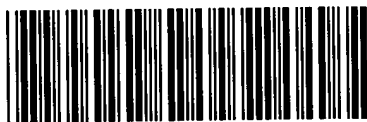


HgCapital LLP

Consolidated financial statements
for the year ended 31 March 2015

Registered number: 0C301825

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COMPANIES HOUSE

HgCapital LLP

DESIGNATED MEMBERS

S M Bough
M J Block
C M Donaldson
N J Humphries

BOARD

N J Humphries
L J Stone
T Attwood (Non-Executive)
R Reason (Non-Executive)

AUDITOR

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

REGISTERED OFFICE

2 More London Riverside
London
SE1 2AP

MEMBERS' REPORT

The members present their report and Group financial statements for the year ended 31 March 2015.

These financial statements for HgCapital LLP ("the LLP" or "the Partnership" or "the firm") reflect the results for the year to 31 March 2015. The financial statements consolidate the accounts of the LLP and of all its subsidiary undertakings (together, "the Group"), drawn up to 31 March 2015. The Group has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present a profit and loss account for the LLP.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The LLP through its subsidiaries, provides investment management services to the European private equity and renewable energy markets, investing on behalf of collective investment schemes (fund partnerships). Funds under management at the end of the year were £5.2 billion (2014: £5.1 billion).

The Group's operating profit has increased from £39,985,000 for the year ended 31 March 2014 to £60,883,000 for the year ended 31 March 2015. This was primarily driven by the receipt of management fees from the Hg Capital 7 fund and the receipt of carried interest. This resulted in increased management fee income of £72,084,000 (2014: £64,120,000) and receipt of carried interest proceeds of £20,971,000 (2014: £ nil), offset by an increase in staff costs and other operating expenses.

BUSINESS AND STRATEGY

The objective of the Group is to manage fund partnerships that provide investors with broad exposure to European private equity and renewable energy markets. The strategy for buyouts is to seek companies with predictable revenues, which offer a platform for growing market share or have the potential for significant performance improvements. The Group focuses on middle-market buyouts with enterprise values of between £80 million and £500 million, lower mid-market buyouts in the TMT sector with enterprise values of between £20 million and £80 million and renewable power generating projects between €10 and €50 million. The Group primarily focuses its buyout investments in the UK and Northern Europe and its renewable energy investments are focused on the UK, Ireland, the Nordic region and Spain.

No material change will be made to the investment policy without member approval.

KEY PERFORMANCE INDICATORS

The Group's income represents management fees and carried interest, which the members also consider to be the key performance indicators, alongside funds under management. The level of management fees generated will be determined principally by the level of funds under management and the rate of capital deployment and realisations. The receipt of carried interest proceeds is principally determined by the funds' performance and the timing of realisations.

RISK ASSESSMENT

The Group is exposed to a variety of financial and operational risks as detailed below:

Liquidity and cash flow risk

The risk that the Group's available cash will not be sufficient to meet its financial obligations is mitigated by management actively reviewing the liquidity position on a regular basis.

MEMBERS' REPORT (CONTINUED)

RISK ASSESSMENT (CONTINUED)

Interest rate risk

At the balance sheet date, the Group has a significant proportion of its assets held in interest-bearing bank accounts and deposits at call. As such, the Group's revenues and assets are subject to interest rate risk to the extent that the cash rate falls over any given period. Given that the Group does not have any material interest-bearing liabilities at the balance sheet date, the Board and management do not consider it necessary to hedge the Group's exposure to interest rate risk.

Currency risk

A proportion of the Group's income is denominated in foreign currencies. This income is naturally hedged due to a similar quantum of expenditure incurred in the corresponding currencies and as such, no additional measures are considered necessary.

The Group has a relatively small proportion of its assets and liabilities denominated in foreign currencies.

The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

Credit and counterparty risk

Throughout the year the Group holds a significant portion of its assets in interest-bearing bank accounts and deposits at call with financial institutions, giving rise to a direct exposure should such an institution be unable or unwilling to repay capital and/or interest on funds provided to it. The Group's interest-bearing bank accounts and deposits at call are only held with counterparties which have credit ratings that the Board and management consider to be adequate and the credit quality and financial position of such counterparties are regularly monitored. The credit quality of the above mentioned financial assets was deemed satisfactory throughout the year and as at the date of this report.

