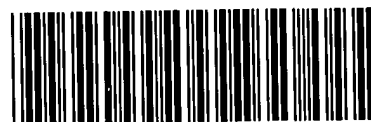


LGV CAPITAL PARTNERS LIMITED

FINANCIAL STATEMENTS

2015

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LGV CAPITAL PARTNERS LIMITED

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Registered Office:
One Coleman Street
London, EC2R 5AA

Registered in England and Wales No. 2682185

LGV CAPITAL PARTNERS LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of LGV Capital Partners Limited ("the Company") for the year ended 31 December 2015. The Company is entitled to small companies exemption in relation to the strategic report in accordance with the article 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the Company is the management of private equity partnerships. The Company does not envisage any change in activities in the foreseeable future.

The Company is incorporated in England and Wales as a private limited company at the registered address of One Coleman Street, EC2R 5AA.

Future developments

No new partnership funds will be raised.

Result for the year and dividend

The results of the Company are set out on page 5. The directors do not recommend the payment of a final dividend (2014: £nil). No interim dividend (2014: £nil) was paid.

Going concern

The Company may see a significant reduction in management fee income over the next year. However, administrative expenses will reduce accordingly. The directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directorate

The directors of the Company, who were in office during the year and up to the date of signing the financial statements are shown below:

Z Clements, ACA (resigned 02/03/2015)

J P Dawes, FCMA (resigned 20/11/2015)

M Mowlem

S J Phillips, ACA (resigned 24/07/2015)

Directors' insurance

The ultimate parent company, Legal & General Group Plc, maintains an appropriate level of Directors and Officers' liability insurance which is reviewed annually.

LGV CAPITAL PARTNERS LIMITED

DIRECTORS' REPORT

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

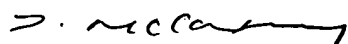
Disclosure of information to auditors

Each of the directors, who held office at the date the Directors' report is approved, confirms that:

(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.

By Order of the Board



J McCarthy
For and on behalf of Legal & General Co Sec Limited
Company Secretary
1 April 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LGV CAPITAL PARTNERS LIMITED

As at 31 December 2015

Report on the financial statements

Our opinion

In our opinion, LGV Capital Partners Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2015;
- the income statement for the year then ended;
- the statement of change in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
 - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements are not in agreement with the accounting records and returns.
-

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LGV CAPITAL PARTNERS LIMITED

As at 31 December 2015

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Report set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

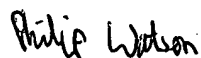
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Philip Watson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 April 2016

LGV CAPITAL PARTNERS LIMITED
INCOME STATEMENT

For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Revenue			
Management fees		<u>2,000</u>	<u>2,457</u>
Gross profit		<u>2,000</u>	<u>2,457</u>
Administrative expenses		<u>(2,000)</u>	<u>(2,457)</u>
Operating profit		<u>-</u>	<u>-</u>
Finance income	6	2	3
Profit on ordinary activities before income tax	4	<u>2</u>	<u>3</u>
Income tax credit on ordinary activities	9	49	62
Profit for the year		<u><u>51</u></u>	<u><u>65</u></u>

There were no gains or losses in the year other than those included in the above income statement..

The notes on pages 8 to 15 form an integral part of these financial statements.

LGV CAPITAL PARTNERS LIMITED
STATEMENT OF FINANCIAL POSITION

Company No: 2682185

As at 31 December 2015

	Note	2015 £000	2014 £000
Assets			
Current assets			
Trade and other receivables	10	-	1,029
Current tax asset		919	-
Cash and cash equivalents	11	228	568
Total current assets		1,147	1,597
Total assets		1,147	1,597
Liabilities			
Current liabilities			
Trade and other payables	13	(886)	(1,029)
Current tax liabilities		-	(358)
Total current liabilities		(886)	(1,387)
Total liabilities		(886)	(1,387)
Net assets		261	210
Equity			
Share capital	14	-	-
Retained earnings		261	210
Total equity		261	210

The notes on pages 8 to 15 form an integral part of these financial statements.

