

# Cinven

## Cinven Limited

Directors' Report and Financial Statements  
for the year ended 31 December 2004



Registered number 2192937

CONTENTS

	Page
Officers and Professional Advisers	2
Directors' Report	3
Statement of Directors' Responsibilities	5
Independent Auditors' Report	6
Profit and Loss Account	7
Balance Sheet	8
Reconciliation of Movements in Shareholders' Funds	9
Notes to the Accounts	10

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

R A Hall            [Chairman]  
I A Carslaw  
Y V Chotai  
J G G Clarke  
G B Davison  
H P Gangsted  
A N Joy  
H M Langmuir  
B A Linden  
R J Munton  
S N Rowlands

**SECRETARY**

K J Whale

**REGISTERED OFFICE**

Warwick Court  
Paternoster Square  
London EC2M 7AG

**BANKERS**

Bank of Scotland  
The Mound  
Edinburgh EH1 1YZ

**SOLICITORS**

Ashurst Morris Crisp  
Broadwalk House  
5 Appold Street  
London EC2A 2HA

**AUDITORS**

Deloitte & Touche LLP  
London

## DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2004.

### Activities

The principal activity of the Company is the management of investment funds. The Company is regulated by the Financial Services Authority (FSA).

### Results and Dividend

The profit for the year after tax amounted to £2,912,000 (2003: loss £519,000). During the year the Directors declared and paid an interim dividend of £2,537,000 (2003: £610,000). No final dividend was recommended for the year (2003: £60,000).

### Future Prospects

The Directors anticipate that the Company will operate profitably in the coming year and continue as a going concern.

### Directors and their Interests

The membership of the Board during the year is set out below together with their interests in Cinven Group Limited.

	'A' Ordinary Shares of 10 pence		'A' Preference Shares of £1		'B' Preference Shares of £1	
	1 January 2004	31 December 2004	1 January 2004	31 December 2004	1 January 2004	31 December 2004
Mr R A Hall (Chairman)	58,179	63,493	4	4	51,669	51,669
Mr I A Carslaw	14,545	15,872	-	-	12,917	12,917
Mr Y V Chotai	29,091	31,744	-	-	25,833	25,833
Mr J G G Clarke	29,091	31,744	2	2	25,833	25,833
Mr G B Davison	29,091	31,744	2	2	25,833	25,833
Mr A N Joy	29,091	31,744	2	2	25,833	25,833
Mr H M Langmuir	29,091	31,744	2	2	25,833	25,833
Mr B A Linden	29,091	31,744	2	2	25,833	25,833
Mr R J Munton	29,091	31,744	2	2	25,833	25,833
Mr S N Rowlands	29,091	31,744	2	2	25,833	25,833
Mr H P Gangsted	3,258	5,911	-	-	-	-

Mr N B Wheeler      Deceased, 17 November 2004

## Cinven Limited

---

### DIRECTORS' REPORT

#### Directors and their Interests (continued)

In addition to these shareholdings, Mr H P Gangsted also held 25,833 'B' Ordinary Shares of 10 pence at 1 January 2004 and at 31 December 2004.

The Directors have no interests in the shares of any other group company. Messrs. Hall and Carslaw served as Directors of Cinven Group Limited, the parent company of Cinven Limited, throughout the year.

During the year Messrs. Hall and Carslaw were also Directors of Cinven Services Limited who provided administrative services to the Company as stated in Note 7 to the Accounts.

#### Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors.

Approved by the Board of Directors  
and signed on behalf of the Board



Secretary [K J Whale]

28 April 2005

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CINVEN LIMITED**

We have audited the financial statements of Cinven Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, the reconciliation of movement in shareholders' funds and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and auditors**

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

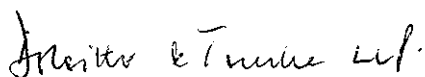
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state the Company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

28 April 2005

# Cinven Limited

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2004

		2004	2003
	Note	£000	£000
Turnover	4	25,747	20,974
Administrative expenses		(24,985)	(23,937)
Operating profit / (loss)	5	762	(2,963)
Investment income	8	2,925	2,962
Profit / (loss) on ordinary activities before taxation		3,687	(1)
Tax on profit / (loss) on ordinary activities	11	(775)	(518)
Profit / (loss) on ordinary activities after taxation		2,912	(519)
Equity dividends paid and payable	12	(2,537)	(670)
Retained profit / (loss) for the year		375	(1,189)
Retained profit brought forward		3,785	4,974
Retained profit carried forward		4,160	3,785

All income and expenses for the years ended 31 December 2003 and 2004 derived from continuing operations.