The Group is also exposed to counterparty risk to the extent that the underlying investors in its managed funds are unable or unwilling to meet their contractual obligations. In order to mitigate this risk, the Group carefully considers its clients to ensure they meet a required standard in respect of character and integrity, track record and financial strength. As a result, the Group considers its underlying investor base to have a relatively low settlement risk profile.

Operational risk

The Group has established a control framework so that the risk of financial loss to the Group through operational failure is minimised.

A plan has also been established to minimise and manage possible risks of disruption to the Group's business. This plan has been implemented to manage the Group's strategic and operational business risks during emergencies and is aimed at coordinating various responses such as IT, disaster recovery, contingency plans, off-site storage of records, data back-up and recovery procedures, evacuation procedures and customer / staff communications.

The business is also subject to risks associated with the tax and regulatory regimes within which its business operates. The Board and management engage consultants where necessary to ensure their understanding of current and impending laws and regulations is sufficient.

The Group also reviews and renews its insurance policies on an annual basis.

MEMBERS' REPORT (CONTINUED)

GOING CONCERN

The Group's business activities together with the factors likely to affect its future development and performance are set out above. The Group has considerable financial resources together with long-term contracts with a number of fund partnerships and suppliers across different geographic areas and industries. As a consequence, the members believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The members have a reasonable expectation that the LLP and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

REGULATION

The LLP is regulated by the Financial Conduct Authority.

RESULTS AND DISTRIBUTIONS

The results for the year are shown in the Consolidated Profit and Loss Account on page 9. Members' remuneration and profit allocations of £44,599,000 were made during the year (2014: £47,245,000).

MEMBERS

One member was appointed and one member ceased to be a member during the year.

The firm's designated members are detailed on page 1.

BOARD

The Board members are detailed on page 1.

MEMBERS' DRAWINGS, SUBSCRIPTIONS AND REPAYMENT OF CAPITAL

Policies for members' drawings, subscriptions and repayment of members' capital are governed by and set out in the LLP deed. The members participate fully in the firm's profit, share the risks and subscribe to the firm's capital. In respect of any period, subject to the LLP maintaining its regulatory capital requirements, each member is entitled to fixed and contractual profit share distributions as defined in the LLP deed. In addition, where sufficient profits of the partnership are available, each member may be allocated a further discretionary profit share distribution with the approval of the Remuneration Committee. All such payments are made subject to the cash requirements of the business.

PARTNERSHIP FINANCIAL STATEMENTS

Clause 11 of the LLP Deed specifies that the financial statements shall be drawn up to 31 March or such other date as the Board may decide, and proper accounting records shall be kept by the Partnership and that the accounting policies to be adopted shall be as laid down by the Board.

These responsibilities are exercised by the Board.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Throughout the year, the firm has maintained directors' and officers' liability insurance in respect of itself and its members in their capacity as designated members and officers of the LLP, and as directors and officers of its subsidiaries and any portfolio companies associated with the funds managed by the Group.

MEMBERS' REPORT (CONTINUED)

AUDITOR

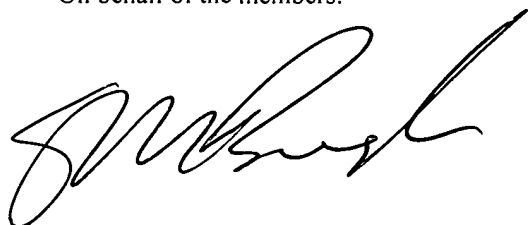
Each person who is a member at the date of approval of this report confirms that:

- so far as the member is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the member has taken all the steps that he / she ought to have taken as a member in order to make himself / herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

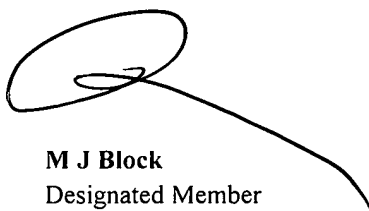
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

On behalf of the members:



S M Bough
Designated Member



M J Block
Designated Member

22 July 2015

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Members' Report and the consolidated financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members 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 LLP and of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and to enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Board on behalf of the members.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Hg CAPITAL LLP

We have audited the financial statements of HgCapital LLP for the year ended 31 March 2015 which comprise the Consolidated Profit and Loss Account, the Consolidated Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Limited Liability Partnership Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Statement of Members' Responsibilities, the members 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Group's and the parent limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated 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.

