

# Actis Capital LP

**Report of the Members and Consolidated Financial Statements**

**For the year ended 31 December 2006**

Registered Number : OC305927

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## REPORT OF THE MEMBERS

The Members present their Annual Report and Consolidated Financial Statements for the year ended 31 December 2006.

### Principal Activities

Actis Capital LLP ("the LLP") is a UK Limited Liability Partnership that was incorporated on 31 October 2003. Its registered office is 8<sup>th</sup> Floor, 2 More London Riverside, London, SE1 2JT. On 7 July 2004 the partnership acquired the investment management business of, and various investment management companies from CDC Group plc. It commenced trading on 8 July 2004. The Partnership is authorised by the Financial Services Authority to carry out investment management and advisory services.

The principal activity of the LLP is to provide investment management services to the funds, as well as advisory services to its subsidiaries. The provision of advisory services relates to private equity investments in management buy-outs, buy-ins and other venture capital investments.

### Subsidiaries and Joint Venture

The subsidiaries (all wholly owned and consolidated) of the LLP at 31 December 2006 were:

<i>Name</i>	<i>Role</i>	<i>Country of Incorporation</i>	<i>Class of Shares Held</i>
Actis International Ltd <sup>^</sup>	Holding Company	England & Wales	£1 Ordinary
Actis Assets GP Ltd	General Partner of Actis Assets Fund 2 LP	England & Wales	£1 Ordinary
Actis Energy GP Ltd	Dormant	England & Wales	£1 Ordinary
Actis India GP Ltd	General Partner of Actis India Fund 2 LP	England & Wales	£1 Ordinary
Actis Africa GP Ltd	General Partner of Actis Africa Fund 2 LP	England & Wales	£1 Ordinary
Actis Africa Empowerment GP Ltd	General Partner of Actis Africa Empowerment Fund LP	England & Wales	£1 Ordinary
Actis China GP Ltd	General Partner of Actis China Fund 2 LP	England & Wales	£1 Ordinary
Actis South Asia GP Ltd	General Partner of Actis South Asia Fund 2 LP	England & Wales	£1 Ordinary
Actis India Investments GP Ltd	General Partner of Actis India Investments Fund 2 LP	England & Wales	£1 Ordinary
Actis ASEAN GP Ltd <sup>#</sup>	General Partner of Actis Malaysia Fund LP	England & Wales	£1 Ordinary
Actis Africa Ltd	Investment Advisory Company	England & Wales	£1 Ordinary
Actis Assets Ltd	Investment Advisory Company	England & Wales	£1 Ordinary
Actis Partners Ltd	Investment Advisory Company	England & Wales	£1 Ordinary
Actis Costa Rica SA	Investment Advisory Company	Costa Rica	C1 Common
Actis Co-Investment Plan Ltd <sup>^</sup>	General Partner of Actis Executive Co-Investment Plan	Guernsey	£1 Ordinary
Actis Advisers Private Limited	Investment Advisory Company	India	INR10 Ordinary
Actis Global Services Private Limited (India)	Service Company	India	INR10 Ordinary
Actis China Ltd	Investment Advisory Company	Mauritius	US\$1 Ordinary
Actis Holdings Ltd	Holding Company	Mauritius	US\$1 Ordinary
Actis Services Ltd	Service Company	Mauritius	US\$1 Ordinary

## REPORT OF THE MEMBERS *(continued)*

### Subsidiaries and Joint Venture *(continued)*

<i>Name</i>	<i>Role</i>	<i>Country of Incorporation</i>	<i>Class of Shares Held</i>
International Venture Capital Management Limited	Investment Advisory Company	Mauritius	US\$1 Ordinary
Actis Capital Partners Sdn Bhd	Investment Advisory Company	Malaysia	RM1 Ordinary
Actis Africa (Nigeria) Limited	Investment Advisory Company	Nigeria	N1 Ordinary
Actis Executive GP Ltd^	General Partner of Carry Vehicle	Scotland	£1 Ordinary
Actis Umbrella GP Ltd~	General Partner of Actis Umbrella Fund LP	Scotland	£1 Ordinary
Actis Capital Partners Pte. Ltd	Investment Advisory Company	Singapore	£1 Ordinary
Actis Nominee Ltd	Nominee Company	England & Wales	£1 Ordinary
LLP No. 5 Ltd	Various	England & Wales	£1 Ordinary
Actis Comafin Management Ltd	Holding Company	Mauritius	US\$1 Ordinary
Comafin Management Ltd	Holding Company	Zimbabwe	US\$1 Ordinary

