

Company Registration No. 3779692

CAPVEST LIMITED

**Directors' Report and Consolidated Financial Statements
Year Ended 31 December 2011**

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CAPVEST LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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CAPVEST LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Seamus FitzPatrick
Win Neuger
Randl Shure (Deceased 18 August 2011)
Robert Thompson

SECRETARY

Tina Page

REGISTERED OFFICE

CapVest Limited
100 Pall Mall
London
SW1Y 5NQ

AUDITORS

KPMG Audit Plc
8 Salisbury Square
London EC4Y 8BB

CAPVEST LIMITED

GROUP DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of CapVest Limited, Registration Number 3779692, for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of the Group is the provision of investment advisory services

BUSINESS REVIEW

Key staff retention are an important focus for the business. The average number of employees increased by two during the year, whilst revenues remained nearly constant with a small decrease of 1% based on contractual fees. The Directors consider the result for the year satisfactory.

Management take appropriate steps to minimise the impact of risks faced by the Group through their day to day management of the Group.

The Group's financial risks are disclosed in Note 2 of the Financial Statements.

RESULTS AND DIVIDENDS

The Group's turnover remained almost constant with a small decrease from £17,594,278 to £17,562,253 and the profit for the year amounted to £4,206,248 (2010: £4,437,316). During the year, an equity dividend of £3,442,044 (2010: £5,191,281) has been declared, of which £2,658,945 (2010: £4,096,586) was paid during the year.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year were as follows:

Seamus FitzPatrick

Win Neuger

Randi Shure (Deceased 18 August 2011)

Robert Thompson

Win Neuger resigned as a non-executive director on 20 March 2012.

SUBSIDIARIES

CapVest Fund Services Ireland Limited is wholly owned by CapVest Limited. The Directors who served CapVest Fund Services Ireland Limited throughout the year were as follows:

Seamus FitzPatrick

Randi Shure (Deceased 18 August 2011)

Tina Page (Appointed 18 August 2011)

GOING CONCERN

The directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing the financial statements.

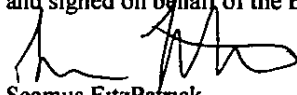
DISCLOSURE OF INFORMATION TO AUDITORS

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITOR

KMPG Audit Plc have expressed their willingness to continue to act as auditor to the Company.

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



Seamus FitzPatrick
Director

22 March 2012

CAPVEST LIMITED

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

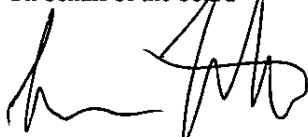
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

On behalf of the board



Seamus FitzPatrick
Director

22 March 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPVEST LIMITED

We have audited the financial statements of CapVest Limited for the year ended 31 December 2011 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

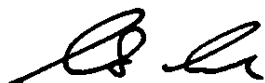
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Anthony Cecil (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

Date 22 March 2012

CAPVEST LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 December 2011

	Note	2011 £	2010 £
GROUP TURNOVER		<u>17,562,253</u>	<u>17,594,278</u>
Administrative expenses		(11,852,062)	(11,545,161)
GROUP OPERATING PROFIT	3	5,710,191	6,049,117
Interest receivable and similar income	4	<u>41,690</u>	<u>10,556</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,751,881	6,059,673
Tax charge on profit on ordinary activities	7	(1,545,633)	(1,622,357)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX AND RETAINED FOR THE YEAR	16	<u>4,206,248</u>	<u>4,437,316</u>

All of the above results for both years derive from continuing activities

Neither the company nor the group has any recognised gains or losses for either year other than the results as shown above. Consequently no statement of total recognised gains and losses is presented.

The notes on pages 9 to 19 form part of these financial statements

CAPVEST LIMITED

CONSOLIDATED BALANCE SHEET As at 31 December 2011

	Note	Group 2011 £	Group 2010 £
FIXED ASSETS			
Tangible assets	10	<u>187,561</u>	<u>250,953</u>
		187,561	250,953
CURRENT ASSETS			
Investments	11	-	40,000
Debtors	12	1,950,861	2,136,254
Cash at bank and in hand		<u>6,523,372</u>	<u>3,812,524</u>
		8,474,233	5,948,778
CREDITORS: amounts falling due within one year	13	(5,572,527)	(3,914,668)
NET CURRENT ASSETS		2,901,706	2,034,110
TOTAL ASSETS LESS CURRENT LIABILITIES		3,089,267	2,285,063
NET ASSETS		<u>3,089,267</u>	<u>2,285,063</u>
CAPITAL AND RESERVES			
Called up share capital	15	245,890	245,890
Capital redemption reserve	16	9,763	9,763
Profit and loss account	16	2,833,614	2,069,410
SHAREHOLDERS' FUNDS		<u>3,089,267</u>	<u>2,325,063</u>