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 limited liability partnership's affairs as at 31 March 2015 and of the Group's profit 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 as applied to limited liability partnerships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Hg CAPITAL LLP (CONTINUED)

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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

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



Garrath Marshall (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

22 July 2015

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2015

	Notes	2015 £'000	2014 £'000
Fee income	2a	72,084	64,120
Carried interest proceeds	2b	20,971	-
Operating expenses	3	<u>(32,174)</u>	<u>(24,135)</u>
Operating profit	5	60,881	39,985
Interest receivable	6	68	216
Investment income		500	-
Profit on realisation of investments		119	9
Impairment of investments		<u>(812)</u>	<u>-</u>
Group profit before taxation		60,756	40,210
Group tax (charge)/credit	7	<u>(1,423)</u>	<u>2,334</u>
Profit for the year before members' remuneration and profit shares		59,333	42,544
Members' remuneration charged as an expense	14	<u>(6,850)</u>	<u>(11,041)</u>
Retained profit for the year available for discretionary division among members		<u>52,483</u>	<u>31,503</u>

All amounts are in respect of continuing activities.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2015

There were no recognised gains or losses in the year other than the profit for the year and the £450,000 loss on exchange differences on consolidation (2014: £134,000 loss) as disclosed in note 14.

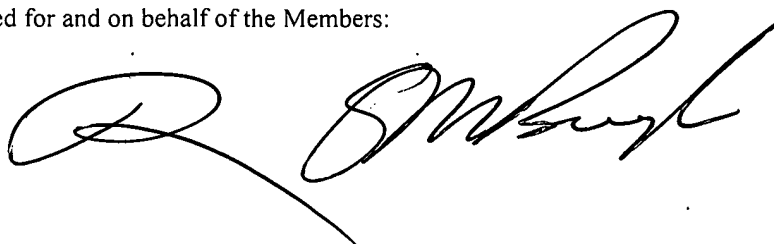
The accompanying notes form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET
at 31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible fixed assets	9	462	585
Investments	10	4,798	4,764
		5,260	5,349
Current assets			
Debtors	11	9,004	9,719
Cash	13 (c)	33,166	13,086
		42,170	22,805
Creditors: amounts falling due within one year	12	(18,515)	(14,634)
Net current assets		23,655	8,171
Non-current debtors	11	2,907	4,018
Net assets		31,822	17,538
Represented by:			
Members' Capital classified as a liability	14	1,290	1,290
Other reserves classified as equity	14	30,532	16,248
		31,822	17,538
Total members' interests represented by:			
Loans and other debts due to members	14	1,290	1,290
Members' other interests	14	30,532	16,248
		31,822	17,538

The financial statements of HgCapital LLP (registered number 0C301825) were approved by the Board and authorised for issue on 22 July 2015. They were signed for and on behalf of the Members:

S M Bough
Designated Member



22 July 2015

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2015

	<i>Notes</i>	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>
Net cash inflow from operating activities	<i>13a</i>	65,752	33,895
Return on investment and servicing of finance	<i>13b</i>	883	1,166
Taxation paid	<i>13b</i>	(303)	(330)
Capital expenditure and financial investment	<i>13b</i>	<u>(1,203)</u>	<u>(1,333)</u>
Cash inflow before transactions with members		65,129	33,398
Transactions with members	<i>13b</i>	<u>(44,599)</u>	<u>(47,245)</u>
Increase / (decrease) in cash	<i>13c</i>	<u>20,530</u>	<u>(13,847)</u>

The accompanying notes form an integral part of these financial statements.

