

Company Registration No. 2595069 (England and Wales)

INTERNATIONAL PRIVATE EQUITY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

UHY Hacker Young
Chartered Accountants

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INTERNATIONAL PRIVATE EQUITY LIMITED

COMPANY INFORMATION

Director	D L Miller
Secretary	A Miller
Company number	2595069
Registered office	Squirrels Chase, Crossfield Place, Weybridge Surrey KT13 ORG
Auditors	UHY Hacker Young LLP Quadrant House 17 Thomas More Street Thomas More Square London E1W 1YW
Business address	Squirrels Chase, Crossfield Place, Weybridge Surrey KT13 ORG
Bankers	HSBC Plc Church Street Weybridge Surrey KT13 8DF

INTERNATIONAL PRIVATE EQUITY LIMITED

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INTERNATIONAL PRIVATE EQUITY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The director presents his report and financial statements for the year ended 31 December 2007

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 16-year history of profitability and 2007 continued that success with income of £7,966,822 after the successful closure of several funds. Pre-tax profits were £5,968,045 following charitable donations of £1,000,000.

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.

An interim ordinary dividend was paid amounting to £4,108,414. The director does not recommend payment of a final dividend.

Director

The following director has held office since 1 January 2007:

D L Miller

Charitable donations	2007	2006
	£	£
During the year the company made the following payments:		
Charitable donations	<u>1,000,000</u>	<u>1,983,530</u>

Auditors

On 30 April 2007, the company's auditors, UHY Hacker Young, transferred their business to a limited liability partnership, UHY Hacker Young LLP ("the LLP"), and the office of auditor has passed to the LLP. In accordance with section 385 of the Companies Act 1985, a resolution proposing that UHY Hacker Young LLP 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 2007

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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 auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all 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

25 March 2008

**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 2007 set out on pages 5 to 16. 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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we 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 2007 and of its profit for the year then ended,
- the financial statements 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 LLP

UHY Hacker Young LLP

25 March 2008

Chartered Accountants
Registered Auditor

INTERNATIONAL PRIVATE EQUITY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2007**

		2007	2006
	Notes	£	£
Turnover	2	7,966,822	2,761,994
Cost of sales		(447,179)	(91,428)
Gross profit		7,519,643	2,670,566
Administrative expenses		(1,810,235)	(2,756,694)
Operating profit/(loss)	3	5,709,408	(86,128)
Other interest receivable and similar income	4	259,118	108,863
Interest payable and similar charges	5	(481)	(11,150)
Profit on ordinary activities before taxation		5,968,045	11,585
Tax on profit on ordinary activities	6	(1,791,192)	(14,062)
Profit/(loss) for the year	14	4,176,853	(2,477)

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 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	8		750		-
Current assets					
Debtors	9	92,512		391,250	
Cash at bank and in hand		2,760,796		607,939	
		<u>2,853,308</u>		<u>999,189</u>	
Creditors: amounts falling due within one year	10	<u>(1,865,280)</u>		<u>(78,850)</u>	
Net current assets			<u>988,028</u>		<u>920,339</u>
Total assets less current liabilities			<u>988,778</u>		<u>920,339</u>
Creditors: amounts falling due after more than one year	11		<u>(15,000)</u>		<u>(15,000)</u>
			<u>973,778</u>		<u>905,339</u>
Capital and reserves					
Called up share capital	13		5,000		5,000
Profit and loss account	14		968,778		900,339
Shareholders' funds	15		<u>973,778</u>		<u>905,339</u>

Approved by the Board and authorised for issue on 25 March 2008



D L Miller
Director

INTERNATIONAL PRIVATE EQUITY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
	£	£
Net cash inflow/(outflow) from operating activities	5,700,391	(417,674)
Returns on investments and servicing of finance		
Interest received	245,710	106,688
Interest paid	(481)	(11,150)
Net cash inflow for returns on investments and servicing of finance	245,229	95,538
Taxation	316,651	(1,066,704)
Capital expenditure		
Payments to acquire tangible assets	(1,000)	-
Net cash outflow for capital expenditure	(1,000)	-
Equity dividends paid	(4,108,414)	-
Net cash inflow/(outflow) before management of liquid resources and financing	2,152,857	(1,388,840)
Management of liquid resources		
Bank deposits	(60,713)	1,023,265
	(60,713)	1,023,265
Increase/(decrease) in cash in the year	2,092,144	(365,575)

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities	2007	2006
	£	£
Operating profit/(loss)	5,709,408	(86,128)
Depreciation of tangible assets	250	1,286
Increase in debtors	(7,946)	(66,933)
Decrease in creditors within one year	(1,321)	(265,899)
Net cash inflow/(outflow) from operating activities	5,700,391	(417,674)

2 Analysis of net funds	1 January 2007	Cash flow	Other non-cash changes	31 December 2007
	£	£	£	£
Net cash				
Cash at bank and in hand	580,574	2,092,144	-	2,672,718
Liquid resources				
Bank deposits	27,365	60,713	-	88,078
Debt				
Debts falling due after one year	(15,000)	-	-	(15,000)
Net funds	592,939	2,152,857	-	2,745,796

3 Reconciliation of net cash flow to movement in net funds	2007	2006
	£	£
Increase/(decrease) in cash in the year	2,092,144	(365,575)
Cash (outflow)/inflow from (increase)/decrease in liquid resources	60,713	(1,023,265)
Movement in net funds in the year	2,152,857	(1,388,840)
Opening net funds	592,939	1,981,779
Closing net funds	2,745,796	592,939

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Basis of preparation

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.