The Company has no recognised gains or losses for either year other than those included in the results above, therefore, no separate statement of total recognised gains and losses has been prepared.



# Cinven Limited

## BALANCE SHEET

31 December 2004

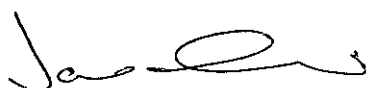
	Note	2004 £000	2003 £000
<b>Fixed assets</b>			
Tangible assets	13	4,753	328
Investments	14	9	9
		<u>4,762</u>	<u>337</u>
<b>Current assets</b>			
Debtors	15	14,238	8,923
Cash at bank and in hand		<u>30,077</u>	<u>12,291</u>
		44,315	21,214
<b>Creditors : amounts falling due within one year</b>	16	<u>(38,962)</u>	<u>(16,061)</u>
<b>NET CURRENT ASSETS</b>		5,353	5,153
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,115</u>	<u>5,490</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	5,955	1,705
Profit and loss account		<u>4,160</u>	<u>3,785</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>10,115</u>	<u>5,490</u>

These financial statements were approved by the Board of Directors on 28 April 2005.

Signed on behalf of the Board of Directors



Director ( R A Hall)



Director (I A Carslaw)

## Cinven Limited

---

### RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Year ended 31 December 2004

	2004	2003
	£000	£000
Profit / (loss) for the year	2,912	(519)
Dividends paid and payable	(2,537)	(670)
Net increase / (decrease) in shareholders' funds	375	(1,189)
Opening shareholders' funds	5,490	6,679
Increase in share capital	4,250	-
Closing shareholders' funds	10,115	5,490

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 2004**

**1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the Directors are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Interest receivable**

Interest receivable is accounted for on an accrued basis.

**Tangible fixed assets**

Tangible fixed assets are stated in the balance sheet at cost less provision for depreciation. Depreciation is provided on a straight line basis, and is calculated to write off the cost of the assets over their expected useful economic lives. The rates of depreciation applied are:

Plant and machinery, fixtures and fittings - 10% per annum  
IT Equipment - 33% per annum

**Investments**

Investments are stated at cost less provisions for any impairment in value.

**Pensions**

The Company operates a money purchase scheme and charges the cost of contributions in respect of employees' service within the year to which they relate.

**Deferred tax policy**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2. Cash flow statement**

No cash flow statement has been prepared as the Company is a wholly owned subsidiary of a parent undertaking whose consolidated financial statements include a consolidated cash flow statement dealing with the cash flow of the group.

NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

3. Consolidated accounts

Consolidated accounts for Cinven Limited and its subsidiaries have not been prepared as Cinven Limited is a wholly owned subsidiary of Cinven Group Limited (incorporated in Great Britain). This is in accordance with The Companies Act 1985, section 228(2). These financial statements, therefore, present information about Cinven Limited as an individual undertaking and not about its group.

4. Analysis of turnover, operating profit and net assets

Turnover consists of fees receivable. All turnover, operating profits and net assets were attributable to the principal activity of the business as shown in the Directors' Report and arise in Europe.

5. Operating profit / (loss)

	2004	2003
	£000	£000
The operating profit / (loss) is stated after charging:		
Depreciation on tangible fixed assets	379	430
Operating lease rentals – other assets	727	690
Auditors' remuneration		
- audit	29	28
- other services	55	37

6. Operating lease

At 31 December 2004 the company had annual commitments under a non-cancellable lease as set out below. These relate entirely to land and buildings.

	2004	2003
	£000	£000
Operating leases which expire:		
In the second to fifth years inclusive	864	864

In addition to the above, the Company has entered into a lease, the total commitments of which are £ 2,888,000. No payments will be made during the next 12 months.

NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

7. Related party transaction

The Company has entered into an agreement with Cinven Services Limited for the provision of office, management and professional services, the value of which supplied to the Company during the year amounted to £10,699,000 (2003: £8,118,000). Messrs. Hall and Carslaw, Directors of Cinven Limited, are also Directors of Cinven Services Limited. The Company has no shareholding in Cinven Services Limited. At 31 December 2004, the Company owed Cinven Services Limited £2,366,000 (2003: £202,000).

