance Sheet as at 31 December 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments	7	213,536	211,412
		213,536	211,412
Current assets			
Debtors (including £54,382,000 (2009 £52,559,000) due after one year)	8	85,114	66,481
Cash at bank and in hand		12,851	12,661
		97,965	79,142
Creditors – amounts falling due within one year	9	(176,667)	(154,306)
Net current liabilities		(78,702)	(75,164)
Total assets less current liabilities		134,834	136,248
Creditors – amounts falling due after more than one year	10	(38,089)	(34,102)
Net assets		96,745	102,146
Capital and reserves			
Called-up share capital	11	-	-
Share premium account	12	105,349	105,349
Profit and loss account (deficit)	12	(19,707)	(12,589)
Revaluation reserve	12	121	121
Capital reserve	12	10,982	9,265
Total shareholders' funds	14	96,745	102,146

The financial statements on pages 5 to 12 were approved by the Board of Directors on and were signed on its behalf by

8th July 2011


E. Mullen
Director

Registered number: 06444708

Cunningham Lindsey Holdings II (UK) Limited

Notes to the financial statements for the year ended 31 December 2010

1. Accounting policies

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

Going concern

The financial statements have been prepared on a going concern basis as the ultimate parent, Cunningham Lindsey Group Limited, has indicated that it will not seek repayment of intercompany funding provided directly or indirectly to the company for a period of at least 12 months from the signing of these financial statements, where such repayment would restrict the ability of Cunningham Lindsey Holdings II (UK) Limited to meet its liabilities as they fall due.

Exemption from preparing consolidated financial statements

The financial statements present information about Cunningham Lindsey Holdings II (UK) Limited as an individual undertaking and not about its group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is a wholly owned subsidiary of Cunningham Lindsey Group Limited in whose consolidated financial statements the company and its subsidiaries are included.

Cash flow statement

The company is a wholly owned subsidiary of Cunningham Lindsey Group Limited and is included in the consolidated financial statements of Cunningham Lindsey Group Limited, which are publicly available (see note 13). Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

Related party transactions

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, in which the company is included.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but have not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable, and therefore recognised, only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Financial Instruments

Financial instruments are classified and accounted for according to substance of contractual agreements, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

Investments are stated at cost less any impairment in value. Impairment reviews are carried out when there is an indication of impairment.

Foreign equity investments which have a corresponding foreign currency borrowing designated as a hedge (see foreign currencies policy) are denominated in the appropriate foreign currency and retranslated at each period end. The resultant exchange differences, to the extent they are not offset with exchange movements on borrowings, are taken directly to a separate revaluation reserve.

Cunningham Lindsey Holdings II (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

1. Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction.

Exchange gains or losses on foreign currency borrowings which are designated a hedge against foreign equity investments are offset within reserves against the related gains or losses on the equity investment. The total amount of gains or losses on the borrowings are only offset to the extent of the exchange differences arising on the foreign equity investments, and on borrowings which do not exceed, in aggregate, the total amount of cash that the investments are expected to be able to generate whether from profits or otherwise.

2. Staff costs and directors' emoluments

There were no staff costs for the year ended 31 December 2010 (2009: £nil).

The directors are remunerated by another group company in respect of their services to the group as a whole and it is not possible to apportion this remuneration against the companies in the group.

3. Operating (loss) / profit

Auditor remuneration is paid for by Lindsey Morden, a fellow group company. The amount of auditors' remuneration applicable to the company is deemed to be £4,500 (2009: £4,500).

4. Interest receivable and similar income

	2010	2009
	£'000	£'000
Interest receivable from group undertakings	3,273	1,771
Foreign exchange gain	-	1,036
	3,273	2,807

Cunningham Lindsey Holdings II (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

5. Interest payable and similar charges

	2010	2009
	£'000	£'000
Interest payable to group undertakings	11,977	9,672
Foreign exchange loss	1,128	-
	13,105	9,672

6. Tax on loss on ordinary activities

	2010	2009
	£'000	£'000
Current tax		
- UK corporation tax on loss for the year	(2,768)	(1,921)
- Adjustment in respect of previous periods	-	(2,636)
Deferred tax – origination and reversal of timing differences	-	-
Tax on loss on ordinary activities	(2,768)	(4,557)

The tax assessed for the year is the same as (2009 lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2010	2009
	£'000	£'000
Loss on ordinary activities before tax	(9,886)	(6,859)
Tax on loss on ordinary activities at standard rate in the UK of 28% (2009 28%)	(2,768)	(1,921)
Effects of		
Adjustment in respect of previous periods	-	(2,636)
Current tax credit for the year	(2,768)	(4,557)

There are £242,591 (2009 £244,377) of potential deferred tax assets in respect of accumulated losses, none of which have been recognised. There are no other deferred tax costs or liabilities at 31 December 2010 (2009 £nil). The company has surrendered the benefit of tax losses to other group companies for a total consideration of £2,768,000.

