

Company Registration No. 2595069 (England and Wales)

**INTERNATIONAL PRIVATE EQUITY LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**



# INTERNATIONAL PRIVATE EQUITY LIMITED

## COMPANY INFORMATION

---

<b>Director</b>	D L Miller
<b>Secretary</b>	A Miller
<b>Company number</b>	2595069
<b>Registered office</b>	Squirrels Chase, Crossfield Place, Weybridge Surrey KT13 ORG
<b>Auditors</b>	UHY Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH
<b>Business address</b>	Squirrels Chase, Crossfield Place, Weybridge Surrey KT13 ORG
<b>Bankers</b>	HSBC Plc Church Street Weybridge Surrey KT13 8DF

---

# INTERNATIONAL PRIVATE EQUITY LIMITED

## CONTENTS

---

	Page
Director's report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 14

---

# INTERNATIONAL PRIVATE EQUITY LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2006

The director presents his report and financial statements for the year ended 31 December 2006.

#### Principal activities and review of the business

The company provides advice on, and arranges deals in equity and other investments. It is authorised to conduct investment business by The Financial Services Authority.

The company has a 15-year history of profitability and 2006 continued that success with income of £2,761,994 after the successful closure of several funds. Pre-tax profits were £11,585 following charitable donations of £1,983,530.

The nature of the business is inherently risky as the majority of the income is based on success fees on the funds the company places. To help mitigate this risk, the company's cost base is largely variable, with fixed costs kept to a minimum. Additionally the company maintains a strong capital base with mostly liquid assets.

The company generally has a pipeline of deals in progress giving some future visibility regarding fees. However, there's no assurance that future business will be successfully concluded.

#### Results and dividends

The results for the year are set out on page 5.

The director does not recommend payment of an ordinary dividend.

#### Director

The following director has held office since 1 January 2006:

D L Miller

#### Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £1 each	
	31 December 2006	1 January 2006
D L Miller	4,999	4,999

#### Charitable donations

	2006	2005
	£	£

During the year the company made the following payments:

Charitable donations	1,983,530	2,502,298
----------------------	-----------	-----------

#### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

# INTERNATIONAL PRIVATE EQUITY LIMITED

## DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

---

### Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

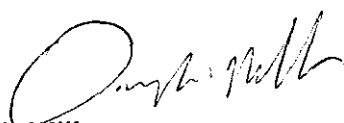
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D L Miller

Director

29 March 2007

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INTERNATIONAL PRIVATE EQUITY LIMITED**

---

We have audited the financial statements of International Private Equity Limited for the year ended 31 December 2006 set out on pages 5 to 14. 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 the director and auditors**

As described in the Statement of Director's Responsibilities on page 2 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether in our opinion the information given in the director's report is consistent with the financial statements. We also report to you if, in our opinion, 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 director's remuneration and other transactions is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 director 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.

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE SHAREHOLDERS OF INTERNATIONAL PRIVATE EQUITY LIMITED**

---

**Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the director's report is consistent with the financial statements.

UHY Hacker Young

UHY Hacker Young

Chartered Accountants  
Registered Auditor

30 March 2007

# INTERNATIONAL PRIVATE EQUITY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
<b>Turnover</b>	<b>2</b>	2,761,994	5,676,892
Cost of sales		(91,428)	(317,478)
<b>Gross profit</b>		2,670,566	5,359,414
Administrative expenses		(2,756,694)	(3,014,910)
<b>Operating (loss)/profit</b>	<b>3</b>	(86,128)	2,344,504
Other interest receivable and similar income	<b>4</b>	108,863	105,048
Interest payable and similar charges	<b>5</b>	(11,150)	-
<b>Profit on ordinary activities before taxation</b>		11,585	2,449,552
Tax on profit on ordinary activities	<b>6</b>	(14,062)	(736,485)
<b>(Loss)/profit for the year</b>	<b>14</b>	(2,477)	1,713,067

