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Improving transparency and disclosure
Good Practice Reporting by Portfolio Companies

Guidelines Monitoring Group
Private Equity Monitoring Group on Transparency and Disclosure

May 2011

pwc

Introduction

The objective of this guide is to assist private equity owned portfolio companies to improve the transparency and disclosure in their reporting by highlighting good practice examples.

The Guidelines Monitoring Group (the “Group”) was established in March 2008 to monitor conformity of the UK private equity industry with the Guidelines for Disclosure and Transparency in Private Equity (the “Guidelines”). The Guidelines resulted from an independent review of the adequacy of disclosure and transparency in private equity undertaken by Sir David Walker at the request of the British Private Equity and Venture Capital Association (“BVCA”). The Group is also responsible for making recommendations to the BVCA for changes to the Guidelines if required. The Group aims to guide and assist the industry in improving overall levels of transparency and disclosure.

In December 2010, the Group issued its third annual report on monitoring conformity by qualifying private equity firms and portfolio companies. The group is pleased to see continued improvement over the three years. Overall the Group considers that there continues to be a high level of commitment to the Guidelines from the private equity industry.

The findings of this year’s review identified a higher level of compliance than in previous years. On balance many of the portfolio companies report to a standard that is generally consistent with reporting by FTSE 350 companies, and in places better.

Although the efforts made by the private equity industry are encouraging, improvement is still possible in some areas. The Group has commissioned this guide to help portfolio companies in conforming with the Guidelines. The guide includes an analysis of the detailed requirements of the Guidelines and a summary of good practice, using examples from the reviews conducted since the introduction of the Guidelines. The Group’s future assessment activity will have regard to the guidance provided to portfolio companies through this guide.

The Group encourages all private equity houses and portfolio companies to build on the achievements of the last three years and continue to enhance their levels of transparency and disclosure by using this guide.

The Group would like to thank PwC for their continued efforts in assisting the Group with the review of the portfolio companies and the production of this guide.

Sir Michael Rake
Chairman – Guidelines Monitoring Group

Disclosures by guideline criterion

The three broad areas of portfolio company disclosures highlighted in the covering letter to this guide can be further analysed into fourteen specific criteria. These are summarised below and set out in more detail on the following pages where examples of good reporting are included.

Walker Guideline specific

Business review (required by UK Companies Act)

Enhanced business review

The abstracts on the following pages highlight some of the good disclosures observed within portfolio companies' accounts in the last two years. They are not a comprehensive analysis of how any individual company complied with any particular guideline criterion.

1. Identity of private equity firm

Requirement

The report should identify the private equity fund or funds that own the company and the senior executives or advisers of the private equity firm in the UK who have oversight of the company on behalf of the fund or funds.

Basic compliance

To comply with this requirement, the identity of the private equity firm managing the fund should be disclosed within the annual report alongside the identity of the relevant senior executives of the firm.

Good practice

The better companies in the sample disclosed the name of the fund as well as the name of the private equity firm, background on the firm and additionally put into context the role of the private equity firm. This could include a history of the ownership of the company, including that of previous private equity owners.

Acromas – 31 January 2010

CAPITAL STRUCTURE

Saga and the AA were acquired for a total cost of £6.3 billion, funded from £4.8 billion of bank borrowings and £1.5 billion of shareholder loans and share capital. The main shareholders (on a fully diluted basis) in Acromas Holdings are as follows.

	%
Funds advised by Charterhouse Capital Partners	35.9
Employees	20.1
Funds advised by CVC Capital Partners	19.9
Funds advised by Permira Advisers	19.9
Other Co-Investors	4.2
Total	100.0

Charterhouse, CVC and Permira are all international firms advising private equity funds raised from a diverse group of investors in public and corporate pension funds, insurance companies, charities and foundations, banks and government entities.

Merlin Entertainment Group – 26 December 2009

OWNERSHIP

The parent company of Merlin is Merlin Entertainments Group Luxembourg S.à r.l (the "Company") which is a company incorporated in Luxembourg.

The Company's equity is owned as follows:

	Ordinary Shares %	PECS %
Funds managed by Blackstone Group International	47.47	52.13
KIRKBI A/S	34.72	40.10
Dubai International Capital	5.46	6.61
Caddis Assets	0.39	0.47
Management	11.96	0.69
	100.00	**100.00**

Alliance Boots – 31 March 2010

Ownership of the Company

The Company, a Group holding company established in Switzerland in 2008, is a direct subsidiary of AB Acquisitions Holdings Limited, the Gibraltar investment vehicle jointly controlled by Alliance Santé Participations S.A., and three private equity funds advised by Kohlberg Kravis Roberts & Co. L.P. (KKR); the KKR 2006 Fund, the KKR European Fund II and the KKR (KPE) Fund.

KKR is one of the world's longest established and most experienced private equity firms. During the last three decades KKR has managed and sponsored 14 private equity funds that have received capital commitments of more than $59 billion. During that time KKR has completed more than 170 transactions with an aggregate value of more than $425 billion, including significant investments in the healthcare and retail sectors. Dominic Murphy, Mattia Caprioli and Sergio D'Angelo are the KKR executives who, together with the other members of the Board, have responsibility for oversight of the Company.

2. Details on board composition

Requirement

The report should give detail on the composition of the board, identifying separately executives of the company, directors who are executives or representatives of the private equity firm and directors brought in from outside to add relevant industry or other experience.

Basic compliance

The Companies Act requires the disclosure of the directors of the company; but, this is not, by itself, sufficient in order to meet this requirement. Additional disclosures are required to highlight which of the directors were also directors of, or had been appointed by, the private equity firm.

Good practice

Good practice included additional explanations of the industry and other relevant experience that external directors brought to the organisation as well as disclosure of other appointments.

Tragus – 24 May 2009

Board of Directors

Giles Thorley
Non-executive Chairman
Giles was appointed Non-executive Chairman in October 2006. He has been the Chief Executive of Punch Taverns since 2003. After qualifying as a Barrister, his early career was at Nomura International plc. He successfully led the IPO of Punch in May 2002 and has seen the business through subsequent acquisitions including Pubmaster in 2003 and Spirit Group in 2006. Giles is also a Non-executive Director of Tui Travel plc and a trustee of the Rona Trust.

Graham Turner
Chief Executive Officer
Graham became CEO in January 2005. He was previously the Managing Director of the Unique Pub Company with some 4,000 leased pubs in the UK. Graham was part of the initial management team that grew the business through acquisitions and operational improvements. The

James Parsons
Chief Operating Officer
James began his career as a graduate trainee with Bass Taverns - now trading as Mitchells & Butlers plc - and followed this with five years as an area sales manager for the business. In 1988 he joined BrightReasons Restaurants Ltd as an area manager, firstly for Pizzaland and later for Bella Italia. In 1998 he joined Pizza Express plc as regional director for London and in 2000 took up the position of managing director. James left Pizza Express in 2002 and joined Tragus shortly afterwards.

Joseph Baratta
Non Executive Director
Joseph is a Senior Managing Director in the Corporate Private Equity Group of Blackstone and is based in London. Since joining Blackstone in 1998, Joseph has been involved

Alan Roux
Non Executive Director
Alan is an Executive Director in Blackstone's Corporate Private Equity group and is based in London. Alan is responsible for monitoring and advising on the operational performance and strategy of Blackstone's portfolio companies in Europe. Prior to joining Blackstone in 2007, Alan was the Director of Operations Development at Tesco Stores, where he led the operational improvement programme for the UK's largest retailer. Before Tesco, he was a Manager for the Boston Consulting Group in New York and London, advising clients in a variety of industry sectors. He started his career with Procter & Gamble in Germany. Alan serves on the board of United Biscuits, Cineworld plc and Klöckner Pentaplast.

Equiniti – 31 December 2009

Board of Directors

The board comprises two executive directors and five non-executive directors

Executive directors

Wayne Story - Chief Executive Officer (CEO)
Wayne Story joined Equiniti in November 2008. Following successful careers within TSB Group, PPP healthcare and PA Consulting Group, Wayne joined Capita Group in 2005 where he held a number of senior roles. In 2006 he was appointed as Managing Director of the HR Businesses.

As a Senior Director within the Group he specialised in developing Board Level relationships and operationally led the sales process for a number of major outsourcing contracts with both major Public Sector bodies and FTSE 100 organisations.

Wayne holds an MBA and is an Associate of the Chartered Institute of Bankers.

Non-executive directors

Sir Neville Simms - Chairman
Sir Neville is the Chairman at Equiniti and International Power, a post he has held since the de-merger from National Power in 2000. Previous roles have included the Chairmanship of Carillion plc; the construction and business group. Neville has also held significant senior roles in the public sector within the Bank of England, and as Chairman of the UK Government's sustainable procurement taskforce. Sir Neville is Chairman of the Nomination Committee and is a member of the Audit and Remunerations Committees.

James Brocklebank - Non-Executive Director (Investor Representative)
James joined Advent in 1997, moving from the London office of investment bank Baring Brothers where he advised clients on various international mergers and acquisitions. Prior to that he worked in the New York offices of Dillon, Read & Co., then an affiliate of Barings, focusing on transatlantic transactions. He also worked in Barings' Paris office.

