

REGISTERED NUMBER: 05156754 (England and Wales)

**DIRECTORS' REPORT AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2006  
FOR  
CORILIUS (UK) LIMITED**



**CORILIUS (UK) LIMITED**

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FOR THE YEAR ENDED 31ST DECEMBER 2006**

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**CORILIUS (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**

**DIRECTORS:** Mr W R Watson  
Mr F Callet

**SECRETARY:** Mr W R Watson

**REGISTERED OFFICE:** 9th Floor  
Exchange House  
Primrose Street  
London  
EC2A 2EF

**REGISTERED NUMBER:** 05156754 (England and Wales)

**AUDITORS** PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Hay's Galleria  
1 Hay's Lane  
London  
SE1 2RD

**CORILIUS (UK) LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**

The directors present their report with the financial statements of the company for the year ended 31st December 2006

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of provision of consultancy services

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

The results show a pre-tax profit of £59 (2005 loss £29,746) for the year. The company has net liabilities of £26,996 (2005 £27,038) at the balance sheet date

**Research and development**

The Company is not engaged in any research or development activities. It does support the on-going professional education of its employees and staff by providing for training and participation in industry events and conferences

**Future outlook**

The Company continues to enjoy a stable relationship with its principal client, Corilius (Guernsey) Limited and indirectly, the Societe Generale Group (SGG). During the year, SG successfully raised additional funds for investment in Eastern Europe, providing the prospect of a continuation of the consulting activities of the company. The Company remains dependent on this client for its activity and faces the risk of any decision by SGG to terminate that relationship and activity.

The Directors note that the Company's direct owner, Societe Generale Asset Management Alternative Investments S A (SGAM AI), has provided a letter of support to the Company confirming that it is the intention of SGAM AI that, if the Company's operations do not otherwise generate sufficient positive cash flow to continue its business activities, SGAM AI will, or will procure that its subsidiaries will, defer repayments of amounts due to them, make loans, or advances to the Company to fund operating deficits and provide working capital funds.

**Key performance indicators ("KPIs")**

The key performance indicator for the company is its net profit. During the year, this was positive. This positive result also allowed the company to reduce its net total liability position from the prior year. We note that as the principal client and the Company's creditors comprise related companies within the SG Group, the company faces limited credit and financial risk.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2006

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2006 to the date of this report.

Mr W R Watson  
Mr F Callet

Other changes in directors holding office are as follows:

Mr G Karady - resigned 31st January 2006

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made charitable donations of £Nil during the year (2005 £1,100)

**CORILIUS (UK) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 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 these 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 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 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 financial statements 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.

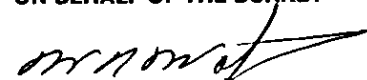
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director 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.

**AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



Mr W R Watson - Secretary

Date 22/10/07

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CORILIUS (UK) LIMITED**

We have audited the financial statements of Corilius (UK) Limited for the year ended 31st December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' 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 Directors' 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). This report, including the opinion, has been prepared for and only the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 Directors' 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' 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 directors 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.

**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 31st December 2006 and of its profit and cashflows 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 Directors' Report is consistent with the financial statements.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

26 October 2007

**CORILIUS (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Notes	31 12 06 £	31 12 05 £
<b>TURNOVER</b>	2	220,000	495,158
Administrative expenses		<u>216,733</u>	<u>522,458</u>
		3,267	(27,300)
Other operating income		<u>250</u>	<u>-</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	3,517	(27,300)
Interest receivable and similar income		<u>120</u>	<u>75</u>
		3,637	(27,225)
Interest payable and similar charges	5	<u>3,578</u>	<u>2,521</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		59	(29,746)
Tax on profit/(loss) on ordinary activities	6	<u>17</u>	<u>(940)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>42</u>	<u>(28,806)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

**CORILIUS (UK) LIMITED**

**BALANCE SHEET  
31ST DECEMBER 2006**

	Notes	31 12 06 £	31 12 05 £
<b>CURRENT ASSETS</b>			
Debtors	8	1,542	20,355
Cash at bank		<u>32,169</u>	<u>31,767</u>
		33,711	52,122
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>60,707</u>	<u>79,160</u>
<b>NET CURRENT LIABILITIES</b>		<u>(26,996)</u>	<u>(27,038)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(26,996)</u>	<u>(27,038)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account	11	<u>(26,997)</u>	<u>(27,039)</u>
<b>SHAREHOLDERS' FUNDS</b>	15	<u>(26,996)</u>	<u>(27,038)</u>