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# INTERNATIONAL PRIVATE EQUITY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	8		-		1,286
<b>Current assets</b>					
Debtors	9	391,250		2,050	
Cash at bank and in hand		607,939		1,996,779	
		999,189		1,998,829	
<b>Creditors: amounts falling due within one year</b>	10	(78,850)		(1,077,299)	
<b>Net current assets</b>			920,339		921,530
<b>Total assets less current liabilities</b>			920,339		922,816
<b>Creditors: amounts falling due after more than one year</b>	11		(15,000)		(15,000)
			905,339		907,816
<b>Capital and reserves</b>					
Called up share capital	13		5,000		5,000
Profit and loss account	14		900,339		902,816
<b>Shareholders' funds</b>			905,339		907,816

Approved by the Board and authorised for issue on 29 March 2007



D L Miller  
Director

# INTERNATIONAL PRIVATE EQUITY LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£	£
<b>Net cash (outflow)/inflow from operating activities</b>	(417,674)	2,080,470
<b>Returns on investments and servicing of finance</b>		
Interest received	106,688	105,048
Interest paid	(11,150)	-
<b>Net cash inflow for returns on investments and servicing of finance</b>	95,538	105,048
<b>Taxation</b>	(1,066,704)	(20,735)
<b>Equity dividends paid</b>	-	(1,760,000)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>	(1,388,840)	404,783
<b>Management of liquid resources</b>		
Bank deposits	1,023,265	(728,488)
	1,023,265	(728,488)
<b>Decrease in cash in the year</b>	<u>(365,575)</u>	<u>(323,705)</u>

# INTERNATIONAL PRIVATE EQUITY LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities		2006	2005
		£	£
Operating (loss)/profit		(86,128)	2,344,504
Depreciation of tangible assets		1,286	379
Increase in debtors		(66,933)	(2,050)
Decrease in creditors within one year		(265,899)	(262,363)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(417,674)</b>	<b>2,080,470</b>

2 Analysis of net (debt)/funds	1 January 2006	Cash flow	Other non-cash changes	31 December 2006
	£	£	£	£
Net cash:				
Cash at bank and in hand	946,149	(365,575)	-	580,574
Liquid resources:				
Bank deposits	1,050,630	(1,023,265)	-	27,365
Debt:				
Debts falling due after one year	(15,000)	-	-	(15,000)
<b>Net funds/(debt)</b>	<b>1,981,779</b>	<b>(1,388,840)</b>	<b>-</b>	<b>592,939</b>

3 Reconciliation of net cash flow to movement in net (debt)/funds	2006	2005
	£	£
Decrease in cash in the year	(365,575)	(323,705)
Cash inflow/(outflow) from decrease/(increase) in liquid resources	(1,023,265)	728,488
<b>Movement in net (debt)/funds in the year</b>	<b>(1,388,840)</b>	<b>404,783</b>
Opening net funds	1,981,779	1,576,996
<b>Closing net (debt)/funds</b>	<b>592,939</b>	<b>1,981,779</b>

# INTERNATIONAL PRIVATE EQUITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.3 Turnover

Net revenue comprises amounts due to International Private Equity Limited in the year, based on contracts of entitlement to income.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33% per annum straight line
Fixtures, fittings & equipment	25% per annum straight line

#### 1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# INTERNATIONAL PRIVATE EQUITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2006

<b>3</b>	<b>Operating (loss)/profit</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	1,286	379
	Loss on foreign exchange transactions	130,083	47,622
	Auditors' remuneration	4,000	2,500
	Remuneration of auditors for non-audit work	1,000	14,630

Administrative expenses include charitable donations of £1,980,000 (2005: £2,500,000) paid to Southampton Row Trust Limited, operating under the name CAF American Donor Fund as part of the Charities Aid Foundation network. The CAF network has a mission to support, promote and facilitate global philanthropy.