James has participated in Advent's investments in Equiniti, Monext, Tertio Limited, Jacobs Rimell Limited, Cybercity A/S, MACH Sarl, Dan Net A/S and AIRCOM International Limited. James has an MA in geography, specialising in economic and political geography, from Cambridge University. James is Chairman of the Remuneration Committee and is a member of the Nomination Committee.

Gondola Holdings – 28 June 2009

Chris Woodhouse (48)
Chris became non-executive Chairman of the Group in April 2007. He holds an executive role as Finance Director of Debenhams plc. He was previously Deputy Chairman of Halfords Group and Commercial Director and Deputy Chief Executive at Homebase Group. He is a former finance director of Birthdays Group Limited and Superdrug Stores plc. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is an Associate of the Association of Corporate Treasurers.

Yagnish Chotai (50)
Yagnish became a non-executive director of the Group in October 2006 and was involved in its subsequent acquisition of Gondola Holdings plc in December 2006. He retired as a Partner with Cinven at the end of June 2009. He was involved in a number of Cinven transactions in addition to Gondola, including Partnerships in Care, Fitness First, Unique Pub Company, William Hill, United Biscuits, COMAX, Oxoid and General Healthcare.

Peter Catterall (40)
Peter became a non-executive director of the Group in October 2006 and was involved in its subsequent acquisition of Gondola Holdings plc in December 2006. He is a Partner with Cinven Limited, having joined them in 1997 and has been involved in several transactions in addition to Gondola, including Gala Coral Group, Amadeus and Frans Bonhomme.

Charles Miller-Jones (28)
Charles joined the Group's board as a non-executive director in July 2007. He is a Principal with Cinven Limited, having joined them in 2005 and is a member of the Consumer sector team. He has been involved in a number of investments in addition to Gondola, including Gala Coral Group and Smurfit Kappa.

Harvey Smyth (41)
Harvey joined PizzaExpress in October 2003 as its Chief Executive Officer, and became Chief Executive Officer of the Gondola Group following the acquisition of Gondola Holdings plc by Cinven in December 2006. He was previously Deputy Chief Executive Officer and UK Managing Director of Pret A Manger. Harvey has a degree in biochemistry from Bristol University, and is also a qualified Chartered Accountant.

Nick Carter (42)
Nick was appointed Finance Director of the Group in April 2007. Prior to this he was Finance Director at Halfords plc and Birthdays Group Limited and held a number of finance and commercial roles at Superdrug Stores plc and Kingfisher plc. Nick qualified as a Chartered Accountant at KPMG.

3. Financial review - position

Requirement

The financial review should cover risk management objectives and policies in the light of the principal financial risks and uncertainties facing the company, including those relating to leverage, with links to appropriate detail in the footnotes to the balance sheet and cash flow section of the financial statements.

To cover the financial review requirement the analysis has been split into two parts. The first looks at information on the position of the entity at year end. The second looks at the financial risks identified (see page 9).

Basic compliance

The review of financial position should include an explanation of the year end debt and capital structure of the company and its funding requirements. This should be linked into the financial statements and notes through appropriate cross referencing.

Good practice

Attributes of good practice include:

- An analysis of the components of debt and the repayment schedule.
- Discussion and quantification of the debt covenants in place.
- A reconciliation of the year end net debt position to the prior year (or to free cash flow).
- Where non-GAAP measures (for example, net debt and free cash flow) are used to support the discussion in the financial review these are appropriately reconciled to the numbers within the financial statements.
- Proforma information, where appropriate, to enable meaningful comparatives to be provided (for example where the portfolio company is a NewCo acquisition vehicle in its first years of reporting)

John Laing – 31 December 2009

Analysis of Group financial resources

		2009 £ million	2008 £ million
	Cash and bank deposits	**31.7**	12.9
	Bank and other loans	**(22.0)**	(28.6)
	Net funds/(debt)	**9.7**	(15.7)
	Corporate bank facilities		
	Syndicate	**260.0**	260.0
	Bilateral	**25.0**	25.0
	Overdraft	**5.0**	5.0
		290.0	290.0
Less:	Letters of Credit drawn	**(184.3)**	(191.4)
	Bank loans	**(22.0)**	(28.6)
	Undrawn corporate facilities	**83.7**	70.0
	Net available financial resources	**115.4**	82.9

On 31 December 2009, the Group held a committed facility of £260 million, which expires in March 2012. In addition, there are coterminous bilateral facilities of £25 million and a £5 million overdraft. These facilities contain financial covenants that set minimum interest cover from cash flows and a maximum loan to value ratio. The current cash flow forecasts indicate that the Group will comply with these covenants for the foreseeable future.

Findus Group – 31 December 2009

Financing & interest payable

The Findus Group is financed by bank debt, loans from the Parent and subordinated debt held by the Parent. At 31 December 2009 outstanding net bank debt was £729.5m (30 September 2008: £632.8m). The bank debt is denominated in Euros, Sterling, Swedish Krona and Norwegian Krone and the value of the debt translated into Sterling grew as the exchange rates against the other currencies deteriorated. During the fifteen months to 31 December 2009, a scheduled debt repayment of £4.6m was made, a £10m drawing from the revolving credit facility was repaid and £14.8m of mezzanine facility bank interest was capitalised. As at 31 December 2009 there were no revolving credit facility loans outstanding. The loans from the Parent are denominated in Euros and the value in sterling rose to £483.1m (30 September 2008: £424.6m) due to the depreciation of Sterling against the Euro. The subordinated debt is denominated in Euros and the value in sterling rose to £94.4m (30 September 2008: £82.0m).

The cost of servicing the bank debt was £120.9m and included £32.3m of exchange losses arising on the translation of certain foreign currency denominated debt into Sterling. Of this financing cost £14.8m was capitalised during the accounting period. During the period interest costs fell significantly reducing the ongoing cost of financing bank debt. The cost of servicing the Parent loans was £81.9m and this interest is being accrued and is not to be paid until the loan is repaid.

Whilst the substantial financing costs resulted in a net loss for the period, a significant element of these costs are not payable in cash.

Travelodge – 31 December 2009

Funding

The Company is funded by cash, bank debt, Eurobond notes, six properties held under finance leases and operating leases The bank debt and Eurobond notes have "bullet" repayment profiles and are long term in nature Further details on capital and debt are given in notes 23 of the Financial Statements

The repayment profile is summarised below

		Dec '09
		£m
Cash		**(51 7)**
Repayable	- 2010 *(September)*	3 0
	- 2011 *(September)*	13 2
	- 2012 *(September)*	13 2
	- 2013 *(September)*	30 2
	- 2014 – 2016 *(Mainly September)*	382 5
	- 2017 *(March)*	68 9
Unamortised issue costs and fee's		(12.3)
Net bank debt		**447.0**
Eurobonds – repayment 2017 *(March)*		318 6
Finance leases		28 5
Net funding		**794.1**

4. Financial review – financial risks

Requirement

The financial review should cover risk management objectives and policies in the light of the principal financial risks and uncertainties facing the company, including those relating to leverage, with links to appropriate detail in the footnotes to the balance sheet and cash flow section of the financial statements.

To cover the financial review requirement the analysis has been split into two parts. The first looks at information on the position of the entity at year end (see page 7). This second section looks at the financial risks identified.

Basic compliance

The review of financial position requirements should include the following:

- Discussion in the financial statements of the overall risk management objectives and policies of the company.
- Discussion of the risk management policies relating to the company's leverage.

Good practice

Attributes of good practice include:

- More detailed discussion in the financial statements of the overall risk management objectives and policies.
- Discussion focused on the key financial risks identified (see page 15 for principal risks), for example, liquidity/cash flow, credit, interest rate, and how the risk management policies aim to address these risks.
- Quantitative information is included to support the discussion on risks.

Expro International Group – 31 March 2010

Financial risk management

Financial risk factors

The Group's operations expose it to several financial risks, principally market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

Foreign currency risk

The Group faces exposure to transactional foreign currency risk as a result of sales or purchases by operating units in currencies other than functional currency and translational foreign currency risk on the revaluation of net monetary assets and liabilities, including working capital balances. The Group monitors its exposure to foreign exchange risk on an ongoing basis through analysis of the profile of its monetary assets and liabilities, and has a policy of natural hedging which substantially mitigates the impact of currency movements in terms of profits, cash and net assets.

Interest rate risk

The Group's Mezzanine loan is at floating rate, with interest fixed for periods of three months, and therefore exposes the Group to cash flow interest rate risk. At 31 March 2010 the Group had in place three interest rate swaps, designated as hedging instruments with a combined nominal value of $721.4m, which in aggregate fix 90% of the interest on the Group's Mezzanine loan until 31 December 2013. The Group does not use derivative financial instruments for speculative purposes.

Viridian Group – 31 March 2010

Interest rate risk

The borrowings of the Group are denominated in Sterling and Euro and bear a mixture of fixed and floating interest rates. Interest rate exposure is also managed through the use of derivative financial instruments. The estimated fair value of the Group's derivative financial instruments is disclosed in note 27 to the accounts.