Factors affecting current and future tax charges:

Reductions to the UK corporation tax were announced in the March 2011 Budget. The changes which are to be enacted from 1 April 2011 reduce the rate of taxation from 28% to 26%, there is also a proposal for changes, to be enacted separately each year, to reduce the rate by 1% per annum to 23% by 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

Cunningham Lindsey Holdings II (UK) Limited

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

7. Investments

	Shares in group undertakings £'000
Cost	
At 1 January 2010	211,412
Additions (note 12)	1,717
Revaluation – exchange rate adjustment	407
At 31 December 2010	213,536
Net book value	
At 31 December 2010	213,536
At 31 December 2009	211,412

The company's investments at the balance sheet date in the ordinary share capital of companies include the following

Name of undertaking	Country of incorporation or registration	Principal Activity	Proportion of ordinary shares held
Cunningham Lindsey Canada Claims Services Ltd	Canada	Loss adjusting	100%
Cunningham Lindsey Holdings (Delaware) LLC	USA	Holding company	100%
Cunningham Lindsey US Inc	USA	Loss adjusting	100%

All the above undertakings are held directly. The directors believe that the carrying value of the investments is supported by the value of its underlying businesses.

8. Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	30,732	13,922
	30,732	13,922
Amounts falling due after more than one year		
Amounts owed by group undertakings	54,382	52,559
Aggregate amounts	85,114	66,481

The amounts owed by group undertakings due within one year are unsecured, repayable on demand and accrue interest ranging from 1.49% to 7.67% (2009: 2.52% to 3.53%).

Amounts owed by group undertakings after more than one year are unsecured and accrue interest between 8.03% and 8.25% (2009: between 8.03% and 8.25%).

Cunningham Lindsey Holdings II (UK) Limited

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

9. Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Amounts owed to group undertakings	176,667	154,306

The loans due to other group undertakings are unsecured, repayable on demand and bear interest at various rates ranging from 1.46% to 8.26% (2009 2.52% to 7.75%)

10. Creditors: amounts falling due after more than one year

	2010	2009
	£'000	£'000
Amounts owed to group undertakings	38,089	34,102

The amounts owed to group undertakings are unsecured, repayable on the 11 February 2015 and bear interest at 8.02% (2009 8.02%)

11. Called up share capital

	2010	2009
	£	£
Authorised		
45,000 (2009 45,000) ordinary shares of £0.01 each	450	450
Allotted and fully paid		
45,000 (2009 45,000) ordinary shares of £0.01 each	450	450

Cunningham Lindsey Holdings II (UK) Limited

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

12. Reserves

	Revaluation reserve £'000	Profit and loss account (deficit) £'000	Share premium account £'000	Capital reserve £'000	Total £'000
At 1 January 2010	121	(12,589)	105,349	9,265	102,146
Loss for the financial year	-	(7,118)	-	-	(7,118)
Capital contribution	-	-	-	1,717	1,717
At 31 December 2010	121	(19,707)	105,349	10,982	96,745

In June 2010 and October 2010, the group acquired a number of entities through its subsidiaries. These were financed by means of capital contributions from Cunningham Lindsey Group Limited to the relevant entities. As part of this process, Cunningham Lindsey Holdings II (UK) Limited received capital contributions of £1,606,710 in June 2010 and £110,246 in October 2010 from Cunningham Lindsey Holdings (UK) Limited. These were then passed down to Cunningham Lindsey Holdings (Delaware) LLC via a capital contribution to its subsidiary undertaking.

£406,537 of foreign exchange losses (2009 gains £2,337,590) on foreign currency loans have been offset within reserves against exchange gains (2009 losses) on investments in overseas subsidiary undertakings (see note 7).

During the period ending 31 December 2008 the directors designated a portion of its US\$ borrowings as a hedge against a US\$ investment. This hedge remained in place for the year ended 31 December 2010. A proportion of the foreign exchange gains on these loans and losses on the investment have been offset within reserves.

13. Ultimate parent undertakings and controlling party

The company's immediate parent company is Cunningham Lindsey Holdings (UK) Limited, a company registered in England and Wales. The ultimate parent company is Cunningham Lindsey Group Limited, a company registered in the Cayman Islands. The ultimate controlling shareholder of Cunningham Lindsey Group Limited is Trident IV LP, a private equity fund managed by Stone Point Capital LLC, which is registered in the United States. Trident IV LP and Stone Point Capital LLC do not issue financial statements that are available to the public.

At the date of approval of these financial statements, the parent company of the smallest and largest group for which consolidated financial statements are prepared and are available to the public is Cunningham Lindsey Group Limited. The financial statements of Cunningham Lindsey Group Limited may be obtained from the company secretary at Apex Plaza, Forbury Road, Reading, Berkshire, RG1 1AX.

14. Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Loss for the financial year	(7,118)	(2,302)
Share premium	-	57,907
Capital contribution	1,717	9,265
Net addition to shareholders' funds	(5,401)	64,870
Opening shareholders' funds	102,146	37,276
Closing shareholders' funds	96,745	102,146