LIMITED LIABILITY PARTNERSHIP BALANCE SHEET
at 31 March 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible fixed assets	9	342	434
Investments in subsidiaries	10	441	441
Other investments	10	4,446	4,473
		5,229	5,348
Current assets			
Debtors	11	1,854	4,202
Cash		18,331	4,712
		20,185	8,914
Creditors: amounts falling due within one year	12	(8,171)	(6,488)
Net current assets		12,014	2,426
Non-current debtors	11	469	654
Net assets		17,712	8,428
Represented by:			
Members' Capital classified as a liability	14	1,290	1,290
Other reserves classified as equity	14	16,422	7,138
		17,712	8,428
Total members' interests represented by:			
Loans and other debts due to members	14	1,290	1,290
Members' other interests	14	16,422	7,138
		17,712	8,428

The accounts were approved by the Board.

For and on behalf of the Members:

S M Bough
Designated Member

22 July 2015

The accompanying notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention. They have been prepared in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in April 2014 and with applicable United Kingdom accounting standards and law. The Group has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present a profit and loss account for HgCapital LLP as a stand-alone entity.

Basis of consolidation

The Group financial statements consolidate the financial statements of HgCapital LLP and its subsidiary undertakings drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Members' Report. The Group has considerable financial resources together with long-term contracts with a number of fund partnerships and suppliers across different geographic areas and industries. As a consequence, the members believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook, and therefore have continued to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Tangible fixed assets

All tangible fixed assets are recorded at cost less depreciation and any impairment.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, being as follows:

Leasehold improvements and Fixtures and fittings	- 5 years
Computer equipment	- 2 years

Investments in subsidiaries

The Group and LLP holds its investments stated at cost less impairment.

Other investments

Other investments are stated at cost less impairment.

Deferred income

Management fees received in advance are included in deferred income and released to the profit and loss account in equal monthly amounts over the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Deferred expenditure

Deferred expenditure relating to placement fees paid with the establishment of fund partnerships is initially stated at cost and charged to the fee income account over the economic life of five years.

Foreign currencies

Group

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All such differences are taken to the profit and loss account.

The balance sheets of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The profit and loss accounts of overseas subsidiary undertakings are translated at the average exchange rate during the year. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

The Partnership

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Pensions

HgCapital LLP operates a pension scheme for staff and members, the HgCapital LLP Stakeholders' Scheme. The plan is a defined contribution plan and contributions on behalf of staff are charged to the profit and loss account when they become payable. Contributions on behalf of Members are included within Members' remuneration charged as an expense.

Taxation

The current year corporation tax charges attributed to the Group's subsidiaries are included on consolidation. There is no tax charge shown for HgCapital LLP, the entity, as each member is responsible for providing income tax computations to the Inland Revenue and discharging his or her liability to income tax arising thereon.

Deferred taxation

Provision in the subsidiary companies is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Provision is made for deferred tax on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that it is more likely than not that there will be taxable profits in the future against which the asset can be offset. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2015

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)***Members' remuneration***

In respect of any period, subject to the LLP maintaining its regulatory capital requirements, each member is entitled to fixed and contractual profit share distributions as defined in the Limited Partnership Agreement. These amounts are charged as an expense in the profit and loss account. In addition, where sufficient profits of the partnership are available, each member may be allocated a further discretionary profit share distribution with the approval of the Remuneration Committee. Such discretionary profit distributions are shown as part of the reconciliation of movements in members' total interests (refer to note 14 for further information).

2. REVENUE**a) Fee income**

Fee income represents the management fee earned from clients during the year from continuing activities in the UK, which is stated net of value added tax. Management fees are recognised once receivable.

b) Carried interest

Carried interest proceeds are earned from the management of Funds and is recognised on receipt.

3. ANALYSIS OF OPERATING EXPENSES

	2015 £'000	2014 £'000
Staff costs (note 4)	23,637	17,643
Legal and professional fees	1,732	1,238
Depreciation of tangible fixed assets	284	314
Other operating expenses	6,521	4,940
	<u>32,174</u>	<u>24,135</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2015

4. STAFF COSTS

The aggregate employment costs of staff (excluding members) were:

	<i>2015</i>	<i>2014</i>
	<i>£'000</i>	<i>£'000</i>
Salaries including bonus	21,214	15,553
Social security costs	1,976	1,779
Pension costs	447	311
	<u>23,637</u>	<u>17,643</u>

The average number of staff (excluding members) during the year was:

	<i>2015</i>	<i>2014</i>
	<i>Number</i>	<i>Number</i>
Revenue staff	45	39
Support staff	45	41
	<u>90</u>	<u>80</u>