These financial statements were approved by the Board of Directors on 22 March 2012

Signed on behalf of the Board of Directors



Seamus FitzPatrick
Director

Company Registration Number 3779692

The notes on pages 9 to 19 form part of these financial statements.

CAPVEST LIMITED

COMPANY BALANCE SHEET As at 31 December 2011

	Note	Company 2011 £	Company 2010 £
FIXED ASSETS			
Tangible assets	10	187,561	250,953
Investments	9	858	858
		<u>188,419</u>	<u>251,811</u>
CURRENT ASSETS			
Investments	11	-	40,000
Debtors	12	1,952,363	2,143,222
Cash at bank and in hand		6,462,944	3,779,985
		<u>8,415,307</u>	<u>5,923,207</u>
CREDITORS: amounts falling due within one year	13	(5,513,619)	(3,882,729)
NET CURRENT ASSETS		2,901,688	2,040,478
TOTAL ASSETS LESS CURRENT LIABILITIES		3,090,107	2,292,289
NET ASSETS		<u>3,090,107</u>	<u>2,292,289</u>
CAPITAL AND RESERVES			
Called up share capital	15	245,890	245,890
Capital redemption reserve	16	9,763	9,763
Profit and loss account		2,834,454	2,076,636
SHAREHOLDERS' FUNDS		<u>3,090,107</u>	<u>2,332,289</u>

CAPVEST LIMITED

CONSOLIDATED CASH FLOW STATEMENT **Year ended 31 December 2011**

	Note	Group 2011 £	Group 2010 £
Net cash inflow from operating activities	18	8,001,316	4,229,716
Return on investments and servicing of finance	19	38,202	10,601
Taxation	19	(1,498,374)	(1,645,955)
Capital expenditure and financial investment	19	(76,464)	(16,990)
Dividends paid	19	<u>(3,753,832)</u>	<u>(4,296,586)</u>
Cash outflow before financing		2,710,848	(1,719,214)
Increase / (decrease) in cash in the year	20	<u>2,710,848</u>	<u>(1,719,214)</u>

The notes on pages 9 to 19 form part of these financial statements.

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31st December 2011. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost (less amounts written off).

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment	three years
Office equipment	three years
Furniture and fittings	five years
Leasehold improvements	over life of lease

Residual value is calculated on prices prevailing at the date of acquisition.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities and profit and loss accounts of overseas subsidiary undertakings and associated undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments issued by the Group

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group), and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS **Year ended 31 December 2011**

instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Turnover

Turnover represents amounts receivable for investment advisory services provided in the normal course of business, net of VAT, plus any transaction fees, recognised as earned. All turnover arises from services provided from the United Kingdom

Leases

Rentals under operating leases are charged to the profit and loss account net of VAT where appropriate on a straight-line basis over the lease term, even if payments are not made on such basis

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2. The directors have a reasonable expectation that the company has adequate 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

2. FINANCIAL RISK MANAGEMENT

The Group's primary Financial Risks are

a) Market Risk

Management take appropriate steps to minimise the impact of risks faced by market conditions through their day-to-day management of the Group

Credit Risk

The primary Credit Risk for the Group is default by Limited Partners of the Funds it advises. There were no such defaults as at 31 December 2011. The Group manages this risk through monitoring of the Funds advised

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

b) Currency Risk

The Group has assets and liabilities denominated in currencies other than sterling, the functional currency. The Group is therefore exposed to currency risk as the value of the assets denominated in currencies other than the functional currency will fluctuate due to changes in exchange rates. The Group policy is not to enter into any currency hedging transactions.

The table below summarises the Group's exposure to currency risks at year end.