The financial statements on pages 5 to 15 were approved by the board of directors on 1 April 2016 and signed on its behalf by:



M Mowlem
Director

LGV CAPITAL PARTNERS LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

For the year ended 31 December 2015	Share Capital £000	Retained Earnings £000	Total £000
As at 1 January 2015	-	210	210
Profit for the year		51	51
Total comprehensive income for the year	-	261	261
Dividends		-	-
As at 31 December 2015	-	261	261

For the year ended 31 December 2014	Share Capital £000	Retained Earnings £000	Total £000
As at 1 January 2014	-	145	145
Profit for the year		65	65
Total comprehensive income for the year	-	210	210
Dividends		-	-
As at 31 December 2014	-	210	210

1. General information

The Company is a company incorporated and domiciled in the United Kingdom. The principal activity of the Company is the management of private equity partnerships.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of LGV Capital Partners Ltd have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas of accounting estimates in the accounts.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (a statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

2. Summary of significant accounting policies (continued)

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, other than disclosed in note 8.

The directors and key management of the Company had no material transactions with the Company or any other group undertakings.

(b) Going Concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Foreign currency translation

(i) Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other income'.

(d) Investments in Subsidiary, associates and joint ventures

Investments in subsidiary undertakings are carried at cost less provision for impairment.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(f) Revenue recognition

Revenue is stated excluding recoverable Value Added Tax and represents and represents management fees, corporate finance and arrangement fees accrued over the period for which the service is provided.

The management fees are all earned from companies in the United Kingdom.

2. Summary of significant accounting policies (continued)

(g) Investment income

Investment income includes dividends and interest. Dividends receivable from Group companies are recognised when paid for interim dividends, and when approved by the subsidiary Board for final dividends. All other investment income is recognised on an accruals basis.

(h) Tax

Current tax

Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous periods. Current tax is recognised in the income statement unless it relates to items which are recognised in other comprehensive income.

Deferred tax

Deferred tax is calculated on differences between the accounting value of assets and liabilities and their respective tax values. Deferred tax is also recognised in respect of unused tax losses to the extent it is probable that future taxable profits will arise against which the losses can be utilised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity.

Tax rates

Following the 2015 Budget announcement, the rate of corporation tax is expected to reduce progressively to 18% by 1 April 2020. To calculate the current tax on profits, the rate of tax used is 20.25% (2014: 21.5%), which is the average rate of corporation tax applicable for the year.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) Dividend recognition

A dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are authorised and are no longer at the discretion of the Company. Final dividends are accrued when approved by the Company's shareholders and interim dividends are recognised when paid.

3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Investment in cash fund is held on the balance sheet at the lower of cost or net book value. The market value of the cash fund is the same as the carrying amount. The investment is in the LGIM Sterling Liquidity Fund. This is an Irish domiciled Open Ended Investment Company (OEIC) quoted on the Irish Stock Exchange with a stable net asset value and share price of £1 per share. The yield on this fund is paid in additional shares on the first day of each calendar month. The fund is rated AAAM by Standard & Poor's and AAAMmf by Fitch Ratings.

4. Profit on ordinary activities before taxation

Profit on ordinary activities before tax is stated after charging:

	2015	2014
	£'000	£'000
Management charge due to group undertakings	<u>2,000</u>	<u>2,457</u>

Fees payable to the auditor of the Company financial statements were £3,765 (2014: £2,600) which are borne by the parent company.

The disclosure of fees payable to the auditor and its associates for other (non-audit) services has not been made because these have been disclosed in the consolidated financial statements of the Company's ultimate holding company.

5. Segmental disclosure

The turnover and pre-tax profit is all attributable to the Company's activities as a financial services company and arises wholly in the UK.

6. Investment Return/Other income

	2015	2014
	£'000	£'000
Income from cash fund	<u>2</u>	<u>3</u>

7. Directors' emoluments

No emoluments were paid to any director nor were any direct pension contributions paid in respect of services to this Company (2014: £Nil).

LGV CAPITAL PARTNERS LIMITED

NOTES TO FINANCIAL STATEMENTS

8. Related party transactions

- a) As at 31 December 2015, 1 (2014: 4) director of LGV Capital Partners Limited was a partner in the carried interest schemes held via LGV Management Limited Partnership 6 and LGV 7 Management Limited Partnership which are Scottish partnerships. These partnerships are limited partners in the LGV 6 Private Equity Fund and LGV 7 Private Equity Fund which are English partnerships ("the Funds"). The Company is the General Partner for the Funds and receives a general partner's priority profit share from these partnerships based on the amount committed to the Fund less realisations and permanent write downs as set out in the Partnership Agreement.

Under the terms of the Partnership Agreement, the Scottish Partnerships are entitled to carried interest which is conditional upon a certain minimum return being generated for the investors in the Fund. The carried interest is paid to the Scottish partnerships by the Funds out of profits made by those Funds and is not a charge on the profits of the Company.