5. OPERATING PROFIT

Operating profit is stated after charging:

	<i>2015</i>	<i>2014</i>
	<i>£'000</i>	<i>£'000</i>
Auditor's remuneration:		
- for audit of the Group	48	48
- services pursuant to legislation	2	2
- taxation services (non-audit)	72	72
Depreciation of tangible fixed assets	284	314
Operating lease payments	809	834
Foreign exchange loss	<u>394</u>	<u>3</u>

6. INTEREST RECEIVABLE

Interest receivable is interest earned on cash balances and deposits held at banks.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2015

7. GROUP TAX CHARGE/(CREDIT)

The Group tax credit represents the tax receivable generated in the underlying subsidiaries held by the Limited Liability Partnership.

The Group tax charge/(credit) is made up as follows:

	2015 £'000	2014 £'000
<i>Current tax</i>		
UK Corporation tax	1,369	(2,451)
Overseas tax	54	117
Total current tax	1,423	(2,334)
Deferred tax	-	-
Total tax charge/(credit)	1,423	(2,334)

Factors affecting tax charge for the year:

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK for a large company. The differences are explained below:

	2015 £'000	2014 £'000
Group Profit before taxation	60,756	40,210
Corporation tax at 21% (2014: 23%)	12,759	9,248
Effects of:		
Income attributable to HgCapital LLP and taxable on members directly	(11,328)	(11,325)
Overseas tax items and rate differences	49	(168)
Adjustments in respect of previous periods	-	45
Decrease in corporation tax rate	(71)	(150)
Expenditure not deductible for corporation tax purposes	14	16
	(11,336)	(11,582)
Corporation tax payable/(recoverable) for the year	1,423	(2,334)

Tax on the LLP's profits is assessed on the Member rather than the LLP and accordingly, no tax is included in these accounts in respect of that part of the profit attributed to the members of the partnership.

There is no material unprovided deferred tax.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2015

8. MEMBERS' REMUNERATION AND DIVISION OF PROFIT

Profits are shared among the members after the end of the year in accordance with agreed profit sharing arrangements and include interest on members' funds. Members are required to make their own pension provision for pensions from their profit shares.

	<i>2015</i> <i>Number</i>	<i>2014</i> <i>Number</i>
Average number of members	<u>13</u>	<u>26</u>
	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>
Average profit and remuneration per member	<u>3,431</u>	<u>1,817</u>

Members remuneration and profit allocations of £44,599,000 (2014: £47,245,000) were made during the year.

Payments made to the highest paid member, Dogmer 4 Limited, were:

	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>
Division of profit	<u>34,977</u>	<u>25,558</u>

9. TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Fixtures & fittings £'000</i>	<i>Leasehold improvements £'000</i>	<i>Computer equipment £'000</i>	<i>Total £'000</i>
Cost:				
At 31 March 2014	1,118	950	2,042	4,110
Additions	5	13	161	179
Foreign currency	(20)	(15)	(11)	(46)
At 31 March 2015	<u>1,103</u>	<u>948</u>	<u>2,192</u>	<u>4,243</u>
Depreciation:				
At 31 March 2014	827	807	1,891	3,525
Provided during the year	92	19	173	284
Foreign currency	(14)	(3)	(11)	(28)
At 31 March 2015	<u>905</u>	<u>823</u>	<u>2,053</u>	<u>3,781</u>
Net book value:				
At 31 March 2015	<u>198</u>	<u>125</u>	<u>139</u>	<u>462</u>
At 31 March 2014	<u>291</u>	<u>143</u>	<u>151</u>	<u>585</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2015

9. TANGIBLE FIXED ASSETS (CONTINUED)

<i>Limited liability partnership</i>	<i>Fixtures & fittings £'000</i>	<i>Leasehold improvements £'000</i>	<i>Computer equipment £'000</i>	<i>Total £'000</i>
Cost:				
At 31 March 2014	959	827	1,956	3,742
Additions	4	13	161	178
At 31 March 2015	963	840	2,117	3,920
Depreciation:				
At 31 March 2014	721	785	1,802	3,308
Providing during the year	82	15	173	270
At 31 March 2015	803	800	1,975	3,578
Net book value:				
At 31 March 2015	160	40	142	342
At 31 March 2014	238	42	154	434

10. INVESTMENTS

<i>Group</i>	<i>Other investments £'000</i>
Cost:	
At 31 March 2014	4,764
Investments during the year ⁽¹⁾	1,042
Disposals during the year ⁽²⁾	(196)
Impairment of investments	(812)
At 31 March 2015	4,798

(1) Representing additional investments in fund co-investment partnerships during the year.