	\$	€	Total £
Current Assets			
Cash and Bank Balances	3,987	3,950,432	3,298,016
Debtors	-	1,193,406	995,540
Current Liabilities			
Creditors	-	217,000	181,021

The Euro exchange rate at 31 December 2011 was €1.00 to £0.8342. The United States Dollar exchange rate at 31 December 2011 was US\$1.00 to Sterling £0.6434.

The Group's sensitivity to a 25% increase/decrease in sterling against these currencies would be £824,504 / (£824,504) to the profit after tax for the year and Group's equity. Notwithstanding the currency movements in 2011, 25% is management's assessment of the potential further exposure to foreign exchange rate fluctuation. The sensitivity analysis includes only outstanding foreign currency, current financial assets and liabilities and adjusts their translation at the year end for a 25% change in foreign currency rate thus indicating the potential movement in net assets attributable to the shareholders.

c) Liquidity Risk

The primary Liquidity Risk for the Group is delayed funding of advisory fees by the Funds advised. This is managed by the Group through ongoing monitoring of the Group's liquid assets and close monitoring of the Funds advised.

d) Interest Rate Risk

The Group's primary exposure to interest rate risk is on income from cash balances and deposits which will fluctuate with market interest rates all of which are due within one year. The Group believes there is minimal risk to the business.

f) Capital Risk

At 31 December 2011, the capital of the Group comprised £245,890 of ordinary shares. In addition to this, the Group had £9,763 in a capital redemption reserve and £2,932,712 of retained earnings at that date.

3. OPERATING PROFIT

Operating profit is stated after charging

	Group 2011 £	Group 2010 £
Depreciation and amounts written off tangible fixed assets	127,903	167,351
Auditor's remuneration for audit services	36,848	31,529
Auditor's remuneration for non-audit services	12,480	9,500
Rent	516,512	503,478

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Bank interest received	38,967	38,962	10,556	10,539
Other income	2,723	2,723	-	-
	<u>41,690</u>	<u>41,685</u>	<u>10,556</u>	<u>10,539</u>

5. STAFF COSTS

The average number of employees during the year was

	Group 2011 Number	Company 2011 Number	Group 2010 Number	Company 2010 Number
	<u>31</u>	<u>31</u>	<u>29</u>	<u>29</u>

Aggregate remuneration comprised

	2011 £	2011 £	2010 £	2010 £
Wages and salaries	8,236,632	8,107,030	8,517,210	8,418,999
Social security costs	1,241,807	1,227,875	1,062,494	1,051,880
Pension costs	22,977	22,977	208,873	184,103
	<u>9,501,416</u>	<u>9,357,882</u>	<u>9,788,577</u>	<u>9,654,982</u>

Pension costs:

The Company contributes to defined contribution pension schemes, the assets of which are held separately in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable.

6. DIRECTORS' REMUNERATION AND TRANSACTIONS

The remuneration of the directors comprised emoluments of £1,518,226 (2010 - £1,732,405). The amounts for remuneration include £922,619 (2010 - £1,120,496) in respect of the highest paid director.

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

7. TAX CHARGE ON ORDINARY ACTIVITIES

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
UK corporation tax current	1,564,444	1,564,444	1,744,761	1,744,761
UK corporation tax prior	(7,190)	(7,190)	(87,275)	(87,275)
Deferred taxation	(11,621)	(11,621)	(35,129)	(35,129)
	<u>1,545,633</u>	<u>1,545,633</u>	<u>1,622,357</u>	<u>1,622,357</u>

	Group 2011 £	Group 2010 £
Profit on ordinary activities before tax	<u>5,751,881</u>	<u>6,059,673</u>
Profit on ordinary activities multiplied by the blended rate of corporation tax in the UK of 26.5% (2010: 28%)	1,522,603	1,697,501
Effects of		
Expenses not deductible for tax purposes	31,274	6,616
Depreciation in excess of capital allowances	8,976	39,830
Movement in short term timing differences	1,591	814
Current tax charge for year	<u>1,564,444</u>	<u>1,744,761</u>

8. EQUITY DIVIDENDS

	Group 2011 £	Group 2010 £
Equity dividends on ordinary shares paid	2,658,945	4,096,586
Equity dividends on ordinary shares unpaid	783,099	1,094,695
	<u>3,442,044</u>	<u>5,191,281</u>

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

9. FIXED ASSET INVESTMENTS

	2011 Group £	2011 Company £	2010 Group £	2010 Company £
Shares in group undertakings				
Balance brought forward	-	858	-	-
Additions	-	-	-	858
Balance carried forward	-	858	-	858

