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EUROPEAN FINANCIAL SERVICES VENTURE FUND
(GENERAL PARTNER) LIMITED

REPORT AND ACCOUNTS

For the year ended

31 DECEMBER 2006

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DIRECTORS AND ADVISERS

DIRECTORS

TBN Farazmand
RS Schwartz

SECRETARY

RS Schwartz

REGISTERED OFFICE

25 Bickerton St
London
NE19 5JT

BANKERS

Bank of Scotland
38 Threadneedle Street
London EC2P 2EH

AUDITORS

Nexia Smith & Williamson
Chartered Accountants
25 Moorgate
London EC2R 2AY

SOLICITORS

SJ Berwin
2 Gray's Inn Road
London
WC1X 8XF

COMPANY'S REGISTERED NUMBER

3436850

EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 December 2006

Activities

The principal activity of the company is to act as the vehicle by which the Limited Partners of the European Financial Services Venture Fund make their investments

Review of business

During the year the company continued to invest in its existing portfolio of companies on behalf of the Limited Partners of the European Financial Services Venture Fund

In the opinion of the directors the state of the company's affairs at 31 December 2006 is satisfactory and they look forward to the future with confidence

Results for the year and dividends

The company's result for the year ended 31 December 2006 was £nil (2005 £nil) The directors do not recommend the payment of a dividend (2005 £nil)

Directors and their interests

The directors of the company during the year were

TBN Farazmand
RS Schwartz

Directors and their interests

The directors of the company have a beneficial interest in the European Financial Services Venture Fund (Carried Interest Partner) Limited, a fellow group company. The European Financial Services Venture Fund has a 20% interest in the European Financial Services Venture Fund, after hurdle return rates, and this is fully distributed to the beneficial parties of the European Financial Services Venture Fund (Carried Interest Partner) Limited. At 31 December 2006 the directors of the company held the following interests in the European Financial Services Venture Fund (Carried Interest Partner) Limited

	Beneficial Interest in CIP 2006	Beneficial Interest in CIP 2005
Executive directors		
TBN Farazmand	7.50%	7.50%
RS Schwartz	60.33%	60.33%

EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT (continued)

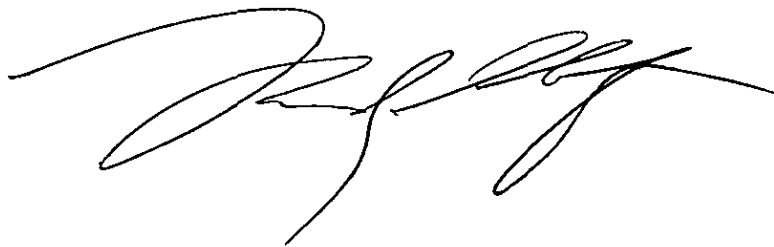
Statement regarding disclosure of information to the auditor

Each director of the company has confirmed that, in fulfilling their duties as a director, they are aware of no relevant audit information of which the company's auditors are not aware and that they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution for the re-appointment of Nexia Smith & Williamson will be proposed at the forthcoming Annual General Meeting

Approved by the board of directors
and signed on behalf of the board

A handwritten signature in black ink, appearing to be 'RS Schwartz', written in a cursive style.

RS Schwartz
Director

EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period 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 accounts, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- Prepare the accounts on the 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 accounts comply with the Companies Act 1985. 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.

Nexia Smith & Williamson

Independent auditors' report to the shareholders of the European Financial Services Venture Fund (General Partner) Limited

We have audited the accounts of the European Financial Services Venture Fund (General Partner) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. These accounts 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 accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts. 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion:

- the accounts 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 result for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts.

Nexia Smith & Williamson

Nexia Smith & Williamson
Chartered Accountants
Registered Auditors

25 Moorgate
London
EC2R 6AY

Date 22 October 2007

EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED**PROFIT AND LOSS ACCOUNT for the year ended 31 December 2006**

	Notes	2006 £	2005 £
Turnover	1,2	729,999	886,920
Administrative expenses		(729,999)	(886,920)
Profit on ordinary activities before taxation	4	-	-
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	11	-	-