^ - directly held by Actis Capital LLP

~ - Actis Umbrella Fund LP was formed on 9 March 2006

# - name changed from Actis Malaysia GP Limited on 1 August 2006

The LLP owned a 70% subsidiary at 31 December 2006:

<i>Name</i>	<i>Role</i>	<i>Country of Incorporation</i>	<i>Class of Shares Held</i>	<i>% Holding</i>
CIFA GP Ltd	General Partner of Canada Investment Fund for Africa LP	England & Wales	£1 Ordinary A	70%

All of the above entities have an accounting year of 31 December with the exception of Actis Advisers Private Limited and Actis Global Services Private Limited which have a 31 March year end as per local requirements.

## REPORT OF THE MEMBERS (*continued*)

### Branches

The subsidiaries have a number of branches outside the United Kingdom.

### Members

The Members of the Partnership at 31 December 2006 were:

Gillian Arthur  
Jonathon Bond  
Paul Fletcher (Senior Partner and designated member)  
Murray Grant  
Anthony Halligan  
Rajiv Kaul (admitted to Membership 21 April 2006)  
Jaideep Krishna (retired from Membership 2 May 2006)  
Alistair Mackintosh  
David Morley  
Nkosana Moyo  
Paul Owers (designated member)  
Mark Pay  
Andrew Reicher  
Peter Ruxton (admitted to Membership 1 November 2006)  
LLP No. 1 Limited  
LLP No. 2 Limited  
LLP No. 3 Limited  
LLP No. 4 Limited  
LLP No. 6 Limited (retired from Membership 31 August 2006)  
LLP No. 7 Limited  
LLP No. 8 Limited  
LLP No. 9 Limited  
LLP No. 10 Limited  
LLP No. 11 Limited  
LLP No. 12 Limited  
LLP No. 13 Limited  
LLP No. 14 Limited (admitted to Membership 1 November 2006)  
Secretary of State for International Development  
Halifax EES Trustees International Limited

### Group Auditor

KPMG LLP of 8 Salisbury Square, London EC4Y 8BB, has been appointed as group auditor of Actis Capital LLP, and have expressed their willingness to continue in office.

### Members' Capital

Total Members' capital is fixed at £2,040,000 (\$3,786,036). Under the terms of the Members' Agreement, Members subscribe to one of three different levels of capital on becoming a Member of the Partnership. The two exceptions are the Secretary of State for International Development, subscribing £1,667,000, and Halifax EES Trustees International Limited as trustee of the Actis Capital LLP Employee Benefit Trust, subscribing £55,910.

## REPORT OF THE MEMBERS *(continued)*

### Members' Profits and Losses

Members' profits and losses are allocated between them based on their respective profit share during the financial year. Drawings are paid from time to time as working capital permits and such drawings are based on the Members' profit sharing percentages at the time of payment, unless otherwise agreed between the Members.

### Current Period Performance

During the period to 31 December 2006 the Group made turnover and profit for the financial period available for division among members of \$107,686,100 and \$3,635,400 (2005: \$82,079,100 and \$4,058,500) respectively.

The LLP made turnover and profit for the financial period available for division among members of \$85,904,440 and \$7,347,210 (2005: \$59,343,600 and \$2,803,800) respectively.

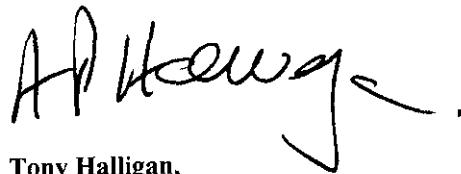
### Donations

During the period the group made charitable donations of \$20,618. No political donations were made.

Approved by the Members on 19 April 2007:



Paul Fletcher,  
Senior Partner



Tony Halligan,  
Chief Financial Officer

2 More London Riverside,  
London,  
SE1 2JT

## **STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE MEMBERS AND THE FINANCIAL STATEMENTS**

The members are responsible for preparing the Report of the Members and the group and LLP financial statements in accordance with applicable law and regulations.