- b) A co-investment scheme exists under which the economic interest of the directors participating in the co-investment schemes is aligned with that of third party investors by co-investing in the Funds via the Scottish partnerships. The total amount invested in the Funds at 31 December 2015 by the above Scottish partnerships was £342,000 (2014: £496,000), of which the investment amount attributable to the director at 31 December 2015 was £82,000 (2014: £198,000).

9. Tax on profit on ordinary activities

	2015 £'000	2014 £'000
<u>Current tax</u>		
UK corporation tax at 20.25% (2014: 21.5%)		
- Current tax for the year	-	1
- Adjustment in respect of prior years	(49)	339
Total current tax	(49)	340
<u>Deferred tax</u>		
- Movement in temporary differences	-	(402)
Tax deferred tax	-	(402)
Total tax	(49)	(62)

LGV CAPITAL PARTNERS LIMITED**NOTES TO FINANCIAL STATEMENTS**

9. Tax on profit on ordinary activities (continued)

The tax attributable to equity holders differs from the tax calculated at the standard UK corporation tax rate as follows:

	2015 £'000	2014 £'000
Profit before tax attributable to equity holders	<u>2</u>	<u>3</u>
UK corporation tax at 20.25% (2014: 21.5%)	-	1
Effects of:		
Adjustment in respect of prior year deferred tax	-	(402)
Adjustment in respect of prior years	<u>(49)</u>	<u>339</u>
Tax attributable to equity holders	<u>(49)</u>	<u>(62)</u>

10. Trade and other receivables

	2015 £'000	2014 £'000
Amounts owed by limited partnerships	<u>-</u>	<u>1,029</u>
	<u>-</u>	<u>1,029</u>

11. Cash and cash equivalents

	2015 £'000	2014 £'000
Investment in cash fund	208	517
Cash at bank	<u>20</u>	<u>51</u>
	<u>228</u>	<u>568</u>

LGV CAPITAL PARTNERS LIMITED

NOTES TO FINANCIAL STATEMENTS

12. Deferred tax asset

Deferred tax assets and (liabilities) have been recognised/(provided) for the following types of temporary differences and unused tax losses. The recognition of tax losses has been based on management projections to support the availability of taxable profits to absorb the losses in future years. Deferred tax assets and (liabilities) have been offset to the extent it is permissible under the accounting standard. The net movement in deferred tax assets and liabilities during the year is as follows:

	Net assets as at 1 January 2015 £'000	Tax charged to income statement £'000	Net assets as at 31 December 2015 £'000
Timing differences on GPPPS	-	-	-
Deferred tax assets/ (liabilities)	-	-	-

	Net assets as at 1 January 2014 £'000	Tax charged to income statement £'000	Net assets as at 31 December 2014 £'000
Timing differences on GPPPS	(402)	402	-
Deferred tax assets/ (liabilities)	(402)	402	-

13. Payables and other financial liabilities/Trade and other payables

	2015 £'000	2014 £'000
Amounts owed by limited partnerships	36	-
Amounts owed to group undertakings*	850	1,029
	886	1,029
Settled within 12 months	886	1,029

*The amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

14. Share capital

	2015 Number of shares	2015 £	2014 Number of shares	2014 £
Authorised share capital				
At 31 December: ordinary shares of 100p each	100	100	100	100

15. Ultimate parent undertaking

The immediate parent undertaking is LGV Capital Limited.

The ultimate parent undertaking is Legal & General Group Plc, a company incorporated in England and Wales – the controlling party and ultimate holding undertaking which consolidates the financial statements of the Company. These financial statements therefore provide information about the Company as an individual undertaking. Copies of the financial statements of the ultimate holding company, Legal & General Group Plc, are available on the group website, www.legalandgeneralgroup.com or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA.

16. Cash flow statement

The Company has taken advantage of the exemption under paragraph 8 (h) of FRS 101 from the requirements of IAS 7 Statement of Cash flows, and hence has not presented a cash flow statement.

17. First time adoption of FRS 101

This is the first year that the Company has presented its results under FRS 101. The last financial statements under UK GAAP were for the year ended 31 December 2014, with the date of transition being 1 January 2014. This entity is included in the consolidated financial statements of Legal & General Group plc. There were no recognition or measurement differences arising on the adoption of FRS 101.