At 31 March	2010 £m	2009 £m
Loans and other borrowings fixed/floating analysis:		
Fixed rate debt[1]	**(1,413.1)**	(1,414.3)
Variable rate debt	**(649.6)**	(708.7)
	(2,062.7)	(2,123.0)

[1] *fixed through interest rate hedges and the Eurobond*

Under the terms of the senior and junior bank facilities the Group is required to hedge a minimum of 65% of its debt against interest rate fluctuations.

Foreign currency risk

VP&E and Powerteam Electrical Services receive income and incur expenditure in Euro. VP&E is also exposed to currency movements in respect of its gas purchases denominated in Sterling. The Group's policy is to identify foreign exchange exposures with a value equivalent to or greater than £0.5m with the percentage level of hedging dependent on the specific project. Exchange rate exposures are identified, monitored and hedged through the use of financial instruments (mainly forward currency contracts and swap arrangements). The estimated fair value of the Group's derivative financial instruments is disclosed in note 27 to the accounts.

NIE Energy Supply is exposed to currency movements in respect of its Euro-denominated CfDs with ESB Power Generation. These exposures are hedged in accordance with a policy agreed with NIAUR.

Euro-denominated assets on the Group's balance sheet are broadly matched by Euro borrowings.

Travelex – 31 December 2009

ii. **Currency risk**

The Group has significant overseas operations conducting business in several foreign currencies. As a result, it is subject to foreign exchange exposures arising from the translation of the results and underlying net assets of its overseas subsidiaries and joint ventures into Sterling. Borrowings are held in the key foreign currencies in which the Group generates profit. The Group also generates spot and forward foreign currency exposures in fulfilling customer requirements. These are hedged to within pre-determined limits. Travelex conducts all foreign exchange transactions within the Group's risk management framework and established exposure limits.

In certain cases where the Group has borrowed in foreign currency and lent internally to subsidiaries but has not designated the transaction as a hedge, gains and losses will be recognised in the income statement with offsetting amounts in shareholders' funds. There is no net exposure as a result and the offsetting effects are shown through the statement of comprehensive income.

The Non core travellers' cheques business has currency exposures to the extent that expected liabilities are smaller than GAAP liabilities. This arises because likely encashment, as forecast by the Group's actuaries, is below that recorded on the balance sheet.

5. Fair review of the business – strategy

Requirement

The business review must contain a fair review of the company's business.

The analysis of the fair review of the business requirement has been split into two parts. The first looks at the discussion included on the strategy of the entity. The second looks at the discussion around the market environment of the entity (see page 13).

Basic compliance

In order to provide sufficient insights for a fair review of a company's development and performance during the year and its financial position at the end of the year, it should set out the markets in which it operates and its strategic priorities to compete within them. This view is consistent with the views expressed by the Accounting Standards Board.

Basic compliance therefore requires a clear prominent statement of company strategy.

This should set out what the company is trying to achieve and the priorities for how it plans to achieve those objectives.

Good practice

Attributes of good practice include:

- Strategy used to structure the content of the report to provide a clear alignment of strategic priorities, management actions and remuneration;
- Explanation of the key actions necessary to deliver the strategy and an indication of the timeframe over which performance will be assessed; and
- Measurement of the achievement of the strategy with qualitative or quantitative targets where applicable.

General Healthcare Group – 30 September 2009

During 2008/09 we continued to acquire and expand our footprint. We can now proudly say that circa 90% of the UK population live less than an hour from a BMI facility. We are only now beginning to see the real benefits of the scale and national coverage that we have created.

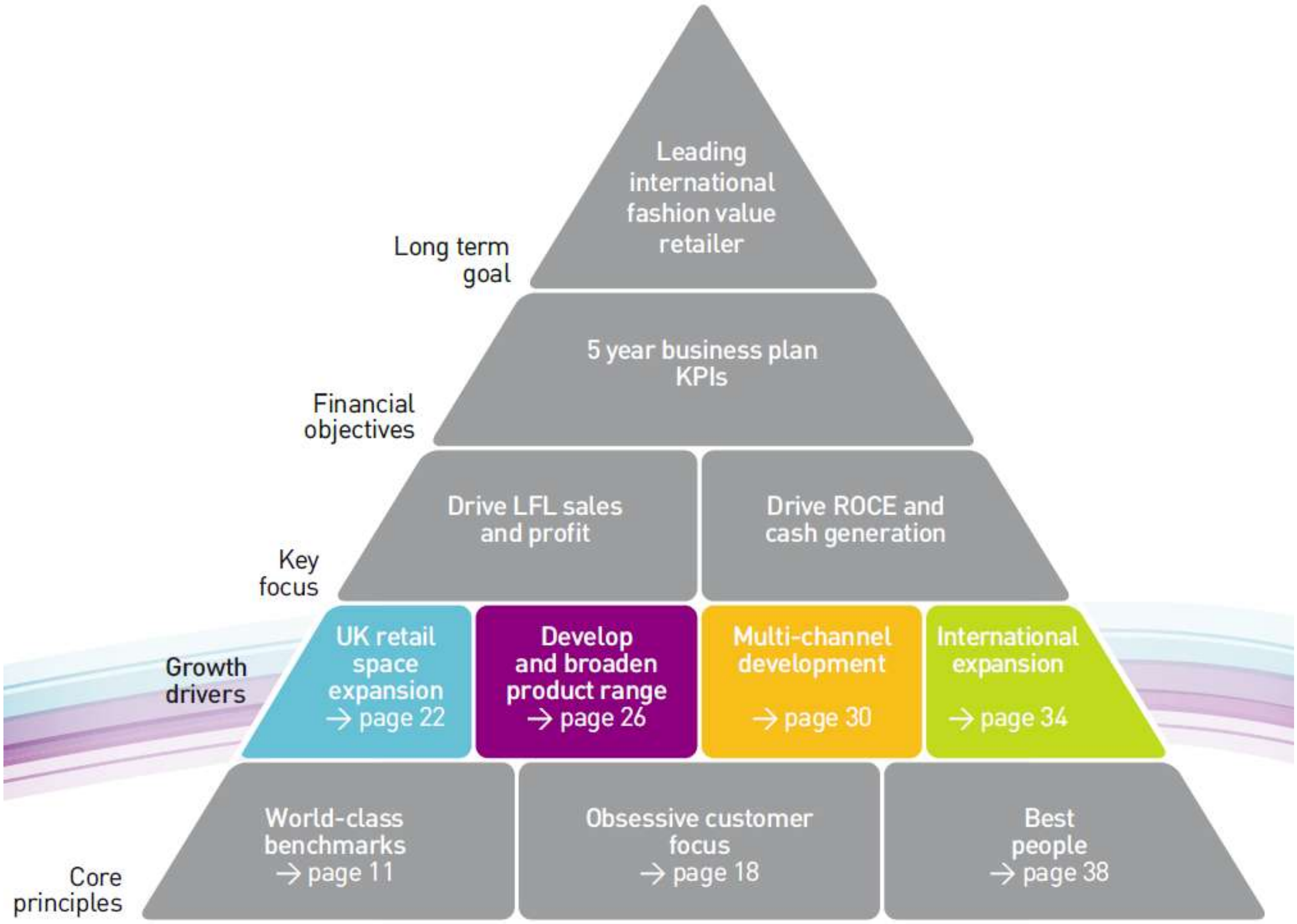
Our focus has been on strengthening our position as the UK's number 1 independent healthcare provider whilst ensuring we deliver excellent service to our stakeholders, consultants, GPs and patients. Maintaining and extending our leading position requires us to invest in our business. During 2008/09 we invested £45m, and over the last three years we have invested circa £150 million in our existing estate and a further £150 million in new facilities.

During this year we were one of the first independent operators to publish our 'quality accounts' to communicate publicly our excellent patient satisfaction levels, our clinical outcomes and our rigorous management of infection control within all of our facilities.

Notable achievements this year include:

- Geographical gaps have been filled through acquisition or build and a central London core created to service our hospitals within the M25
- An increased investment in capital equipment to ensure that we stay at the forefront of independent healthcare and respond to consultants' requests for the most technologically advanced equipment and facilities – underpinning our positioning as 'The Consultants' Choice'
- An increased focus on GP engagement

New Look – 27 March 2010



Brakes Group – 31 December 2009

Long-term strategy

The Group has a well-defined and consistent strategy to ensure a continued improvement in the profitability and cash flow performance of the Group and includes the following key initiatives:

Value proposition

The Group has continued to develop a range of value orientated products, where customers need a lower priced product alternative in the current economic climate. Brakes has also developed a 'Switch and Save' programme to help caterers convert to Brakes own label away from more expensive alternatives, in certain areas. These, together with a range of other marketing and promotional support, are designed to help caterers deal with the weaker consumer environment.

Category enhancements

The Group has successfully developed an enhanced specialism in bakery products through the development of its *La Boulangerie* range. Plans are in place for other enhancements across a range of categories to continue to grow the Brakes Group credibility and expertise across the full spectrum of a caterer's needs.

Service excellence

Brakes places great emphasis on achieving high standards in the area of delivery accuracy and reliability with daily monitoring of performance levels. The Group frequently updates routes and delivery times to meet changing customer requirements and optimise the efficiency of its distribution fleet. Service levels are monitored by customer and depot and are industry leading.

6. Fair review of the business – market environment

Requirement

The business review must contain a fair review of the company's business.