The law relating to limited liability partnerships (LLPs) requires the members to prepare group and LLP financial statements for each financial year. Under that law the members have elected to prepare the group and LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The group and LLP financial statements are required by law to give a true and fair view of the state of affairs of the group and the LLP and of the profit or loss of the group for that period.

In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the LLP will continue in business.

Under the Limited Liability Partnership Regulations 2001, the members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. 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.

## Independent auditors report to the members of Actis Capital LLP

We have audited the group and the limited liability partnership ("LLP") financial statements ("the financial statements") on pages 8 to 26.

This report is made solely to the members of the LLP, as a body, in accordance with section 235 of the Companies Act 1985, as required by paragraph 3 of the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of members and auditors

The Members are responsible for the preparation of the Report of the Members and, as described on page 6, the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the LLP 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 members' remuneration and other transactions is not disclosed.

We read the Members' 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 judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP'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 of the state of the group and the LLP's affairs as at 31 December 2006 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP  
Chartered Accountants  
Registered Auditor

19 April 2007  
8 Salisbury Square  
London EC4Y 8BB



## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2006

	Notes		Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
Management and other fees		65,477.0		67,053.4
Incentive fees received		44,598.1		19,593.6
Less: share of joint venture's turnover		(2,389.0)		(4,567.9)
Group turnover			107,686.1	82,079.1
Administration expenses	5		(88,577.3)	(68,095.2)
<b>Operating profit</b>	4		<b>19,108.8</b>	<b>13,983.9</b>
Income from interest in joint venture			63.2	424.1
Other interest receivable and similar income	2		457.1	262.8
Interest payable and similar charges				
Group	3	(766.4)		(632.5)
Joint Venture		(8.8)		(12.1)
			(775.2)	(644.6)
<b>Profit on ordinary activities before tax</b>			<b>18,853.9</b>	<b>14,026.2</b>
Tax on profit on ordinary activities of group	6		(651.7)	(777.3)
Tax on ordinary activities of joint venture	6		-	(36.9)
<b>Profit for the financial period before Members' profit share</b>	1&13		<b>18,202.2</b>	<b>13,212.0</b>
Members' profit share advances	1&13		(14,566.8)	(9,153.5)
<b>Profit for the year available for division among Members</b>	1&13		<b>3,635.4</b>	<b>4,058.5</b>

The limited liability partnership has no recognised gains and losses other than the profit above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

No note of historical cost profits and losses has been presented as there is no material difference between the limited liability partnership's results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

The members have chosen to apply the exemption under S.234 of the Companies Act and therefore have not disclosed the LLP's individual profit and loss account.

The notes on pages 12 to 26 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

As at 31 December 2006

	Notes	31 December 2006 \$000's	31 December 2005 \$000's
<b>Non-current assets</b>			
Intangible	18	2,357.6	2,351.1
Tangible	8	6,939.3	5,892.1
Equity investment	7	36.7	36.7
Investment in joint venture	7	-	6,210.0
Share of gross assets		-	(5,595.9)
Share of gross liabilities		-	614.1
		<u>9,333.6</u>	<u>8,894.0</u>
<b>Current assets</b>			
Debtors	9	22,436.6	19,525.4
Cash at bank and short term deposits		17,807.3	15,006.4
		<u>40,243.9</u>	<u>34,531.8</u>
<b>Current creditors</b>			
Amounts falling due within one year	10	(32,336.6)	(27,641.1)
Amounts due to Members	13	(3,635.4)	(2,803.8)
		<u>4,271.9</u>	<u>4,086.9</u>
<b>Net current assets</b>		<u>13,605.5</u>	<u>12,980.9</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	11	(8,965.0)	(7,806.2)
		<u>4,640.5</u>	<u>5,174.7</u>
<b>Net assets</b>			
<b>Members' interests</b>			
Members' capital	13	3,786.0	3,786.0
Amount attributable to joint venture		-	430.7
Foreign currency translation reserve in joint venture		-	49.1
Retained earnings		854.5	908.9
		<u>854.5</u>	<u>1,388.7</u>
Other reserves	13		
		<u>4,640.5</u>	<u>5,174.7</u>
<b>At the end of the period</b>	13		

These financial statements were approved by the Members on 19 April 2007 and were signed on their behalf by:

Paul Fletcher,  
Senior Partner



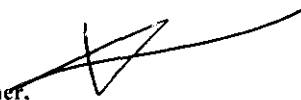
The notes on pages 12 to 26 form part of these financial statements.