<b>4</b>	<b>Investment income</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank interest	106,688	105,048
	Other interest	2,175	-
		<u>108,863</u>	<u>105,048</u>

<b>5</b>	<b>Interest payable</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	On overdue tax	<u>11,150</u>	<u>-</u>

# INTERNATIONAL PRIVATE EQUITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

6 Taxation	2006 £	2005 £
<b>Domestic current year tax</b>		
U.K. corporation tax	4,200	736,750
Adjustment for prior years	9,862	(265)
	<u>14,062</u>	<u>736,485</u>
<b>Current tax charge</b>		
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>11,585</u>	<u>2,449,552</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)	<u>3,476</u>	<u>734,866</u>
Effects of:		
Non deductible expenses	3,312	1,700
Depreciation add back	386	114
Capital allowances	(122)	(163)
Adjustments to previous periods	9,862	(265)
Other tax adjustments	(2,852)	233
	<u>10,586</u>	<u>1,619</u>
<b>Current tax charge</b>	<u>14,062</u>	<u>736,485</u>
7 Dividends	2006 £	2005 £
Ordinary interim paid	-	<u>1,760,000</u>

# INTERNATIONAL PRIVATE EQUITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

### 8 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 January 2006 & at 31 December 2006	19,868	6,078	25,946
<b>Depreciation</b>			
At 1 January 2006	18,582	6,078	24,660
Charge for the year	1,286	-	1,286
At 31 December 2006	19,868	6,078	25,946
<b>Net book value</b>			
At 31 December 2006	-	-	-
At 31 December 2005	1,286	-	1,286

### 9 Debtors

	2006 £	2005 £
Corporation tax	320,092	-
Other debtors	70,000	-
Prepayments and accrued income	1,158	2,050
	391,250	2,050

Included within other debtors are two social loans of £50,000 and £20,000. Both loans are due to be repaid within five years and are subject to interest payable at the base rate and 4.5% respectively.

### 10 Creditors: amounts falling due within one year

	2006 £	2005 £
Corporation tax	4,200	736,750
Other taxes and social security costs	38,353	72,075
Director's current accounts	18,716	13,391
Accruals and deferred income	17,581	255,083
	78,850	1,077,299

# INTERNATIONAL PRIVATE EQUITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

11 Creditors: amounts falling due after more than one year	2006 £	2005 £
6% subordinated loan stock	15,000	15,000

The loan stock is unsecured and has no fixed date for repayment. Interest payable on the loan has been waived indefinitely by the proprietor as from 1 January 2003.

### 12 Pension costs

#### Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	423,934	68,432

### 13 Share capital

	2006 £	2005 £
<b>Authorised</b>		
5,000 Ordinary shares of £1 each	5,000	5,000
<b>Allotted, called up and fully paid</b>		
5,000 Ordinary shares of £1 each	5,000	5,000

### 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	902,816
Loss for the year	(2,477)
Balance at 31 December 2006	900,339



# INTERNATIONAL PRIVATE EQUITY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2006

<b>15 Director's emoluments</b>	<b>2006 £</b>	<b>2005 £</b>
Emoluments for qualifying services	90,000	140,000
Company pension contributions to money purchase schemes	423,934	68,432
	<u>513,934</u>	<u>208,432</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2005 - 1).

### 16 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

<b>2006 Number</b>	<b>2005 Number</b>
<u>2</u>	<u>2</u>

#### Employment costs

	<b>2006 £</b>	<b>2005 £</b>
Wages and salaries	90,000	140,000
Social security costs	10,822	16,667
Other pension costs	423,934	68,432
	<u>524,756</u>	<u>225,099</u>

### 17 Control

The ultimate controlling party is D L Miller, a director and the majority shareholder of the company.

### 18 Related party transactions

During the year International Private Equity Limited paid expenses on behalf of the European Venture Philanthropy Association, a charity of which D L Miller is a trustee, totalling £3,540 (2005: £2,298). This amount is included within charitable donations. During the year, the company also paid subscriptions and delegate fees to the charity totalling £Nil (2005: £4,157).