(2) Representing cost of disposal of investments in fund co-investment partnerships during the year.

The Group and the partnership have investments in MUST 4 Carry LP, HgCapital SPLP 1 Carry LP, HgCapital SPLP 2 Carry LP and HgCapital RW SPLP Carry LP who invested in MUST 4 LP, GKN SPLP 1 LP, GKN SPLP 2 LP, RR SPLP 1 LP, RR SPLP 2 LP and RW SPLP LP respectively. These investments are stated at the lower of cost and cost less impairment. The Group also has a commitment of £109,000 (2014: £109,000) to HgCapital 5 Executive Co-Invest LP, £2,365,000 (2014: £2,365,000) to Hg Renewable Power Partners LP, £3,772,000 (2014: £3,725,000) to HgCapital 6 Executive Co-Invest LP, £3,508,000 (2014: £3,414,000) to HgCapital RPP2 Executive Co-Invest LP, £2,125,000 (2014: £2,539,000) to HgCapital Mercury Executive Co-Invest LP and £162,000 (2014: £254,000) to HgCapital 7 Executive Co-Invest LP.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2015

10. INVESTMENTS (CONTINUED)

Furthermore other investments include an investment of £281,000 (2014: £281,000) in Hg Investment Managers Limited, incorporated in the United Kingdom. The investment consists of 10,210 B non-voting ordinary shares that have the right to receive all dividends declared by Hg Investment Managers Limited.

<i>Limited liability partnership</i>	<i>Investments in Subsidiaries £'000</i>	<i>Other Investments £'000</i>	<i>Total £'000</i>
Cost:			
At 31 March 2014	441	4,473	4,914
Investments during the year ⁽¹⁾	-	981	981
Disposals during the year ⁽²⁾	-	(196)	(196)
Impairment of investments	-	(812)	(812)
At 31 March 2015	441	4,446	4,887

(1) Representing additional investments in fund co-investment partnerships during the year

(2) Representing cost of disposal of investments in fund co-investment partnerships during the year

As at 31 March 2015, the LLP holds an interest in the share capital of the following subsidiary undertakings:

	<i>Incorporated & Registered</i>	<i>Nature of business</i>	<i>Ordinary Shares</i>
Hg Pooled Management Limited	England	Investment Management	100%
HgCapital Beratungs GmbH & Co. Kg *	Germany	Investment Advisor	100%
HgCapital Verwaltungs GmbH	Germany	Investment Advisor	100%
HgCapital (Netherlands) BV	Netherlands	Investment Advisor	100%
MUST 4 Management GmbH	Germany	Investment Management	100%
MUST 4 General Partner (Guernsey) Ltd	Guernsey	Investment Management	100%
HGT General Partner Limited	England	Investment Management	100%
Hg Incorporations Limited	England	Non-trading	100%
HgCapital Segregated Client G.P. (UK) Limited	England	Non-trading	100%
HgCapital General Partner (Scotland) Limited	Scotland	Investment Management	100%
HgCapital Trustee Company Limited	England	Non-trading	100%
HgCapital 5 General Partner (Guernsey) Limited	Guernsey	Investment Management	100%
HgCapital 6 General Partner (Guernsey) Limited*	Guernsey	Investment Management	100%
Hg Renewable Power GP (Guernsey) Limited	Guernsey	Investment Management	100%
Hg Renewable Power GP (Scotland) Limited	Scotland	Investment Management	100%
HgCapital RPP2 General Partner (Guernsey) Limited	Guernsey	Investment Management	100%
HgCapital Mercury General Partner (Guernsey) Limited	Guernsey	Investment Management	100%

*Held through subsidiaries

In addition to the above, HgCapital LLP also holds capital contributions in a number of limited partnerships alongside other investors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2015

10. INVESTMENTS (CONTINUED)

The members are of the opinion that the value of investments in subsidiaries is not less than the amount at which they are stated in the accounts.