## PARTNERSHIP BALANCE SHEET

As at 31 December 2006

	Notes	31 December 2006 \$000's	31 December 2005 \$000's
<b>Non-current assets</b>			
Tangible	8	5,258.7	5,150.8
Investments	7	5,876.1	5,876.1
		<u>11,134.8</u>	<u>11,026.9</u>
<b>Current assets</b>			
Debtors	9	25,102.4	18,445.8
Cash at bank and short term deposits		14,837.7	13,597.1
		<u>39,940.1</u>	<u>32,042.9</u>
<b>Current creditors</b>			
Amounts falling due within one year	10	(31,021.5)	(28,749.7)
Amounts due to Members	13	(3,635.4)	(2,803.8)
		<u>5,283.2</u>	<u>489.4</u>
<b>Net current assets</b>		<u>16,418.0</u>	<u>11,516.3</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	11	(8,920.2)	(7,730.3)
		<u>7,497.8</u>	<u>3,786.0</u>
<b>Net assets</b>			
<b>Members' interests</b>			
Members' capital	13	3,786.0	3,786.0
Profit for the period for division among members		7,347.2	3,308.8
Amounts allocated to Members		(3,635.4)	(3,303.8)
		<u>7,497.8</u>	<u>3,786.0</u>
<b>At the end of the period</b>	13		

These financial statements were approved by the Members on 19 April 2007 and were signed on their behalf by:

  
Paul Fletcher,  
Senior Partner

The notes on pages 12 to 26 form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Notes	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
Net cash inflow from operating activities	15	25,739.3	20,789.6
Net cash outflow from investments and servicing of finance	16	(259.7)	41.0
Taxation paid by group		(2,388.7)	(284.2)
Taxation paid by joint venture		-	-
Net cash outflow from capital expenditure and financial investment	16	(2,919.4)	(685.7)
Transactions with Members	13		
New members' capital injections		86.5	14.7
Existing members' capital injections		-	58.9
Repayment of Members' capital		(86.5)	(73.6)
Members' profit share advances		(17,370.6)	(10,535.0)
Net cash inflow from financing activities	16	-	(963.9)
Net increase in cash at bank and short term deposits in the period		<u>2,800.9</u>	<u>8,361.8</u>
Reconciliation of net cash flow to movement in net funds			
Net cash at bank and short term deposits at the start of period		15,006.4	6,644.6
Net increase in cash at bank and short term deposits in the period		<u>2,800.9</u>	<u>8,361.8</u>
Net cash at bank and short term deposits at end of period		<u>17,807.3</u>	<u>15,006.4</u>

The notes on pages 12 to 26 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements:

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom and the Limited Liability Partnerships Act 2000. The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP) for Limited Liability Partnerships issued by the Institute of Chartered Accountants in England and Wales.

#### *Functional currency*

Given the international spread of the group and the increasing levels of revenue generated in US\$, US\$ is the functional currency of the group. The membership contributions are denominated in the books in £ sterling and recorded at historical cost.

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of Actis Capital LLP and its subsidiaries. Intra group sales and profits are eliminated on consolidation.

A number of the subsidiaries of the group manage, as *General Partners*, various private equity limited partnerships. Investments held through the limited partnerships are made with the express intent of capital appreciation.

The LLP consolidates its attributable proportion of the assets and income of the private equity limited partnerships which its subsidiaries manage as *General Partners* and in which they have a minority interest. These partnerships are subsidiary undertakings and under the terms of the Companies Act 1985 should be consolidated in full. However, the members consider the accounts would not give a true and fair view if the assets and income as a whole were to be consolidated since the Group's interest in these assets is, merely that of investment managers. The effect of this departure is to decrease both profit before tax and the minority interest in the profit for the period by \$180.0 m and to decrease fixed asset investments by \$799.3m, other net assets by \$0.6m and the minority interest in the balance sheet by \$799.9m.

#### *Income*

Income comprises amounts derived from the provision of investment management services to CDC Group plc and the management of various Private Equity Funds.

Fee and other income is recognised when due.

Carried Interest is recognised when receivable.

#### *Pension costs*

Pension costs in respect of contributions to defined contribution Personal Pension Plans are charged against profits as incurred.

#### *Taxation*

Taxation for the partnership, being the individual liability of each member is not provided for in the accounts.

Taxation payable by subsidiary companies is recognised in the accounts.