The analysis of the fair review of the business requirement has been split into two parts. The first looks at the discussion included on the strategy of the entity (see page 11). This second section looks at the discussion around the market environment of the entity.

Basic compliance

In order to provide sufficient insights for a fair review of a company's development and performance during the year and its financial position at the end of the year, it should set out the markets in which it operates and its strategic priorities to compete within them. This view is consistent with the views expressed by the Accounting Standards Board.

A description of the trends and factors shaping the market in which the company operates should be given.

Good practice

Attributes of good practice include:

- Insights into the macro-economic growth drivers shaping the market environment;
- Details on the competitive environment, including level of fragmentation, market position/share etc.;
- Regulatory environment in which the company operates; and
- Quantifiable evidence to support the discussion.

Viridian Group – 31 March 2010

Competition in electricity generation and supply

All wholesale electricity (with limited exceptions) is bought and sold across the island of Ireland through the Single Electricity Market (SEM) which was established in November 2007. The SEM is based on a gross mandatory pool. Generators make offers to sell their electricity into the pool and are despatched centrally on the basis of their bids. Suppliers purchase all their wholesale requirements from the pool.

The retail market in Northern Ireland is fully open to competition. Approximately 75% of non-residential consumption is supplied by suppliers who compete with NIE Energy Supply. On 1 June 2010, Airtricity began offering to supply residential consumers in Northern Ireland in competition with NIE Energy Supply.

A further package of EU legislative measures concerning energy markets was introduced on 3 September 2009. The package includes measures which aim to ensure the effective separation of networks from generation and supply activities. The sale of SONI (the transmission system operator (TSO) in Northern Ireland) by NIE in March 2009 was consistent with this aim. DETI intends to consult on proposals for the implementation of this further package from October to December 2010 following which the required regulations will be drafted and finalised.

Odeon & UCI Cinemas – 31 December 2009

The Cinema Market
ODEON & UCI Cinemas Group operates in four major European markets: UK, Spain, Italy and Germany; and three smaller markets: Austria, Portugal and Ireland.

The performance of these markets depends primarily on the strength of the film line-up. The film line-up consists of a combination of major global Hollywood blockbusters (such as the 'Harry Potter' franchise, the 'Bond' films, 'Shrek' and 'Ice Age'), secondary major Hollywood titles (which are often not franchises but are single stand alone titles, such as 'Slumdog Millionaire' or '2012'), niche titles and local film titles.

The performance of the market in each year is dependent on the interaction of all four categories. This means that markets in different countries do not always move in the same direction. In 2009, these markets experienced an average increase of 6% in attendance. Germany saw exceptional growth, the UK and Spain saw a moderate uplift, while in Italy the market remained level.

3D
The biggest impact on the markets in 2009 was the improved slate of 3D films. 'Avatar' exceeded all expectations, but there were also very strong performances from 'Up', 'Ice Age 3', 'A Christmas Carol' and 'Monsters vs Aliens'. On average 3D attendance was 80% of the total when a film was shown in both 3D and 2D with customer feedback being excellent. The tables on the following page show the significant growth in the number of 3D titles released, demonstrating the studios' commitment to this exciting new format, which has caught the imagination of the cinema going public.

Europe Rank*: 1st **Total Cinemas:** 204 **Total Screens:** 1,850
The above represents owned and managed sites as at end of December 2009

* Rankings measured by screen counts.

New Look – 27 March 2010

OUR MARKETS

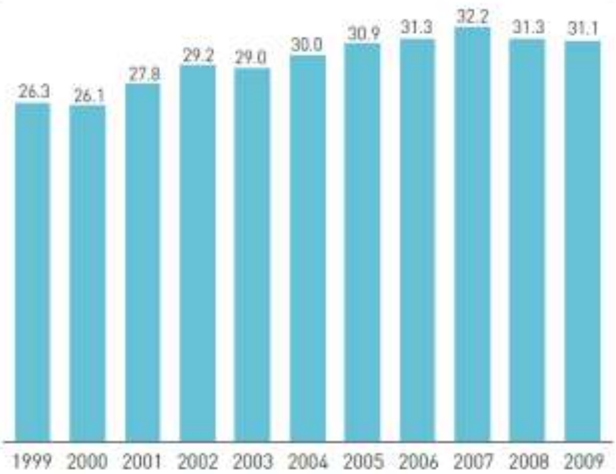
WELL POSITIONED

New Look is a market leader in the fast growing value segment of the UK clothing and accessories market.

We offer fashion excitement, value and newness to a core target audience of fashion-conscious 16 to 45 year old women, as well as to men and children. The Group's product ranges comprise Womenswear, Accessories and Footwear, plus expanding ranges in Menswear and Childrenswear.

Womenswear (including Footwear and Accessories) accounted for 87.9% of the Group's revenue. The Generation range, which is categorised as part of New Look's Womenswear product range but is targeted at the 9-15 year old age group, accounted for 4.5% of the Group's revenue in the 2009/10 financial year. Menswear and Childrenswear accounted for 3.3% and 0.5% (excluding Generation), respectively, of the Group's revenue in the 2009/10 financial year.

Estimated UK clothing and footwear market by value
£bn



Source: Kantar Worldpanel Total Market (calendar years ended).

7. Principal risks and uncertainties facing the company

Requirement

The business review must contain a description of the principal risks and uncertainties facing the company.

Basic compliance

To comply with this requirement, the business review should contain an explicit identification of the principal risks and uncertainties facing the company. Long lists of boiler-plate risks should be avoided.

Good practice

Attributes of good practice include:

- Clear alignment between strategy and risks;
- Explanation of how each risk is managed; and
- Assessment of the risk profile – the likelihood versus the impact of each risk – and an explanation of how the profile has changed during the year.

The discussions should be supported with quantifiable evidence.

Merlin Entertainment Group – 26 December 2009

Principal Risks and Uncertainties

Merlin adopts a proactive approach to the management of potential risks and uncertainties which could have a material impact on Merlin's performance and execution of its growth strategy. The Group's Executive Board members manage such risks and are actively involved in the Group's Corporate Risk Management Committee. The Corporate Risk Management Committee meets four times a year to oversee the Group risk management process.

The Board, the Management Committee and the Executive Board believe appropriate processes are in place to monitor and mitigate these risks and their potential adverse consequences to Merlin. These risks include:

OPERATIONAL RISK FACTORS

- **Key Personnel**

Merlin is a 'people business' and the Group's performance depends largely on recruiting and retaining its employees and senior managers. Merlin mitigates this risk through training and personal development programmes, proactively managed succession planning and through incentive schemes, including share ownership, to motivate staff and retain key employees.

- **Brands and Offerings**

Merlin has a wide range of brands and offerings which have been built upon a reputation for quality and excellence in delivery. Revenues may be adversely affected by serious incident, accident or similar occurrence. The high profile nature of a number of the Group's sites means there is a risk of being targeted by activists. Merlin mitigates these risks by maintaining industry-leading standards of training, safety and security systems, intelligence and procedures.

Viridian Group – 31 March 2010

The principal risks and uncertainties that affect the Group are described below but are not intended to be an exhaustive analysis of all the risks that may arise in the ordinary course of business or otherwise.

Competition in generation and supply of electricity

There is a risk that increased competition in generation and supply will reduce margins. Under the SEM, the system marginal price (SMP) is received by all generators and reflects the marginal cost of the last generating unit called to meet demand. Generators also receive capacity payments for their available capacity. The commissioning of new generating capacity may reduce the SMP and lead to lower capacity payments, dependent on plant retirements and overall levels of demand.

The main competitors in the electricity supply markets in both Northern Ireland and the RoI are ESBIE, BGE and Airtricity.

Wholesale electricity price

All electricity bought and sold across the island of Ireland is traded through the SEM. The Group manages wholesale electricity price risk as follows:

- NIE Energy Supply's price control allows it to pass through the costs of wholesale electricity subject to compliance with its economic purchasing obligation, which it discharges by hedging wholesale electricity prices in line with policies agreed with NIAUR;
- PPB is entitled to receive additional revenues from PSO charges to the extent that the revenue it receives from the pool, CfDs and ancillary services is insufficient to cover its regulated entitlement; and
- The gas costs of Huntstown 1 and 2 are hedged in line with Energia's retail electricity sales contracts. Gas price exposure is hedged when fixed price customer contracts are signed. In some of Energia's customer contracts, the electricity price payable by the customer varies according to the price of gas.

John Laing – 31 December 2009

1. RISKS RELATING TO THE BUSINESS OF THE GROUP (CONTINUED)

Capacity of sub-contractors

The Group is dependent upon construction and service sub-contractors for the delivery of PFI/PPP projects. The Group's ability to invest in, develop and operate PFI/PPP projects could be adversely affected if the construction and service sub-contractors with whom the Group wishes to work do not have sufficient capacity to work with the Group on its chosen projects. In addition, if a sub-contractor's work was not of the requisite quality or a sub-contractor became insolvent, this could have a material adverse effect on Group projects and might not only reduce financial returns but could adversely affect the Group's reputation and reduce its ability to win business in the future. To the extent that John Laing uses a single sub-contractor on a number of projects, these risks could be greater.

The Directors' approach to this risk is to monitor the Group's exposure to individual contractors and to work in partnership with a range of contractors who meet specific criteria e.g. credit worthiness. As each project is delivered on a non-recourse basis, if a sub-contractor failed, this would limit the impact on the Group.