All of the company's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

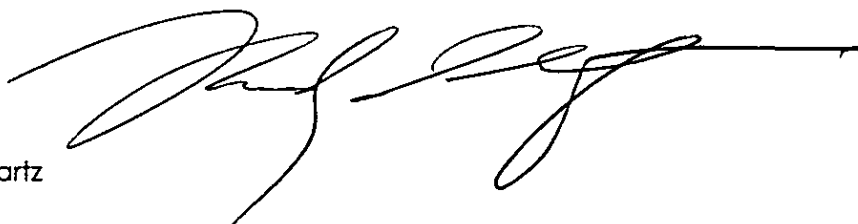
EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

BALANCE SHEET as at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Investments	6	3,637,568	5,454,689
Current assets			
Debtors	7	564,806	636,305
Cash at bank		39,184	107,048
		603,990	743,353
Creditors: amounts falling due within one year	8	(233,366)	(150,340)
Net current assets		370,624	593,013
Total assets less current liabilities		4,008,192	6,047,702
Creditors: amounts falling due after more than one year	9	(4,008,190)	(6,047,700)
Net assets		2	2
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	-	-
Shareholders' funds	12	2	2

The accounts were approved by the Board of Directors on _____ and were signed
on its behalf by _____

RS Schwartz
Director



EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2006

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies adopted are described below

Basis of accounting

The accounts have been prepared under the historical cost convention

Investments

Investments are held at a value equal to cost less any impairment in value or foreign exchange movement. The beneficial interest in the investments is due to the Limited Partners of the European Financial Services Venture Fund Limited and not the shareholders of the company. As a result, any impairment in value of the investments reduces the amount of outstanding liability to the Limited Partners of the European Financial Services Venture Fund.

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reserved at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

Turnover

Turnover, which excludes value added tax, represents investment management fees receivable from the European Financial Services Venture Fund and interest.

2	Turnover	2006 £	2005 £
	Interest	1,144	5,390
	Investment management fees	728,855	881,530
		<hr/>	<hr/>
		729,999	886,920
		<hr/>	<hr/>

3 Employee information

The company had no employees during the year ended 31 December 2006 (2005: £nil). The directors received no emoluments during the year (2005: £nil).

EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2006 (continued)

4	Profit on ordinary activities before taxation is stated after charging	2006 £	2005 £
	Auditors' remuneration - audit	-	-

The £2,500 (2005 £2,500) audit fees of the company are borne by its parent company, Catalyst Fund Management & Research Limited

5 Tax on profit on ordinary activities

There is no charge for taxation, as the company did not make a chargeable profit during the year (2005 £nil) The company has no deferred tax asset or liability at the year end (2005 £nil)

6	Fixed asset investments	Total £
	Trade investments at cost less impairments at 1 January 2006	5,454,689
	Disposals during the year at opening valuation	(445,423)
	Impairments	(1,371,698)
	Trade investments at cost less impairments at 31 December 2006	3,637,568

The investments are held in the name of the company on behalf of the beneficiary, the European Financial Services Venture Fund

7	Debtors	2006 £	2005 £
	Unpaid share capital	2	2
	Amount due from parent company	106,925	196,925
	Other debtors	457,879	439,378
		564,806	636,305

Included within the amount due from the parent company is £106,925 (2005 £116,271) which is due after more than one year

EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2006 (continued)

	2006	2005
	£	£
8 Creditors: amounts falling due within one year		
Other creditors	6,552	10,541
Amount due to parent company	219,646	132,631
Amount due to Limited Partners of the European Financial Services Venture Fund	7,168	7,168
	<hr/>	<hr/>
	233,366	150,340
	<hr/>	<hr/>
9 Creditors: amounts falling due after more than one year	£	£
Amount due to Limited Partners of the European Financial Services Venture Fund	3,992,432	6,031,942
Amounts due to associated company	15,758	15,758
	<hr/>	<hr/>
	4,008,190	6,047,700
	<hr/>	<hr/>
10 Called up share capital	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up but unpaid		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>
11 Profit and loss		Profit and loss account
		£
At 1 January 2006 and 31 December 2006		-
		<hr/>

EUROPEAN FINANCIAL SERVICES VENTURE FUND (GENERAL PARTNER) LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 December 2006 (continued)

12	Reconciliation of movement in shareholder's funds	£
	Opening and closing shareholder's funds	2
		<hr/>

13 **Ultimate parent company**

The company is a subsidiary of Catalyst Fund Management & Research Limited, which is incorporated and operates in Great Britain. Copies of the accounts of the parent company can be obtained from 25 Bickerton Street, London, NE19 5JT.