Deferred taxation assets and liabilities arise from timing differences between the recognition of income, gains and losses in the financial statements and their recognition for tax purposes. Deferred tax liabilities are fully recognised and deferred tax assets are recognised when it is considered more likely than not that the asset will be recoverable. Deferred tax assets and liabilities are undiscounted.

## NOTES TO THE FINANCIAL STATEMENTS(continued)

### 1 Accounting policies (continued)

#### *Foreign currencies*

The results of overseas subsidiary undertakings are translated into US\$ at the average rates of exchange during the year and the balance sheets at the rates ruling at the balance sheet date. Exchange differences arising from the translation of the results and net assets of overseas subsidiary undertakings are charged or credited to the profit and loss account.

#### *Allocation of profits and drawings*

The allocation of profits to those who were Members during the financial year occurs following the finalisation of the annual financial statements. During the year the Members receive profit share advances.

Drawings represent payments on account of current year profits and are reclaimable from Members until profits have been allocated. Any over-distribution of profits during the year is also recoverable from Members.

#### *Remuneration policy*

Actis needs to be able to attract, develop and retain high quality staff at all levels. Remuneration policy has an important part to play in achieving this objective. Actis aims to offer staff remuneration packages that are competitive in the relevant marketplaces and which reflect individual performance and experience.

#### *Intangible assets*

Goodwill arising on consolidation in respect of acquisitions is included within fixed assets and is subject to an annual impairment review. Goodwill is not amortized and this is a departure from UK GAAP which requires goodwill to be amortized over the useful life of the assets. The underlying nature of the goodwill is that it arose on acquiring a company which is entitled to certain anticipated future contingent cash receipts that will be recovered irregularly and as such an annual impairment review is considered to be more appropriate. The goodwill will be written off against cash on its receipt

#### *Investments*

In the LLP's financial statements, investments in subsidiary undertakings are stated at the lower of cost and net realisable value. Investments are stated at the lower of cost or net realisable value.

#### *Joint venture*

The entity which is jointly controlled under a contractual agreement by the group and a third party is treated as a joint venture. The joint venture is accounted for using the gross equity method. During the year, the group share in the joint venture was sold to CDC Group plc and the management of Aureos for consideration of \$1.

#### *Related party transactions*

Details of the principal subsidiary companies are shown on pages 2 and 3. In accordance with FRS 8, transactions or balances between Group entities that have been eliminated on consolidation are not reported.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost of new tangible fixed assets, together with any related irrecoverable VAT, by equal installments over their useful economic lives as follows:

Leasehold improvements	- period of lease
Fixtures and fittings	- 20% per annum
Computer equipment	- 33.3% per annum
Motor vehicles	- 25% per annum

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1 Accounting policies (continued)

#### Leases

Assets held under finance leases, which are those leases where substantially all the risks and rewards of ownership of the asset have passed to the Group or LLP, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful economic lives. The capital element of future obligations under finance leases is included as a liability in the balance sheet. The interest element of the obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rental costs under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

### 2 Interest receivable and similar income

Interest receivable comprises interest earned on bank accounts and short term deposits.

### 3 Group interest payable

	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
Interest on long-term loan	127.3	113.2
Interest on Finance Lease	639.1	519.3
	<hr/> 766.4 <hr/>	<hr/> 632.5 <hr/>

### 4 Operating profit

	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
<i>Operating profit is stated after charging:</i>		
LLP and Group auditors' remuneration – audit services	168.3	117.5
Other Group auditors' remuneration – audit services	36.4	36.3
LLP and Group auditors' remuneration – other services	493.1	303.1
Other Group auditors' remuneration – other services	117.8	65.6
Depreciation on tangible fixed assets	2,098.4	1,983.3
Finance lease charge	639.1	519.3
Operating lease rentals	1,766.1	1,773.2
Foreign exchange (gains) / losses	570.7	(724.8)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5 Administration expenses

Included in administration expenses are the following staff costs  
(excluding Members' profit share advances and share of joint venture):

	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
Wages and salaries	20,719.0	19,287.7
Short term incentive scheme payments	10,882.6	10,615.7
Long term performance related payments	32,316.7	13,121.8
Social security costs	1,521.1	1,444.7
Pension costs	1,676.5	1,500.2
	<u>67,115.9</u>	<u>45,970.1</u>

The average number of staff employed by the group (excluding Members and share of joint venture) during the period was 184.