The financial statements were approved by the Board of Directors on  
on its behalf by

22/10/07

and were signed

Mr F Callet - Director

Mr W R Watson - Director

The notes form part of these financial statements



**CORILIUS (UK) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Notes	31 12 06 £	31 12 05 £
<b>Net cash inflow from operating activities</b>	1	28,860	9,220
<b>Returns on investments and servicing of finance</b>	2	(3,458)	(2,446)
<b>Taxation</b>		<u>-</u>	<u>(940)</u>
		25,402	5,834
<b>Financing</b>	2	<u>(25,000)</u>	<u>8,000</u>
<b>Increase in cash in the period</b>		<u>402</u>	<u>13,834</u>

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**Reconciliation of net cash flow to movement in net funds**

	3		
Increase in cash in the period		<u>402</u>	<u>13,834</u>
Change in net funds resulting from cash flows		<u>402</u>	<u>13,834</u>
<b>Movement in net funds in the period</b>		402	13,834
<b>Net funds at 1st January</b>		<u>31,767</u>	<u>17,933</u>
<b>Net funds at 31st December</b>		<u>32,169</u>	<u>31,767</u>

The notes form part of these financial statements

**CORILIUS (UK) LIMITED**

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

**1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31 12 06	31 12 05
	£	£
Operating profit/(loss)	3,517	(27,300)
Depreciation charges	-	853
Decrease in debtors	18,813	33,257
Increase in creditors	<u>6,530</u>	<u>2,410</u>
<b>Net cash inflow from operating activities</b>	<u><b>28,860</b></u>	<u><b>9,220</b></u>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31 12 06	31 12 05
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	120	75
Interest paid	<u>(3,578)</u>	<u>(2,521)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><b>(3,458)</b></u>	<u><b>(2,446)</b></u>
 <b>Financing</b>		
Loan repayments in year	(25,000)	-
Amount introduced by directors	<u>-</u>	<u>8,000</u>
<b>Net cash (outflow)/inflow from financing</b>	<u><b>(25,000)</b></u>	<u><b>8,000</b></u>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 1 06	Cash flow	At
	£	£	31 12 06
			£
Net cash			
Cash at bank	<u>31,767</u>	<u>402</u>	<u>32,169</u>
	<u>31,767</u>	<u>402</u>	<u>32,169</u>
 Total	<u><b>31,767</b></u>	<u><b>402</b></u>	<u><b>32,169</b></u>

The notes form part of these financial statements

# CORILIUS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2006

### 1 ACCOUNTING POLICIES

#### Basis of preparing the financial statements

The company is a member of the Societe Generale Group. During the year it has undertaken staff restructurings and has terminated material fixed obligation contracts. On this basis, the directors consider the company to be a going concern for a period of no less than twelve months from the approval of the financial statements.

#### Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

#### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 50% on cost

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### Pensions

The company makes contributions to its employees pension schemes on a defined contribution basis. Contributions payable for the year are charged in the profit and loss account.

### 2 TURNOVER

The turnover and profit (2005 - loss) before taxation are attributable to the one principal activity of the company.

### 3 STAFF COSTS

	31 12 06	31 12 05
	£	£
Wages and salaries	112,090	304,529
Social security costs	14,412	31,299
Other pension costs	-	2,900
	<u>126,502</u>	<u>338,728</u>

The average monthly number of employees during the year was as follows:

	31 12 06	31 12 05
Average number of employees	<u>1</u>	<u>3</u>

### 4 OPERATING PROFIT/(LOSS)

The operating profit (2005 - operating loss) is stated after charging:

	31 12 06	31 12 05
	£	£
Depreciation - owned assets	-	853
Auditors' remuneration	4,000	4,000
Foreign exchange differences	-	645
	<u>115,239</u>	<u>275,374</u>

**CORILIUS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 12 06	31 12 05
	£	£
Bank interest	7	-
Loan	<u>3,571</u>	<u>2,521</u>
	<u>3,578</u>	<u>2,521</u>