Capacity of project funders

Being successful in winning a PFI/PPP project requires cost effective finance in the SPC to fund PFI/PPP opportunities within the governmental clients' affordability limits. Whilst some capacity constraints continue to exist for project funders their lending margins are likely to remain high, causing pressure on affordability.

The Directors' approach to this risk is to work with a wide range of project funders to secure sufficient cost effective finance.

8. Key performance indicators - financial

Requirement

The review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include analysis using financial key performance indicators.

"Key performance indicators" means factors by reference to which the development, performance or position of the company's business can be measured effectively.

Basic compliance

For ease of confirming compliance and effective communication we would encourage companies to explicitly disclose their KPIs and not leave it up to the readers discretion to determine what management consider to be 'key'.

Good practice

Good practice reporting goes further than just identifying KPIs and also provides:

- A clear alignment of KPIs to the company's strategic priorities and remuneration policies so that their relevance as a basis for management's assessment of strategic success is clear;
- An explanation of why each KPI has been included;
- A definition of how they have been calculated;
- Quantified trend data; and
- Targets or milestones, whether qualitative or quantitative.

Expro International Group – 31 March 2010

Performance measures and key performance indicators ("KPIs")

The key performance measures and KPIs, which are monitored on a Group-wide and regional basis by the board, are:

- Revenue
- Adjusted operating profit
- Adjusted operating margin
- Adjusted free cash flow
- Lost time injury frequency (LTIF)
- Total recordable case frequency (TRCF)

Included within the above performance metrics are a number of management measurements, namely adjusted operating profit and associated margin, and adjusted free cash flow, as well as the health and safety related metrics of LTIF and TRCF.

Use of adjusted measures

Adjusted operating profit is defined as operating profit excluding depreciation and amortisation and other similar non-cash items, together with other items that either distort the underlying trends of the business or are not considered by management to be part of the core operations of Expro. In summary, the exclusion of non-cash charges such as depreciation and amortisation means that this measure is similar to EBITDA. The additional adjustments, being mainly investments in our AX-S and Meters businesses, have been excluded because these businesses are in their development phase and have been separately funded by our shareholders. Full details are set out in note 4.

Anglian Water Group – 31 March 2010

Anglian Water

Key performance indicators

Anglian Water's key performance indicators for the year to 31 March 2010 are provided below.

Measure	How we define it	How it relates to our strategy	Our performance	2009/10 performance
Financial				
Capital expenditure £ million (3)	Total spend from 1 April 2005 to 31 March 2010, increased by construction-related inflation.	Total investment delivered in this five-year asset management period.	5 years to March 2010: Determination 1,960 Actual 2,005	Capital investment plan for AMP4 completed. Includes c.£40 million unfunded expenditure.
Operating expenditure £ million (4)	Operating costs (excluding depreciation and exceptional operating costs) incurred during the year.	The cost of running Anglian Water operations and achieving our objectives.	2009/10: 386.1 2008/09: 363.5 2007/08: 331.2 2006/07: 324.7 2005/06: 314.4	Up by 6.2 per cent on previous year. Includes a £13.5 million increase in bad debt charge.

Odeon & UCI Cinemas – 31 December 2009

KPIs

The primary KPIs followed by the Group are Attendance and EBITDA*. Group Attendance was 6% higher in 2009 than in 2008, with 74.9m vs 71.0m guests, reflecting the higher markets and development of the cinema estate.

EBITDA* was up 11% to £80m (2008: £72m). The Group also follows supplementary KPIs including revenue per customer, film hire costs, retail margins, staff and other costs. The Group again delivered above-inflation increases in revenue per customer (despite a fall in screen advertising in the year), whilst maintaining good control over costs.

9. Key performance indicators – non-financial

Requirement

The review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include, where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.

"Key performance indicators" means factors by reference to which the development, performance or position of the company's business can be measured effectively.

Basic compliance

For ease of confirming compliance and effective communication we encourage companies to explicitly disclose their non-financial KPIs and not leave it up to the readers to deduce what management consider to be 'key'.

Many companies state that their employees, customers or suppliers are important to the ongoing success of their business. In these circumstances there would be a reasonable expectation by the reader to see employee, customer or supplier-based KPIs as a means to demonstrate performance. This is not always the case.

The relative importance of certain KPIs will differ depending on the company's industry. For example, you might expect more customer, employee-based KPIs for a retailer and more environmental KPIs for a company in the extractive industry.

Good practice

Attributes of good practice include:

- Clear alignment of strategic priorities and non-financial KPIs;
- An explanation of why each KPI has been included;
- A definition of how they have been calculated;
- Quantified trend data; and
- Targets and milestones, whether qualitative or quantitative.

Anglian Water Group – 31 March 2010

Anglian Water

Key performance indicators

Anglian Water's key performance indicators for the year to 31 March 2010 are provided below.

Measure	How we define it	How it relates to our strategy	Our performance	2009/10 performance
Operational				
Drinking water quality (1)	Our 'mean zonal compliance' performance in the calendar year against the required standards.	One of our fundamental public service goals.	2009: 99.96% 2008: 99.98% 2007: 99.96% 2006: 99.95% 2005: 99.96%	Slight reduction due to new or tighter standards on certain parameters.
Leakage (2)	Cubic metres of water lost per kilometre of main per day.	Minimising leaks is vital in a dry region and improves efficiency.	2009/10: 5.62 m³/km/day 2008/09: 5.60 m³/km/day 2007/08: 5.60 m³/km/day 2006/07: 5.50 m³/km/day 2005/06: 5.80 m³/km/day	We met leakage target despite severe weather. *Industry average 2008/09: 10.80 m³/km/day*

Viridian Group – 31 March 2010

Operational KPIs

The operational KPIs are:

NIE

- performance against the overall and guaranteed standards set by the Northern Ireland Authority for Utility Regulation (NIAUR);
- the number of complaints which the Consumer Council for Northern Ireland (the Consumer Council) takes up on behalf of consumers (Stage 2 complaints); and
- the average number of minutes lost per customer per annum through distribution fault interruptions, excluding the effect of major storms (CML).

NIE Energy Supply

- the number of complaints which the Consumer Council takes up on behalf of customers (Stage 2 complaints).

VP&E

- generation plant availability (the percentage of time generation plant is available to produce full output); and
- the volume of electricity sales (TWh) in Northern Ireland and the RoI.

General Healthcare Group – 30 September 2009

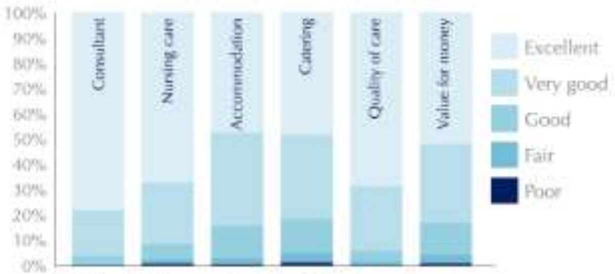
Patient Satisfaction

Emphasis on clinical excellence, patient care and overall quality has led to BMI recording market leading customer satisfaction scores in independent surveys run in all of our hospitals. Similar surveys are also run in the NHS and the results

BMI received satisfaction surveys back from 43,584 inpatient and day-case patients in the last 12 months. This compares to 72,000 across the whole of the NHS received by NHS.

Satisfaction with overall quality –
NHS 75.6% BMI 98.4%
Our overall rating of our care and our intention to recommend scores have both improved year on year insert numbers and source.

Patient satisfaction overall rating scores

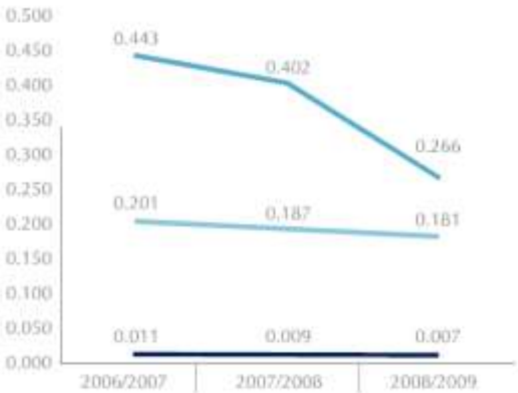


October 2008 - September 2009
Source: Howard Warwick patient satisfaction survey

Due to the nature of healthcare, complications are unavoidable in some cases but we strive to ensure that we have reduced this to the minimum.

The following graph for the rate of unplanned re-admission and unplanned returns to operating theatre demonstrate an ongoing year on year reduction in any adverse incidents/complications.

Complications



BMI Healthcare complications per 100 patients

Re-admission within 31 days
Unplanned return to theatre
DVT

10. Trends and factors affecting future development, performance or position

Requirement

The business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include the main trends and factors likely to affect the future development, performance and position of the company's business.

Basic compliance

The business review should have a high-level forward-looking orientation explaining the trends and factors likely to influence the business including market trends, future strategic priorities or investment in research and development   This could be throughout the annual report or in a specifically headed section.

Good practice

Attributes of good practice include:

- Discussion of drivers shaping the future growth of markets in which a company operates;
- Specific reference to macro-economic, competitive or regulatory trends and factors shaping the business and identification of product pipeline and expected market size; and
- Discussion of future trends and factors are supported by quantifiable evidence.