The subsidiaries of the Company, all of which are consolidated, are:

	Interest of the Company at 31 December 2011	Country of Incorporation
<u>Directly held</u>		
CapVest Fund Services Ireland Limited.	100% Ordinary Shares	Republic of Ireland

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer equipment £	Office equipment £	Furniture and fittings £	Total £
Cost					
At 1 January 2011	969,222	455,930	94,778	205,308	1,725,238
Additions	20,099	42,407	4,776	8,140	75,422
At 31 December 2011	<u>989,321</u>	<u>498,337</u>	<u>99,554</u>	<u>213,448</u>	<u>1,800,660</u>
Depreciation					
At 1 January 2011	779,780	432,835	81,173	180,497	1,474,285
Charge for the year	82,870	26,382	9,817	19,745	138,814
At 31 December 2011	<u>862,650</u>	<u>459,217</u>	<u>90,990</u>	<u>200,242</u>	<u>1,613,099</u>
Net book value					
At 31 December 2011	<u>126,671</u>	<u>39,120</u>	<u>8,564</u>	<u>13,206</u>	<u>187,561</u>
At 31 December 2010	<u>189,442</u>	<u>23,095</u>	<u>13,605</u>	<u>24,811</u>	<u>250,953</u>

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

11. CURRENT ASSET INVESTMENTS

Company and Group:

PendVest LLP was placed into liquidation on 11th January 2010 and the process was completed during April 2011; CapVest Limited recouped its original investment of £40,000 in the Partnership during 2011

	2011	2010
	£	£
Investments brought forward	40,000	40,000
Investments carried forward	-	40,000

12. DEBTORS

	Group 2011	Company 2011	Group 2010	Company 2010
	£	£	£	£
Trade debtors	861,292	862,794	804,628	811,596
Other debtors	157,758	157,758	71,159	71,159
Interest receivable	765	765	593	593
Prepayments, accrued income and deferred expenses	931,046	931,046	1,259,874	1,259,874
	<u>1,950,861</u>	<u>1,952,363</u>	<u>2,136,254</u>	<u>2,143,222</u>

As at 31 December 2011, other debtors included an interest-free loan of £6,925 (2010 £6,925) to a shareholder's trust for which Seamus FitzPatrick, a director of the company, is a beneficiary and an interest-free loan of £6,925 (2010 £6,925) to a shareholder. This loan is related to the formation of MezzVest II LP. Both loans are repayable on the liquidation of both MezzVest Manager II, Ltd and MezzVest Partners II, Ltd.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2011	Company 2011	Group 2010	Company 2010
	£	£	£	£
Trade creditors	210,278	210,167	62,422	60,912
Corporation tax	900,488	900,467	841,587	841,587
Taxation and social security	3,188,396	3,133,374	1,712,151	1,688,090
Other creditors	19,954	19,954	19,950	19,948
Dividends payable	783,079	783,079	1,094,695	1,094,695
Accruals and deferred income	453,831	450,077	155,741	149,375
Deferred tax	16,501	16,501	28,122	28,122
	<u>5,572,527</u>	<u>5,513,619</u>	<u>3,914,668</u>	<u>3,882,729</u>

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

14. DEFERRED TAX

Movement on deferred taxation balance in the period	Group 2011 £	Group 2010 £
Opening balance	28,122	63,251
Credit to profit and loss account	(11,621)	(35,129)
Closing balance	<u>16,501</u>	<u>28,122</u>

ANALYSIS OF DEFERRED TAX BALANCE

	Group 2011 £	Group 2010 £
Capital allowances in excess of depreciation	16,501	28,122
Provision for deferred tax	<u>16,501</u>	<u>28,122</u>

15. CALLED UP SHARE CAPITAL

	Company 2011 £	Company 2010 £
Authorised		
40,000 A ordinary shares of \$10 each	245,884	245,884
1,000 B ordinary shares of £1 each	1,000	1,000
	<u>246,884</u>	<u>246,884</u>
Allotted, called up, and fully paid		
40,000 A ordinary shares of \$10 each	245,884	245,884
6 B ordinary shares of £1 each	6	6
	<u>245,890</u>	<u>245,890</u>