At 31 December 2004, the Company also owed Cinven Services (LP No2) Limited, a subsidiary of Cinven Services Limited, £50,000, being the variable proportion of income allocated to Cinven Services (LP No2) Limited under the Limited Partnership agreements (2003: £nil).

At the year end Cinven Limited had a loan of €1,600,000 (2003: €1,600,000) to Société Civile Immobilière (SCI), being a French Civil Company whose purpose is to hold property. SCI is controlled by Cinven Limited.

As Cinven Limited is a wholly owned subsidiary of Cinven Group Limited, advantage has been taken of the exemption allowed in FRS 8 paragraph 3(c) not to disclose transactions with entities within the same group, as Cinven Group Limited prepares and publishes consolidated financial statements.

There were no other related party transactions requiring disclosure.

8. Investment income

	2004	2003
	£000	£000
Dividends receivable from other fixed asset investments	2,625	2,805
Other interest receivable and similar income	300	157
	<u>2,925</u>	<u>2,962</u>

9. Information regarding directors

	2004	2003
	£000	£000
<b>Directors' emoluments</b>		
Emoluments (excluding pension contributions)	<u>2,137</u>	<u>2,290</u>
Pension contributions	<u>991</u>	<u>221</u>
<b>Highest paid Director's remuneration</b>		
Emoluments (excluding pension contributions)	<u>297</u>	<u>357</u>
Pension contributions	<u>193</u>	<u>45</u>

NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

9. Information regarding directors (continued)

All Directors, excluding H P Gangsted, are members of the pension scheme, which is a money purchase scheme.

10. Employee information

The average number of persons (including Directors) employed by Cinven Limited during the year was 59 (2003: 56). 28 employees, including Directors, were employed in an investment management role (2003: 26), 10 employees were employed in an accounting role (2003: 10), and 21 employees were employed in an administrative role (2003: 20). Staff costs incurred during the year in respect of these employees were:

	2004	2003
	£000	£000
Wages and salaries	6,252	6,127
Social security costs	758	709
Other pension costs	1,367	563
	<u>8,377</u>	<u>7,399</u>

11. Tax on profit / (loss) on ordinary activities

Analysis of tax charge on ordinary activities	2004	2003
	£000	£000
United Kingdom corporation tax at an average rate of 30% (2003: 30%) based on the profit for the year	1,007	683
Over provision for previous year	<u>(287)</u>	<u>(162)</u>
	720	521
Deferred tax		
Timing differences, origination and reversal	-	6
Adjustments to the estimated recoverable amounts of deferred tax arising in previous periods	<u>55</u>	<u>(9)</u>
	<u>775</u>	<u>518</u>

## NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

## 11. Tax on profit / (loss) on ordinary activities (continued)

Factors affecting tax charge for the current year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%) (Previous year: 30%).  
The differences are explained below:

	2004	2003
	£000	£000
Profit / (loss) on ordinary activities before tax	3,687	(1)
Tax at 30% thereon (2003: 30%)	1,106	-
Effects of:		
Expenses not deductible for tax purposes	153	362
Capital allowances in excess of depreciation	(153)	(6)
UK dividend income	(788)	(842)
Group relief surrendered	-	604
Group partnership income liabilities	689	565
Adjustments to tax charge in respect of previous year	(287)	(162)
Current tax charge for the year	720	521

## 12. Dividends

	2004	2003
	£000	£000
Equity dividends paid	2,537	610
Equity dividends proposed	-	60
	2,537	670

## NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

## 13. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	IT Equipment £000	Totals £000
<b>Cost</b>				
1 January 2004	1,070	2,834	-	3,904
Additions	191	4,464	149	4,804
Disposals	(1,078)	(2,834)	-	(3,912)
31 December 2004	183	4,464	149	4,796
<b>Accumulated depreciation</b>				
1 January 2004	974	2,602	-	3,576
Charge for the year	106	269	4	379
Disposals	(1,078)	(2,834)	-	(3,912)
31 December 2004	2	37	4	43
Net book value at 31 December 2004	181	4,427	145	4,753
Net book value at 31 December 2003	96	232	-	328



# Cinven Limited

## NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

### 14. Investments

	Interests in subsidiary undertakings	Other investments	Totals
	£	£	£
<b>Cost and net book value</b>			
1 January 2004	6	9,207	9,213
Additions	-	225	225
Disposals	-	(917)	(917)
31 December 2004	6	8,515	8,521

Other investments relate to an interest that Cinven Limited holds in the Second Cinven Fund via an unlisted unit trust.