Alliance Boots – 31 March 2010

The key trends and market developments we expect to see over the coming years are as follows:

New and innovative prescription medicines will continue to be developed.
These include medicines which may require special handling (for example, temperature control) or administration to patients (for example, injections by nurses).

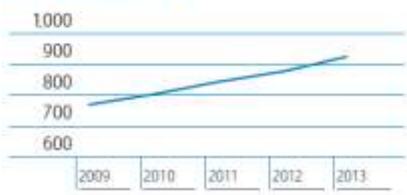
Continuing price cuts on established branded prescription medicines.
Governments benchmark prices in similar countries and look at the cost effectiveness of alternative branded medicines, cutting reimbursement prices when they identify price differentials or lower cost alternatives. Accordingly, we expect continuing price cuts on established branded prescription medicines over time.

More healthcare services to be provided in the community.
Governments are seeking to provide more healthcare services in the community in a cost effective way. Pharmacy is well placed to provide many services, such as medicine checkups, weight management programmes, smoking cessation advice and flu vaccinations. In addition, we also expect the market for homecare services to grow rapidly.

Deregulation of pharmacy ownership to happen over time in more European countries.
In the long term, we believe that cost pressures on governments are likely to lead to deregulation of pharmacy ownership in more European countries, to allow multiple ownership alongside wholesale. The timing of this remains highly uncertain and appears to be further in the future in many countries than was our historic view.

World pharmaceutical market forecasts*

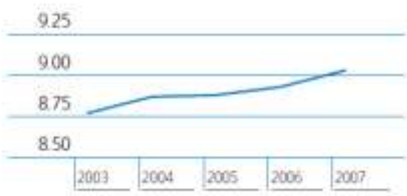
Value (US$ billions)



Source: IMS Market Prognosis 2008-2013 – Global
* Constant exchange rates based on average rates for quarter 4 2008 as recorded by IMS Health

Healthcare expenditure as a percentage of GDP

%



Source: OECD Health

Merlin Entertainment Group – 26 December 2009

FUTURE DEVELOPMENTS

Our commitment to delivering memorable and rewarding experiences to our visitors drives our continued investment in compelling propositions, which in turn delivers growth to our business and value to our shareholders.

We have already announced the acquisition in early 2010 of Cypress Gardens Theme Park and Botanical Gardens in Florida and work is now underway to convert it to a flagship LEGOLAND Park in the world's largest tourist market. As far as our Midway rollout programme is concerned, we have already opened two new sites in 2010 in two separate continents, with our fourth LEGOLAND Discovery Centre situated in Manchester, UK, and our first stand-alone SLC in North America in Phoenix, Arizona. Both have been delivered on budget, ahead of time and are performing ahead of expectations.

Within our existing estate, the 2010 season has already seen a number of significant new product launches, most notably with 'TH13TEEN', the new ultimate rollercoaster at Alton Towers; the world's first exciting LEGO themed Waterpark at LEGOLAND California; the Temple dark ride at LEGOLAND Billund; a new 'Wild Asia' area at Chessington World of Adventures, along with the Wanyama Village and Animal Reserve; an indoor Penguin Antarctic Adventure at SLC Konstanz; and the new '4D Marvel Super Heroes' experience at Madame Tussauds, London. Across the Merlin Group all our sites will once again be offering our customers new and compelling reasons to visit, many developed by our world leading in-house creative resource, the Merlin Studios.

Looking ahead to 2011, our Midway rollout programme is already well advanced, with sites secured and build works already ongoing in some locations, including Madame Tussauds attractions in Bangkok (which may open sooner than 2011) and in Vienna. A new SLC and LEGOLAND Discovery Centre will open in Grapevine, Dallas, not only marking further development for these brands but also our first simultaneous cluster development. In addition, Blackpool Council in the UK announced recently that Merlin has been selected to manage the redevelopment and operations of the iconic Blackpool Tower complex and Louis Tussauds waxworks, once the 2010 season is completed. This will ultimately see us introduce a Dungeon and Eye Observation experience in the Tower, and a relaunch of Louis Tussauds as a new concept Madame Tussauds. Together with our existing SLC in Blackpool, this will form an attractive new cluster location. Finally, the new LEGOLAND park project previously announced in Malaysia is progressing well through the design and build phase and is on track to open in 2012 as planned.

John Laing – 31 December 2009

MARKET DEVELOPMENTS AND FUTURE OUTLOOK

FINANCIAL MARKETS The 2008 crisis in global financial markets eased somewhat during 2009. Bank debt has become more accessible, and the cost of debt financing has reduced but is still very high by recent historical standards. Governments in the major economies have stabilised the banking sector, but the need to reduce public sector debt in the coming years is likely to mean that capital investment programmes will be reduced. This will probably have an impact on PPP deal flow in developed markets, including the UK. Nevertheless, John Laing's international spread and diversification should allow the Group to sustain large and growing levels of investment. As in 2009, these economic uncertainties mean that John Laing will continue to take particular care to pursue opportunities which are deliverable and offer appropriate returns given the general increases in the costs of all forms of capital in this market.

The dynamics of individual markets continue to vary significantly. Outside the UK, the Group has existing projects in Finland, Norway, Poland, Hungary, the Netherlands, Germany and Canada. The Group is actively bidding (or preparing to bid) in these and other markets in Europe, Asia (India and Singapore) and is in the early stages of re-entering the Australian market.

In 2009, the Group closed its small office in New York in response to the continuing uncertainties of deal flow in that market. In Canada, major programmes for healthcare schemes and transportation projects continued during the year, although funding structures had to adapt to pressures in debt markets. These pressures eased to a significant extent later in the year, and capital market financing is once again available, albeit at significantly higher pricing.

11. Environmental matters

Requirement

The business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include information about environmental matters (including the impact of the company's business on the environment), including information about any policies of the company in relation to those matters and the effectiveness of those policies.

Basic compliance

Basic compliance includes a discussion of the environmental matters affecting the business, the policies in place to address them, and the impact of these policies.

The type of disclosure required is, naturally, dependent on the nature of the business. For example it would be expected that water companies would focus on discussions about the level of water wastage and food manufactures would focus on reducing packaging, the levels of salt and hydrogenated fats in food.

Good practice

Good practice would include

- Discussion of the specific actions taken to address the environmental matters identified, supported by quantifiable evidence and specific targets where applicable.
- Clear explanation, and alignment, of the specific environmental matters and strategy; and
- Extracts from a company's Corporate and Social Responsibility Report often provide the most relevant disclosure. This can be cross-referenced to save duplication.

Biffa – 2 April 2010

Climate Change/ Greenhouse gas emissions

	Unit	05/06	06/07	07/08	08/09	09/10
Methane emissions	tCO2e	1,532,160	1,099,119	1,681,743	1,459,857	1,373,106
Diesel fuel used	tCO2e	92,583	86,960	95,036	75,732	87,586
Red diesel used	tCO2e	23,438	21,364	21,177	17,196	17,479
Biodiesel used	tCO2e	7,296	9,946	**	**	**
Other fuel used	tCO2e	1,470	954	1,227	1,325	310
Travel	tCO2e	85	68	102	91	39
Natural gas	tCO2e	1,239	1,944	1,277	1,492	1,410
Purchased electricity	tCO2e	8,150	10,399	10,375	9,890	9,139
Total emissions	**tCO2e**	**1,666,421**	**1,230,754**	**1,810,937**	**1,565,583**	**1,489,068**
Renewable energy exports	tCO2e	230,672	218,886	283,338	286,435	252,304
Net total emissions	**tCO2e**	**1,435,749**	**1,011,868**	**1,527,599**	**1,279,148**	**1,236,764**

** Included in "Diesel fuel used" for these years.

Sensitivity to climate change is a major priority in our environmental management programme in relation to the mitigation of our negative impacts, enhancement of our positive effects, and adapting the business to the climate change already occurring. As a future participant in the Carbon Reduction Commitment Energy Efficiency Scheme (CRC), we are mandated to reduce our energy consumption and we are committed to reducing energy usage in absolute and relative terms.

The majority of our emissions of carbon dioxide and methane, two key greenhouse gases, arise from landfilled wastes and the consumption of fossil fuel by our transport. During 2009/10, we released approximately 1.49 million tonnes of greenhouse gases (CO_{2e})[1] directly into the environment (2008/09: 1.57 million tonnes).

Equiniti –31 March 2009

Environment

Equiniti recognises the importance of protecting the environment and the impact of commerce on environmental issues. It is an area which requires a sustainable and action led strategy to ensure we protect the environment for future generations.

Equiniti continually assess its premises needs and these have been optimised by upgrading to more efficient plant where required and are continually reviewing run-times as part of our drive to reduce energy consumption. Space planning has enabled it to maximise the use of offices across the portfolio and has led to significantly reduced square footage at its Worthing operations. Initiatives are underway for the forthcoming Carbon Reduction Initiative.

Equiniti uses new, modern printers which duplex print and use environmentally friendly paper and toner. This has halved the quantity of paper used and further reduced our environmental impact as we recycle all toner cartridges. We also run recycling programmes through a policy of removing waste bins at each desk and thereby ensuring our people sort and recycle right across the business. Through the use of modern video conferencing technology, we have reduced the number of business miles travelled and thereby reduced our carbon footprint.