Each ordinary share carries an equal right to vote and an equal interest in the profits of the Company

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

16. RESERVES

	Group Capital redemption reserve £	Group Profit and loss account £
At 31 December 2010	9,763	2,069,410
Profit for the year	-	4,206,248
Dividends declared	-	(3,442,044)
At 31 December 2011	<u>9,763</u>	<u>2,833,614</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group 2011 £	Group 2010 £
Profit for the year	4,206,248	4,437,316
Dividends declared	(3,442,044)	(5,191,281)
Net deduction to shareholders' funds	<u>764,204</u>	<u>(753,965)</u>
Opening shareholders' funds	2,325,063	3,079,028
Closing shareholders' funds	<u>3,089,267</u>	<u>2,325,063</u>

18. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	Group 2011 £	Group 2010 £
Operating profit	5,710,191	6,049,117
Return of investment	42,690	-
Depreciation charges	127,903	167,351
Decrease / (increase) in debtors	198,338	(497,672)
Increase / (decrease) in creditors	1,922,194	(1,489,080)
Net cash inflow from operating activities	<u>8,001,316</u>	<u>4,229,716</u>

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

19. ANALYSIS OF CASH FLOWS

	Group 2011 £	Group 2010 £
Returns on investments and servicing of finance		
Interest received	38,202	10,601
Net cash inflow	38,202	10,601
 Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(76,464)	(16,990)
Dividends paid	(3,753,832)	(4,296,586)
Corporation tax paid	(1,498,374)	(1,645,955)
Net cash outflow	(5,328,670)	(5,959,531)

20. ANALYSIS AND RECONCILIATION OF NET CASH

	Group 31-Dec 2010 £	Group Cash flow £	Group 31-Dec 2011 £
Cash at bank and in hand	3,812,524	2,710,848	6,523,372
Net cash	3,812,524	2,710,848	6,523,372
		2011 £	2010 £
Increase /(decrease) in cash in the year		2,710,848	(1,719,214)
Change in net cash resulting from cash flows		2,710,848	(1,719,214)
Movement in net cash in year		2,710,848	(1,719,214)
Net cash at 31 December 2010 / 31 December 2009		3,812,524	5,531,738
Net cash at 31 December 2011 / 31 December 2010		6,523,372	3,812,524

CAPVEST LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS Year ended 31 December 2011

21. COMMITMENTS

Commitments under non-cancellable operating leases are as follows

	Group Land and buildings 2011 £	Group 2010 £
Expiring within one year	<u>550,041</u>	<u>651,835</u>

22. RELATED PARTIES

The Company has taken advantage of the exemption in Financial Reporting Standard No 8 ("FRS 8") from the requirement to disclose intra group transactions which are defined as related party transactions under FRS 8

The Directors of the Company hold an interest in a Limited Liability Partnership, CapVest Partners LLP. During the year, the Company recharged expenses to CapVest Partners LLP amounting to £94,165 (2010: £101,765) relating to the latter's share of expenses related to the sharing of office space. As at 31 December 2011, there was £94,165 due to the Company (2010: £88,856)

During the year, the Company received £3,828,605 (2010: £3,475,447) from CapVest Private Equity II LP, a partnership in which certain Directors of the Company have an interest, in relation to advisory services offered to the partnership by the Company. At the year end, £nil (2010: £179,990) was owed to the Company

During the year, the Company recharged expenses to CapVest Equity Partners II LP, a partnership in which certain Directors of the Company have an interest. At year end £79,021 (2010: £162,854) was owed to the Company

The Company received £11,745,666 (2010: £12,033,635) from MezzVest Manager II Limited, a Company in which certain Directors of CapVest Limited have an interest, in relation to advisory services offered to MezzVest Manager II Limited. At the year end, £nil (2010: £32,972) was owed to the Company. The Company also recharged expenses to MezzVest Manager II Limited during the year; at the year end £28,925 (2010: £116,242) was owed to the Company

The Company also received £876,879 (2010: £932,011) from MV Manager Limited, a Company in which certain Directors have an interest, in relation to advisory services offered to MV Manager Limited. At the year end £199,640 (2010: £223,559) was owed to the Company. The Company also recharged expenses to MV Manager Limited during the year, at the year end £10,779 (2010: £58,051) was owed to the Company

23. POST BALANCE SHEET EVENTS

There are no post balance sheet events