### 6 Taxation

Taxation for the partnership, being the individual liability of each Member, is not provided for in the accounts. The Group tax charge is analysed as follows:

	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
<i>UK corporation tax</i>		
Current tax on income for the period	343.3	495.0
<i>Overseas tax</i>	308.4	282.3
	<u>651.7</u>	<u>777.3</u>
Tax on profit on ordinary activities		
Share of tax on profit of joint venture	-	36.9
	<u>651.7</u>	<u>814.2</u>
Current period tax		



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6 Taxation (continued)

*Factors affecting the tax charge for the current period*

Although Actis Capital LLP is not subject to tax, its subsidiary companies are. Tax arises in those companies as follows:

	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	18,853.9	14,026.2
Current tax at 30%	<u>5,656.2</u>	<u>4,208.0</u>
<i>Effects of:</i>		
LLP (profits) / costs not subject to or relievable against corporation tax	(5,637.5)	(3,435.9)
Disallowable losses	435.4	160.0
Foreign taxation rate differences	210.2	(81.0)
Other differences between accounting and tax profits	(12.6)	-
In respect of joint venture	-	(36.9)
Current period tax	<u>651.7</u>	<u>814.2</u>

### 7 Investments

Investments	Group		Partnership	
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
	\$000's	\$000's	\$000's	\$000's
Investment in subsidiary undertakings	-	-	5,876.1	5,876.1
Equity Investments	36.7	36.7	-	-
Investment in joint venture	-	614.1	-	-
	<u>36.7</u>	<u>650.8</u>	<u>5,876.1</u>	<u>5,876.1</u>

#### *Investments in subsidiary undertakings*

The investments of \$5,876,133 comprise shares in group companies at the lower of cost and net realisable value. Details of the Partnership's subsidiaries are included within the Members' Report.

#### *Equity Investments*

The group (excluding joint venture) holds \$36,712 of shares in other investments which are detailed as follows:

27,062 Ordinary B shares of South Asia Regional Fund.

9,650 Ordinary B shares of Actis China Investment Company Limited.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8 Tangible fixed assets**

Group	Motor vehicles \$000's	Leasehold improvement \$000's	Fixtures and fittings \$000's	Computer equipment \$000's	Total \$000's
<i>Cost</i>					
At 1 January 2006	421.2	7,151.3	383.6	1,056.8	9,012.9
Additions	315.2	1,962.9	245.4	710.8	3,234.3
Disposals	(29.7)	(8.7)	(46.3)	(3.1)	(87.8)
Revaluation	-	-	0.3	(1.3)	(1.0)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	706.7	9,105.5	583.0	1,763.2	12,158.4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 January 2006	147.7	2,116.2	146.0	710.9	3,120.8
Charge for period	123.6	1,632.0	105.0	237.8	2,098.4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	271.3	3,748.2	251.0	948.7	5,219.2
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2005	273.5	5,035.1	237.6	345.9	5,892.1
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2006	435.4	5,357.3	332.0	814.5	6,939.2
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included under leasehold improvements are assets held under a finance lease with a net book value of \$4,940,527. This refers to the fit-out of the London office, and is reconciled under note 12.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8 Tangible fixed assets (continued)

	Motor vehicles \$000's	Leasehold improvement \$000's	Fixtures and fittings \$000's	Computer equipment \$000's	Total \$000's
<b>Partnership</b>					
<i>Cost</i>					
At 1 January 2006	2.3	7,011.0	22.6	787.1	7,823.0
Additions	-	1,510.8	-	192.4	1,703.2
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	2.3	8,521.8	22.6	979.5	9,526.2
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 January 2006	2.3	2,092.0	5.1	572.8	2,672.2
Charge for period	-	1,489.4	4.7	101.2	1,595.3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	2.3	3,581.4	9.8	674.0	4,267.5
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2005	-	4,919.0	17.5	214.3	5,150.8
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 December 2006	-	4,940.4	12.8	305.5	5,258.7
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included under leasehold improvements are assets held under a finance lease with a net book value of \$4,940,527. This refers to the fit-out of the London office, and is reconciled under note 12.