Equiniti also works closely with client companies to drive communications online further reducing our environmental impact and where appropriate ensuring recycled stationery is used at every opportunity.

Anglian Water Group – 31 March 2010

Climate change

Climate change is one of the biggest threats to our business. Anglian Water is taking action to meet the challenges to its assets and our region's environment from damage by flood in our low-lying region.

As the driest region in the UK, classed as 'water-stressed' by the Environment Agency, we must manage supply and demand carefully to meet one of our customers' most important priorities – the availability of an unrestricted supply of water.

Anglian Water also anticipates more frequent, extreme storms and wetter winters. These can, and have, caused localised flooding that threatens our wastewater network, floods customers' homes and has the potential to disable treatment works.

In the last five years Anglian Water has invested an additional £40 million beyond Ofwat's 2005/2010 regulatory determination in schemes to improve the resilience of supply to customers across our region.

Energy Management

Anglian Water is one of the largest users of electricity in the east of England, due to the power required to treat water and wastewater and pump it around such a geographically flat region. Energy represents around 17 per cent of total operating costs.

The government carbon trading scheme, the Carbon Reduction Commitment Energy Efficiency Scheme (CRC), commenced on 1 April 2010. The business understands the risks and opportunities arising from it and has effective processes in place to manage our involvement.

12. Employees

Requirement

The business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include information about the company's employees including information about any policies of the company in relation to those matters and the effectiveness of those policies.

Basic compliance

The Companies Act requires, for all companies with greater than 250 employees, the disclosure of information on the company's policy in respect of the employment of disabled persons, of the health, safety and welfare at work of employees and of the involvement of employees in the management of the company. As a minimum, adequate compliance with the Companies Act will ensure basic level compliance with the Walker Guidelines.

To the extent that employees are considered a critical resource of the business disclosures should include a discussion of the management and development of employees, including recruitment, training and development practices.

Good practice

Attributes of good practice companies include:

- Alignment of strategy and employee policies and actions;
- Detailed discussion of employee policies including benefits, share schemes and performance bonuses and explanations of how these link to performance and development;
- Quantifiable evidence of performance; and
- Disclosure of targets, qualitative or quantitative, and discussion of performance against targets.

Viridian Group – 31 March 2010

During the year there were five reportable incidents compared to eight in the previous year. There were no lost time incidents compared to four in the previous year. Formal processes for incident investigation and analysis are in place.

KPI	**2010 Number**	2009 Number
LTIR (per 100 employees)	**0**	0.25

Both Powerteam Electrical Services and Huntstown 1 and 2 continue to be accredited to OHSAS 18001:2007 for their occupational health and safety management systems.

Employment

The Group is committed to a working environment: in which personal and employment rights are upheld; which ensures equality of opportunity for all employees and job applicants; and which enables employees to realise their maximum potential and to be appropriately challenged and fully engaged in the business, with opportunities for skills enhancement and personal development. NIE, NIE Powerteam and PPB are Investors in People (IIP) accredited.

Sickness absence

The Group believes that the pro-active management of illness and absenteeism is to the mutual benefit of the Group and its employees. An employee health and well-being policy is in place with specific policies on stress management, mental health, alcohol and drug-related problems, smoking and first aid. External occupational health and counselling services are available for employees. Sickness absence for the Group was 2.69% in 2009/10 compared to 2.61% the previous year, below the UK national average of 3.3%.

John Laing – 31 December 2009

Workplace

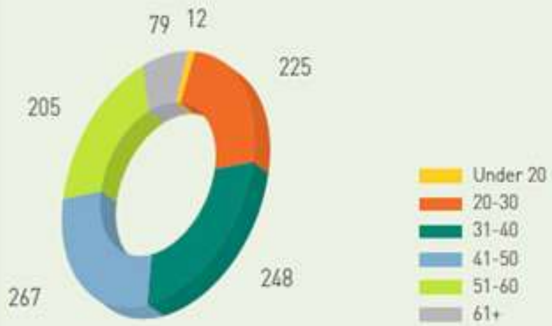
HUMAN CAPITAL John Laing is strongly committed to investing in its employees, both in maximising their business potential through learning and development and in investing in their welfare to provide a healthy work-life balance.

EMPLOYMENT As at 31 December 2009, 1,039 staff were employed by the Group. 68.1% were employed on permanent contracts, with the rest on fixed-term contracts. 68.3% were employed on a full time basis with the remainder part-time.

The Breakdown of the 1,039 employees as at 31 December 2009 is shown below

a) Gender: 506 (48.8%) were male and 530 (51.2%) were female
b) Age

NUMBER OF EMPLOYEES



STAFF TURNOVER During 2009 the Group's staff turnover was 21% with 16.4% being as a result of natural wastage.

RECRUITMENT The Group's resourcing strategy remains focused on ensuring that the right people are selected by way of efficient, effective and professional processes. We have enhanced our capacity to do this through the introduction of a John Laing Core Competency Framework, against which all candidates are assessed at interview. In addition, where applicable, candidates complete an online competency-based personality survey, providing an extra tool in the selection process. The successful recruit has the opportunity to later view this as a development report, whilst the competencies form part of the ongoing appraisal process.

STAFF BENEFITS It is the policy of John Laing to attract, retain and reward high-quality staff by ensuring our pay and terms of employment strategy are reviewed regularly with the following objectives in mind:

- Packages are attractive to potential employees
- We remain competitive within the labour market
- Synergy between skills development and reward

STAFF SURVEY John Laing is committed to seeking and responding to feedback from our employees. We conducted an anonymous, online staff survey in 2009 which provided feedback from our employees on their working environment. This focussed on the following areas:

- Leadership
- Management
- Communication
- Career development
- Work environment
- Welfare

13. Social and community issues

Requirement

The business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include information about social and community issues, including information about any policies of the company in relation to those matters and the effectiveness of those policies.

Basic compliance

Basic compliance includes a section of the annual report highlighting, at a high level, social and community issues affecting the business and the company's policies to address them. The Companies Act disclosure requirement on political and charitable donations is not sufficient to address this criterion.

Good practice

In our view, attributes of good practice include:

- Alignment of social and community issues to strategy;
- Explanation of the actions taken to address the specific social and community issues for example, local recruitment, investment in education and impact on recruitment;
- The discussion is supported by quantifiable evidence.

Extracts from a company's Corporate and Social Responsibility Report often provided the most relevant disclosure and can be cross-referenced to save duplication.

Disclosures around social and community issues were typically a poor area of overall reporting by portfolio companies. This has also been the case for FTSE companies on initial adoption of the business review and is an area where significant improvement will be necessary going forward to demonstrate compliance.

Alliance Boots – 31 March 2010

Target: To raise over £1 million for charity partners across our businesses
During the year we worked on a range of charitable initiatives in many countries. In the UK partners included BBC Children In Need, Breast Cancer Care and the Eve Appeal. In Italy we supported the National Association for the Fight against Neuroblastoma, a charity dedicated to combating paediatric cancers. In 2009/10 we donated £1.3 million to our charity partners. The overall value of our charitable giving programme, including employee time and products gifted, will be reported in our Corporate Social Responsibility Report when it is published in September 2010.

Target: To support public agencies and our healthcare suppliers along the supply chain in ensuring quality and in associated areas of education and public information
We continue to support the public agenda by producing literature and running campaigns to increase public awareness of a number of health issues, including swine flu and smoking cessation. In addition, the Boots Learning Store website, www.bootslearningstore.com, provides education support for children, teachers and parents, using the Sneezy Sneezalot cartoon character to give healthcare advice in a highly entertaining way.

John Laing – 31 December 2009

STRATEGIC THIRD SECTOR PARTNERS Our strategic partners are those charities with which we have formed a close alliance.

Victim Support

In Lewisham, John Laing has provided funding for a dedicated Young Victims Advocate Worker. This post was key to setting up the Youth Violence Multi Agency Risk Assessment Conferences ('MARAC'), which achieved its objective of supporting young victims of crime through the creation of an effective information sharing forum between key agencies such as Local Authorities, the Police, Primary Care Trusts and probation services. This has already resulted in improved support being made available for victims who are most at risk of repeat victimisation or of turning to offending as a means of personal protection.

Claudine Piggott, Victim Support's Corporate Relationship Manager said:

"Our strategic partnership with John Laing has delivered huge benefits for Victim Support. In the first instance it was due to John Laing's funding that we were able to launch an innovative project in Lewisham to support children and young victims of crime. During 2009 John Laing's active involvement has led to longer-term project sustainability."

Fields in Trust

Cheetwood Millennium Centre is an urban village hall located in one of the most deprived areas of Manchester. The centre, one of nine developed by Fields in Trust across the UK with the support and assistance of John Laing, was the only one that failed to thrive. As a long-term supporter of Fields in Trust, John Laing has worked with our local contacts in Manchester to find solutions and provide the project with financial assistance and staff expertise. The project has now evolved and forms an integral part of the local community.