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

2 Turnover

Geographical market

	Turnover	
	2007	2006
	£	£
U K	7,013,874	2,661,829
Europe	952,948	100,165
	<u>7,966,822</u>	<u>2,761,994</u>

3 Operating profit/(loss)

	2007	2006
	£	£
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	250	1,286
Loss on foreign exchange transactions	-	130,083
and after crediting		
Profit on foreign exchange transactions	<u>(81,901)</u>	<u>-</u>

Administrative expenses include charitable donations of £1,000,000 (2006 £1,980,000) 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.

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's

annual accounts	4,000	4,000
Remuneration of auditors for non-audit work	1,000	1,000
Remuneration for taxation services	17,189	18,600
	<u>22,189</u>	<u>23,600</u>

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

4	Investment income	2007	2006
		£	£
	Bank interest	245,710	106,688
	Other interest	13,408	2,175
		<hr/>	<hr/>
		259,118	108,863
		<hr/>	<hr/>
5	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts	481	-
	On overdue tax	-	11,150
		<hr/>	<hr/>
		481	11,150
		<hr/>	<hr/>

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

6	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	1,791,951	4,200
	Adjustment for prior years	(759)	9,862
		<u>1,791,192</u>	<u>14,062</u>
	Current tax charge		
		<u>1,791,192</u>	<u>14,062</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>5,968,045</u>	<u>11,585</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>1,790,414</u>	<u>3,476</u>
	Effects of		
	Non deductible expenses	1,674	3,312
	Depreciation add back	75	386
	Capital allowances	(211)	(122)
	Adjustments to previous periods	10,758	9,862
	Other tax adjustments	(11,518)	(2,852)
		<u>778</u>	<u>10,586</u>
	Current tax charge	<u>1,791,192</u>	<u>14,062</u>
7	Dividends	2007	2006
		£	£
	Ordinary interim paid	<u>4,108,414</u>	<u>-</u>

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

8 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2007	19,868	6,078	25,946
Additions	-	1,000	1,000
At 31 December 2007	19,868	7,078	26,946
Depreciation			
At 1 January 2007	19,868	6,078	25,946
Charge for the year	-	250	250
At 31 December 2007	19,868	6,328	26,196
Net book value			
At 31 December 2007	-	750	750
At 31 December 2006	-	-	-

9 Debtors

	2007 £	2006 £
Corporation tax	-	320,092
Other debtors	70,000	70,000
Prepayments and accrued income	22,512	1,158
	92,512	391,250

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.

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

10 Creditors: amounts falling due within one year	2007	2006
	£	£
Corporation tax	1,791,951	4,200
Other taxes and social security costs	39,520	38,353
Director's current accounts	8,809	18,716
Accruals and deferred income	25,000	17,581
	<u>1,865,280</u>	<u>78,850</u>

11 Creditors: amounts falling due after more than one year	2007	2006
	£	£
Other loans	<u>15,000</u>	<u>15,000</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments	<u>15,000</u>	<u>15,000</u>
	<u>15,000</u>	<u>15,000</u>
Loan maturity analysis		
In more than five years	<u>15,000</u>	<u>15,000</u>

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

	2007	2006
	£	£
Contributions payable by the company for the year	<u>447,857</u>	<u>423,934</u>

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

13 Share capital	2007	2006
	£	£
Authorised		
5,000 Ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid		
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 2007		900,339
Profit for the year		4,176,853
Dividends paid		(4,108,414)
Balance at 31 December 2007		968,778
15 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit/(Loss) for the financial year	4,176,853	(2,477)
Dividends	(4,108,414)	-
Net addition to/(depletion in) shareholders' funds	68,439	(2,477)
Opening shareholders' funds	905,339	907,816
Closing shareholders' funds	973,778	905,339

INTERNATIONAL PRIVATE EQUITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

16 Director's emoluments	2007 £	2006 £
Emoluments for qualifying services	90,000	90,000
Company pension contributions to money purchase schemes	447,857	423,934
	<u>537,857</u>	<u>513,934</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006 - 1)

17 Employees

Number of employees

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

2007 Number	2006 Number
<u>2</u>	<u>2</u>

Employment costs

	2007 £	2006 £
Wages and salaries	90,000	90,000
Social security costs	9,682	10,822
Other pension costs	447,857	423,934
	<u>547,539</u>	<u>524,756</u>

18 Control

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

19 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 £Nil (2006 £3,540)