11. DEBTORS

Amounts due within one year:

	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>Group</i>	<i>Group</i>	<i>LLP</i>	<i>LLP</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Amounts owed by related parties (note 15)	-	-	82	306
Trade debtors	5,603	4,949	2	943
Deferred expenditure	925	1,442	-	-
Prepayments and accrued income	562	587	440	461
VAT recoverable	412	642	319	339
Other debtors	1,502	2,099	1,011	2,153
	<u>9,004</u>	<u>9,719</u>	<u>1,854</u>	<u>4,202</u>

The following amounts are due, or will be amortised, after more than one year:

	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>Group</i>	<i>Group</i>	<i>LLP</i>	<i>LLP</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Other debtors	469	654	469	654
Deferred expenditure	2,438	3,364	-	-
	<u>2,907</u>	<u>4,018</u>	<u>469</u>	<u>654</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2015

12. CREDITORS: amounts falling due within one year

	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>Group</i>	<i>Group</i>	<i>LLP</i>	<i>LLP</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Amounts owed to related parties (note 15)	303	338	574	688
Trade creditors	2,539	5,296	247	872
Other creditors	5,226	2,765	2,264	1,698
Payroll and social security	1,296	938	1,289	921
Taxation	2,159	1,039	-	-
Accruals	6,992	4,258	3,797	2,309
	<u>18,515</u>	<u>14,634</u>	<u>8,171</u>	<u>6,488</u>

13. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

a) Reconciliation of operating profit to net cash inflow from operating activities:

	<i>2015</i>	<i>2014</i>
	<i>£'000</i>	<i>£'000</i>
Operating profit	60,881	39,985
Depreciation	284	314
Decrease / (increase) in debtors	1,826	(4,752)
Increase / (decrease) in creditors	2,761	(1,652)
Net cash inflow from operating activities	<u>65,752</u>	<u>33,895</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2015

13. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

b) Analysis of cash flows for headings netted in the consolidated cash flow statement:

Return on investment and servicing of finance

Interest received	68	216
Dividends received	500	-
Proceeds on disposal of investments	315	950
	<u>883</u>	<u>1,166</u>

Taxation

Corporation tax paid	<u>(303)</u>	<u>(330)</u>
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Capital expenditure and financial investment

Purchase of tangible fixed assets	(179)	(156)
Purchase of investments	(1,042)	(1,181)
Foreign currency adjustments	18	4
	<u>(1,203)</u>	<u>(1,333)</u>

Transactions with members

Members' remuneration paid	(6,850)	(11,041)
Profit shares paid	<u>(37,749)</u>	<u>(36,204)</u>
	<u>(44,599)</u>	<u>(47,245)</u>

c) Analysis of changes in net funds:

	2015	2014
	£'000	£'000
Net funds:		
At 1 April	13,086	27,067
Exchange differences on consolidation	(450)	(134)
Increase / (decrease)	<u>20,530</u>	<u>(13,847)</u>
At 31 March	<u>33,166</u>	<u>13,086</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2015

14. RECONCILIATION OF MOVEMENTS IN MEMBERS' INTERESTS

<i>Group</i>	<i>2015</i>	<i>2015</i>	<i>2015</i>	<i>2014</i>
	<i>Members'</i>	<i>Loans and</i>	<i>Total</i>	<i>Total</i>
	<i>Other</i>	<i>other debts</i>	<i>Members'</i>	<i>Members'</i>
	<i>Interests</i>	<i>due to</i>	<i>Interests</i>	<i>Interests</i>
	<i>£'000</i>	<i>Members</i>	<i>£'000</i>	<i>£'000</i>
Members' interests:				
At 1 April 2014	16,248	1,290	17,538	22,373
Members' remuneration charged as an expense	-	6,850	6,850	11,041
Profit for the year available for discretionary division among members	52,483	-	52,483	31,503
Members' interests after profit for the year	68,731	8,140	76,871	64,917
Profit allocations made during the year	(37,749)	37,749	-	-
Drawings	-	(44,599)	(44,599)	(47,245)
Exchange differences on consolidation	(450)	-	(450)	(134)
At 31 March 2015	30,532	1,290	31,822	17,538