The following are subsidiary undertakings of the Company:

Subsidiary undertakings	Country of incorporation and operation	Activity	Portion of ordinary shares and voting rights held
Cinven Investors Nominees Limited	England	Nominee	100%
Cinven Nominees Limited	England	Nominee	100%
RoyVenture Nominees Limited	England	Nominee	100%
Cinven Capital Management Limited	England	Holding Company	100%
<u>Subsidiaries of Cinven Capital Management Limited</u>			
Cinven Capital Management (FF) Limited	Scotland	General Partner	100%
Cinven Capital Management (SF No 1) Limited	Scotland	General Partner	100%
Cinven Capital Management (SF No 2) Limited	Scotland	General Partner	100%
Cinven Capital Management (CPS) Limited	Scotland	General Partner	100%
Cinven Capital Management (BPS) Limited	Scotland	General Partner	100%
Cinven Capital Management (CN) Limited	Scotland	General Partner	100%
Cinven Capital Management (BN) Limited	Scotland	General Partner	100%
Cinven Capital Management (RP) Limited	Scotland	General Partner	100%
Cinven Capital Management (TF No 1) Limited	Scotland	General Partner	100%
Cinven Capital Management (TF No 2) Limited	Scotland	General Partner	100%
Cinven Capital Management (TF No 3) Limited	Scotland	General Partner	100%

NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

15. Debtors

	2004	2003
	£000	£000
Amounts falling due within one year		
Trade debtors	205	239
Amounts owed by group undertakings	142	1,849
Other debtors	5,187	2,300
Deferred tax	-	55
Called up share capital not paid	3,500	-
Prepayments and accrued income	5,204	4,480
	<u>14,238</u>	<u>8,923</u>

Analysis of Deferred Tax Asset

	2004	2003
	£000	£000
Depreciation in excess of capital allowances	-	55

A deferred tax asset has not been recognised in respect of timing differences relating to UK accelerated capital allowances and other timing differences as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £906,000 (2003 : £995,000).

	2004	2003
	£000	£000
Movement on deferred taxation balance in the period		
Opening balance at 1 January 2004	55	53
Credit to profit and loss account	(55)	2
Closing balance	<u>-</u>	<u>55</u>

## NOTES TO THE ACCOUNTS (Continued)

Year ended 31 December 2004

## 16. Creditors : amounts falling due within one year

	2004	2003
	£000	£000
Payments received on account	3,206	3,090
Bank overdraft	1,152	1,198
Trade creditors	2,801	651
Amounts owed to parent company	1,500	1,500
Amounts owed to group undertakings	3,742	4,239
Other creditors	20,442	260
Corporation tax	599	836
Other tax and social security	131	85
Accruals	5,389	4,142
Dividend proposed	-	60
	<u>38,962</u>	<u>16,061</u>

Amounts owed to parent company consists of a subordinated loan from Cinven Group Limited. In the event of a winding up of Cinven Limited, no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full.

## 17. Called up share capital

	2004		2003	
	Number of shares	Share capital £	Number of shares	Share capital £
<b>Authorised:</b>				
Ordinary shares of £1 each	<u>6,205,000</u>	<u>6,205,000</u>	<u>1,705,000</u>	<u>1,705,000</u>
<b>Called up, allotted and fully paid:</b>				
Ordinary shares of £1 each	<u>2,455,000</u>	<u>2,455,000</u>	<u>1,705,000</u>	<u>1,705,000</u>

**NOTES TO THE ACCOUNTS (Continued)**

**Year ended 31 December 2004**

**17. Called up share capital (continued)**

On 28 September 2004 the company authorised 1,000,000 ordinary shares, of which 500,000 were issued at par for cash consideration. On 21 December 2004 a further 250,000 ordinary shares were issued at par for cash consideration. On 24 December 2004 an additional 3,500,000 ordinary shares were authorised and issued at par, but remained unpaid at the year end.

**18. Pension schemes**

The Cinven Pension Scheme, a money purchase scheme, was set up to provide retirement benefits to the employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The total cost of contributions to the Company in the year was £1,367,000 (2003: £563,000).

**19. Ultimate parent company**

The Directors regard Cinven Group Limited, a company registered in Great Britain as its immediate and ultimate controlling party of the smallest and largest group of which the Company is part. Copies of the parent's consolidated financial statements can be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.