Alison Moore-Gwyn CEO Fields in Trust said:

"We are increasingly appreciative of what John Laing is able to achieve through the effective management of social infrastructure. Our Cheetwood Millennium project was just such an example: unfazed by our local problems, they were uniquely able to draw private, public and charitable sectors together, enabling us to take the project in a very deprived area in Manchester from strength to strength."

British Trust for Conservation Volunteers ('BTCV')

During 2009, John Laing agreed to fund six BTCV Green Gym conversions across the UK. These conversions operate by upgrading existing conservation and environmental community groups to formal 'Green Gyms', which link to the local Primary Care Trusts. Green Gym's aim is to encourage individuals with physical or mental health issues to undertake manual work outdoors in a coordinated and supervised manner to improve their overall wellbeing and morale whilst contributing towards environmental enhancement.

John Laing Director, Richard Groome (third from left) opens the Cheetwood Community Sports Centre with the Mayor of Manchester

14. Essential contractual or other arrangements

Requirement

The business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include, subject to subsection (11) (disclosure seriously prejudicial in opinion of the directors), information about persons with whom the company has contractual or other arrangements which are essential to the business of the company.

Basic compliance

The Companies Act requires the disclosure of the supplier payment policy and creditor days. This is not sufficient to meet the requirements of the enhanced business review or, consequently, the Guidelines. The requirement is about reporting significant relationships, such as those with major suppliers or key customers critical to the business, which are likely to influence, directly or indirectly, the performance of the business and its value.

It is not always possible to identify whether companies have significant relationships without an explicit statement to that effect. The lack of any such statement does not necessarily mean a lack of compliance, as it is possible to make some inferences from the nature of the business. However we would encourage an explicit statement as to the existence, or otherwise, of essential contractual or other arrangements to aid the assessment of compliance with the requirement,

Good practice

In our view, attributes of good practice include:

- Clear signposting of essential contractual or other arrangements
- Identification of the names of the parties with whom these contracts or other arrangements exist
- Quantification of the potential exposure/dependency of these contractual or other arrangements eg x% of revenue from x number of customers

Explicit disclosures around essential contracts is typically a poor area of overall reporting by portfolio companies. This is also the case for FTSE companies on initial adoption of the business review and is an area where significant improvement will be necessary going forward to demonstrate compliance.

Brakes Group – 31 December 2009

Suppliers and products

Suppliers

Brakes' supplier base has been built up and developed over many years. The Group has partnered with the best suppliers in the industry – suppliers who can produce the right products for the specific needs of foodservice. An extensive supplier scorecard is used to evaluate all suppliers and rank the best within each field. The supply base is well balanced across all temperatures and product categories.

The Group's close relationship with its suppliers is crucial to ensure their cooperation in developing new products as well as managing day-to-day availability.

Product purchasing managers source globally the best products with the right quality at the best price. Procurement processes cover product sourcing, supply management, technical audit and distribution integrity to ensure customers full peace of mind.

Procurement

Brakes source 75% of its products from within the UK, whether from external suppliers or our own internal factories. All products are technically approved to a BRC (British Retail Consortium) or similar standard.

New Look – 27 March 2010

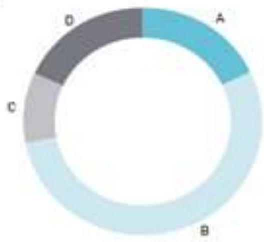
OUR SUPPLIERS

Strong partnerships are critical to our business model and continued growth, which is why we work with suppliers who are exceptionally responsive and reliable. This allows us to take delivery of some on-trend items in the UK within two or three weeks of placing an order.

Our sourcing strategy is focused on four main sourcing regions: the UK/Europe, China, South East Asia and the Indian sub-continent.

Products sourced by intake value by region in FY10

A UK/Europe	18%
B China	54%
C South East Asia	10%
D Indian sub-continent	18%



New Look has long recognised the importance of having a well-established supplier base to speed product development, manufacture and delivery of fashion items, while avoiding the risk of owning factories. We work closely to ensure we develop long-term relationships that are mutually beneficial.

One of our core values is to treat people with respect which we build into the way we work with others. We work to ensure that, so far as is practicable, suppliers adopt and apply the principles set out in our Code of Conduct and that equally, all colleagues of those organisations are respected and treated fairly and with dignity in all aspects of employment.

Establishing relationships
After 40 years of trading, we have a well-established supplier base, with some 20 year old relationships, including strategic partnerships with suppliers based in China, Taiwan, Bangladesh, Turkey and Moldova. On average, we have been working with these strategic partners for over 10 years.

As at 27 March 2010, we had 331 suppliers using 1,016 factories across 32 countries.

New Look's suppliers can be broadly categorised into three groups. First, there are a number of suppliers who are fully dedicated to manufacturing New Look's products and who are mainly responsible for manufacturing our in-house designs. These suppliers provide a fast and competitive source of product and are located in China, Turkey and Bangladesh. The second category comprises those suppliers where New Look works directly with the factory in the country of origin, sometimes supported by local agents, such as in Eastern Europe. The third category comprises those suppliers where New Look works with the supplier's design team to develop products to complement its own in-house designs. A key feature of this third category is that the supplier sources all fabrics and trims.

Appendix

Guidelines for enhanced disclosure by portfolio companies and private equity firms

The requirements of the Guidelines as applying to the form and content of disclosure by portfolio companies within their annual report and accounts are set out below:

1 Definition of a portfolio company to be covered by enhanced reporting guidelines (as amended by the GMG March 2010 update report)

A portfolio company is a UK company:

- Acquired by one or more private equity firms in a public to private transaction where the market capitalisation together with the premium for acquisition of control was in excess of £210 million and more than 50% of revenues were generated in the UK **or** UK employees totalled in excess of 1,000 full-time equivalents
- Acquired by one or more private equity firms in a secondary or other non-market transaction where enterprise value at the time of the transaction is in excess of £350 million and more than 50% of revenues were generated in the UK **or** UK employees totalled in excess of 1,000 full-time equivalents.

A private equity firm is a firm authorised by the FSA that is managing or advising funds that either own or control one or more UK companies or have a designated capability to engage in such investment activity in the future where the company or companies are covered by the enhanced reporting guidelines for portfolio companies.

A portfolio company of a private equity firm or firms becomes a Walker company, subject to meeting the other criteria as laid out in the guidelines, when any one of the following criteria is met:

- It is evident the private equity firm holds a majority stake (>50% of the ordinary shares) in the underlying business;
- If a private equity firm, in its own financial statements, discloses that it maintains control of the portfolio company;
- A private equity firm has the ability to direct the financial and operating policies of a portfolio company with a view to gaining economic benefits from its activities. Consideration shall include, but not be limited to: management control; board seats; directors indicative of significant influence.

Where more than one private equity firm invests in a portfolio company, those firms will be jointly responsible for ensuring that the portfolio company applies the guidelines.

2 Content of enhanced disclosure by a portfolio company

A portfolio company should include as part of its audited annual report and accounts the following enhanced disclosures, none of which call for disclosures beyond those specified for quoted companies in the Companies Act 2006 or other disclosure requirements applicable to quoted companies. Such reporting should throughout focus on substance rather than form and on the economic reality of a company or group rather than its legal structure.

The report should identify the private equity fund or funds that own the company and the senior executives or advisers of the private equity firm in the UK who have oversight of the company on behalf of the fund or funds.

The report should give detail on the composition of the board, identifying separately executives of the company, directors who are executives or representatives of the private equity firm and directors brought in from the outside to add relevant industry or other experience.

The report should include a business review that substantially conforms to the provisions of Section 417 of the Companies Act 2006 including sub-section 5 (which is ordinarily applicable only to quoted companies). Sub-section 5 provides:

"(5) In the case of a quoted company the business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include-

- The main trends and factors likely to affect the future development, performance and position of the company's business; and
- Information about –
  - Environmental matters (including the impact of the company's business on the environment),
  - The company's employees, and
  - Social and community issues, including information about any policies of the company in relation to those matters and the effectiveness of those policies; and
- Subject to subsection (11) (disclosure seriously prejudicial in opinion of the directors), information about persons with whom the company has contractual or other agreements which are essential to the business of the company.
- If the review does not contain information of each kind mentioned in paragraphs (b)(i), (ii) and (iii) and (c), it must state which of these kinds of information it does not contain."
- The financial review should cover risk management objectives and policies in the light of principal financial risks and uncertainties facing the company, including those relating to leverage, with links to appropriate detail in the footnotes to the balance sheet and cash flow section of the financial statements.
- To the extent that the guidelines at (b) and (c) above are met by existing market disclosures in respect of debt or equity issuance on public markets, this should be explained with the relevant material made accessible on the company's website; and where compliance with these guidelines, in particular in respect of any forward-looking statement, might involve conflict with other regulatory obligations, the reason for non-compliance should similarly be explained on the company website.

3. Form and timing of public reporting by a portfolio company

The audited report and accounts should be readily accessible on the company website;

The report and accounts should be made available no more than 6 months after the company year end;

A summary mid-year update giving a brief account of major developments in the company (but not requiring updated financial statements) to be placed on the website no more than 3 months after mid-year.

4. Conformity with each of the guidelines should be on a comply or explain basis.

Where an explanation is given for "non-compliance", this should be posted alongside other related relevant disclosures called for under these guidelines on the website of the private equity firm or portfolio company.

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