**6 TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	31 12 06	31 12 05
	£	£
Current tax		
UK corporation tax	<u>17</u>	<u>(940)</u>
Tax on profit/(loss) on ordinary activities	<u>17</u>	<u>(940)</u>

**Factors affecting the tax charge/(credit)**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 12 06	31 12 05
	£	£
Profit/(loss) on ordinary activities before tax	<u>59</u>	<u>(29,746)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 30%)	11	(8,924)
Effects of		
Depreciation	-	256
Non allowable expenditure	199	20
Capital allowances	(27)	(58)
Losses utilised	(161)	519
Increase/(Utilisation) of trading losses	-	7,247
Nil rate band adjustment	<u>(5)</u>	<u>-</u>
Current tax charge/(credit)	<u>17</u>	<u>(940)</u>

**7 TANGIBLE FIXED ASSETS**

**COST**

At 1st January 2006  
and 31st December 2006

Computer  
equipment  
£

1,706

**DEPRECIATION**

At 1st January 2006  
and 31st December 2006

1,706

**NET BOOK VALUE**

At 31st December 2006

-

At 31st December 2005

-

**CORILIUS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST DECEMBER 2006**

**8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 06	31 12 05
	£	£
Trade debtors	41	41
Other debtors	-	12,668
Tax	940	940
VAT	<u>561</u>	<u>6,706</u>
	<u>1,542</u>	<u>20,355</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 06	31 12 05
	£	£
Trade creditors	11,127	6,925
Amounts owed to group undertakings	30,471	55,940
Tax	17	-
Social security and other taxes	3,900	-
Other creditors	100	4,921
Accrued expenses	<u>15,092</u>	<u>11,374</u>
	<u>60,707</u>	<u>79,160</u>

**10 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	31 12 06	31 12 05
		£1	£	£
100	Ordinary		<u>100</u>	<u>100</u>

Allotted, issued and fully paid Number	Class	Nominal value	31 12 06	31 12 05
		£1	£	£
1	Ordinary		<u>1</u>	<u>1</u>

**11 RESERVES**

	Profit and loss account £
At 1st January 2006	(27,039)
Profit for the year	<u>42</u>
At 31st December 2006	<u>(26,997)</u>

**12 PENSION COMMITMENTS**

During the year the company made contributions to one of its employees pension schemes on a defined contribution basis of £Nil (2005 £2,900) At the year end there were no contributions either accrued or prepaid (2005 £Nil)

**13 ULTIMATE PARENT COMPANY**

The immediate parent company is Corilius (Holdings) Limited (previously known as Value Four Capital Limited) which owns 100% of the issued share capital The ultimate parent company is Societe Generale Asset Management Alternative Investments S A (SGAM AI) which owns Corilius (Holdings) Limited, SGAM AI is part of the Societe Generale Group

# **CORILIUS (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2006**

### **14 RELATED PARTY DISCLOSURES**

#### **Corilius (Guernsey) Limited**

The above is a wholly owned subsidiary of Corilius (Holdings) Limited. Corilius (Holdings) Limited and Corilius (UK) Limited (CUK) are under common control.

	2006 £	2005 £
Advisory fees paid	220,000	480,000
Loan interest payable	3,571	2,521
Included in amounts owed to group undertaking	30,000	55,469

#### **Baring Corilius Private Equity (Romania) S.A. (Romania registered)**

The above is a wholly owned subsidiary of Corilius (Holdings) Limited. See above.

	2006 £	2005 £
Included in amounts owed to group undertakings	471	471

The creditor formed part of the central European business and assets purchased from Baring Private Equity Partners Limited (Registered in England and Wales) per an agreement dated 8 September 2004.

#### **Corilius (Holdings) Limited (CH), Societe Generale Asset Management Alternative Investments S.A (SGAM AI) and Societe Generale Group (SGG)**

On 21 December 2005, SGAM AI purchased a controlling interest in CH, SGAM AI is part of the SGG.

### **15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 06 £	31 12 05 £
Profit/(Loss) for the financial year	<u>42</u>	<u>(28,806)</u>
<b>Net addition/(reduction) to shareholders' funds</b>	42	(28,806)
Opening shareholders' funds	<u>(27,038)</u>	<u>1,768</u>
<b>Closing shareholders' funds</b>	<u>(26,996)</u>	<u>(27,038)</u>