Included in debtors (see note 11) is an amount of £15,000 (2014: £927,000) relating to outstanding amounts due to the Group in relation to a loan scheme available to staff and members to invest in the co-investment participation scheme. Interest is charged on these loan scheme amounts at the higher of LIBOR plus 1% or HMRC's beneficial loan arrangement interest rate. Interest of 7% is charged on this amount, compounding annually.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 March 2015

14. RECONCILIATION OF MOVEMENTS IN MEMBERS' INTERESTS (Continued)

<i>Limited Liability Partnership</i>	<i>2015</i>	<i>2015</i>	<i>2015</i>	<i>2014</i>
	<i>Members'</i>	<i>Loans and</i>	<i>Total</i>	<i>Total</i>
	<i>Other</i>	<i>other debts</i>	<i>Members'</i>	<i>Members'</i>
	<i>Interests</i>	<i>due to</i>	<i>Interests</i>	<i>Interests</i>
	<i>£'000</i>	<i>Members</i>	<i>£'000</i>	<i>£'000</i>
Members' interests:				
At 1 April 2014	7,138	1,290	8,428	6,432
Members' remuneration charged as an expense	-	6,850	6,850	11,041
Profit for the year available for discretionary division among members	47,033	-	47,033	38,200
Members' interests after profit for the year	54,171	8,140	62,311	55,673
Profit allocations in the year	(37,749)	37,749	-	-
Drawings	-	(44,599)	(44,599)	(47,245)
At 31 March 2015	16,422	1,290	17,712	8,428

Included in debtors (see note 11) is an amount of £15,000 (2014: £927,000) relating to outstanding amounts due to the Group in relation to a loan scheme available to staff and members to invest in the co-investment participation scheme. Interest is charged on these loan scheme amounts at the higher of LIBOR plus 1% or HMRC's beneficial loan arrangement interest rate. Interest of 7% is charged on this amount, compounding annually.

15. RELATED PARTY DISCLOSURES

For the purposes of FRS 8, related parties include the Group's subsidiary undertakings. The Group has taken advantage of the exemption in FRS 8 Related Party Disclosure relating to transactions between wholly-owned subsidiaries.

Furthermore, the Group provides business support services to Hg Investment Managers Limited (Hg IM) and Hg IM charges a management and custody fee to the Group. Hg IM ceased to be a subsidiary of the partnership on 6 March 2007, after which date the partnership ceased to have control over Hg IM. The partnership and Hg IM continue to share certain key business interests, management, systems and processes, such that one party might be able to influence the other. The parties are therefore deemed to be related parties under FRS 8.

During the year, Hg IM received management and custody fees of £572,000 (2014: £340,000) from the Group and paid £70,000 (2014: £70,000) to the Group in respect of business support services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 March 2015

16. OTHER FINANCIAL COMMITMENTS AND CONTINGENCIES

Group and Limited Liability Partnership

At 31 March 2015 the Group and the LLP had investment purchases of £3,182,000 (2014: £11,078,000) that had been authorised and contractually committed but not yet drawn.

Furthermore, at 31 March 2015 the Group and the LLP had an annual commitment of £649,000 (2014: £649,000) under non-cancellable operating leases relating to land and buildings which expire in between two and three years (2014: three and four years).

In addition, the Group has an annual commitment of £137,000 (2014: £127,000) under non-cancellable operating leases relating to land and buildings which expire in between four and five years (2014: five and six years). The LLP does not share in this commitment.

On 22 May 2012, the Group and the LLP entered into a Security Interest Agreement with a financial institution granting security over the share capital and bank accounts of certain of its General Partner subsidiaries (refer note 10) in connection with the provision of a £60.0 million credit facility provided to Dogmer 4 Limited, a member of the Partnership, by this financial institution. In March 2014 the facility was increased to £63.0 million. During the current year, £23.0 million of this liability was repaid following a repayment by Dogmer 4 Limited. At the balance sheet date, the total outstanding credit facility was £40.0 million (2014: £63.0 million). LLP is the guarantor of the lending facility.

17. ULTIMATE CONTROLLING PARTY

The Members are the ultimate controlling party. No single Member held a controlling interest in the LLP at the date of this report or at any stage during the financial year ended 31 March 2015.