### 9 Debtors

	Group			Partnership
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
	\$000's	\$000's	\$000's	\$000's
Trade debtors	12,116.1	12,566.9	12,191.7	12,290.5
Corporation tax	816.7	176.6	-	-
Amounts due from Group undertakings	-	-	5,492.1	701.9
Dividends due from Group undertakings	-	-	-	-
Amounts due from joint venture	-	10.9	-	10.9
Prepayments and accrued income	9,503.8	6,771.0	7,418.6	5,442.5
	<hr/>	<hr/>	<hr/>	<hr/>
	22,436.6	19,525.4	25,102.4	18,445.8
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10 Creditors: amounts falling due within one year

	Group		Partnership	
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
	\$000's	\$000's	\$000's	\$000's
Obligations under finance lease	795.6	535.7	795.6	535.7
Amounts owed to Group undertakings	-	-	3,300.0	7,116.0
Corporation tax	268.8	1,122.1	160.8	235.5
Other taxation and social security creditors	199.3	277.9	-	-
Accruals and deferred income	16,034.4	15,064.8	12,783.3	10,477.7
Other creditors	14,051.2	10,640.6	13,981.8	10,384.8
Provision for liabilities and charges	987.4	-	-	-
	<u>32,336.6</u>	<u>27,641.1</u>	<u>31,021.5</u>	<u>28,749.7</u>

### 11 Creditors: amounts falling due after more than one year

	Group		Partnership	
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
	\$000's	\$000's	\$000's	\$000's
Obligations under finance lease	7,125.9	6,153.0	7,125.9	6,153.0
Non-current creditors	1,839.1	1,653.2	1,794.3	1,577.3
	<u>8,965.0</u>	<u>7,806.2</u>	<u>8,920.2</u>	<u>7,730.3</u>

The above creditors are repayable as follows:

	Group		Partnership	
	31 December 2006	31 December 2005	31 December 2006	31 December 2005
	\$000's	\$000's	\$000's	\$000's
Between 1 and 2 years	863.9	855.0	863.9	820.3
Between 2 and 5 years	4,857.2	4,038.0	4,857.2	4,038.0
Over 5 years	3,243.9	2,913.2	3,199.1	2,872.0
	<u>8,965.0</u>	<u>7,806.2</u>	<u>8,920.2</u>	<u>7,730.3</u>

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 12 Finance Lease Obligation

The LLP has entered into a finance lease with CDC Group plc in respect of the fit out of the London offices. The finance lease obligation arises as follows:

	Group and Partnership	
	31 December 2006 \$000's	31 December 2005 \$000's
Within 1 year	795.6	535.7
Between 1 and 2 years	863.9	820.3
Between 2 and 5 years	3,063.0	2,460.7
Over 5 years	3,199.0	2,872.0
	<u>7,921.5</u>	<u>6,688.7</u>

### Leasehold Improvement Asset held under Finance Lease

As provided in Note 8 – Tangible Assets, the following amounts were held under a finance lease:

	Group and Partnership	
	31 December 2006 \$000's	31 December 2005 \$000's
Opening Net Book Value	4,919.0	6,275.5
Additions	1,510.8	38.2
Depreciation	(1,489.4)	(1,394.7)
Closing Net Book Value	<u>4,940.4</u>	<u>4,919.0</u>

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 13 Reconciliation of Members' interests

Group	Members' other interests				
	Members' capital	Other reserves	Total	Amounts due to Members	Total
	\$000's	\$000's	\$000's	\$000's	\$000's
Members' interests at 1 January 2006	3,786.0	1,388.7	5,174.7	2,803.8	7,978.5
Aureos disposal adjustments	-	(534.2)	(534.2)	-	(534.2)
Members' capital introduced	86.5	-	86.5	-	-
Members' capital repaid	(86.5)	-	(86.5)	-	--
Profit for the financial period before Members' profit share	-	18,202.2	18,202.2	-	18,202.2
Members' interests after profit for the year	3,786.0	19,056.8	22,842.8	2,803.8	25,646.6
Allocated profits	-	(18,202.2)	(18,202.2)	18,202.2	-
Profit share advances to Members of limited liability partnership	-	-	-	(14,566.8)	(14,566.8)
Members' interests distributed during the year	-	-	-	(2,803.8)	(2,803.8)
<b>Members' interests at 31 December 2006</b>	<b>3,786.0</b>	<b>854.5</b>	<b>4,640.6</b>	<b>3,635.4</b>	<b>8,275.9</b>

#### Reconciliation of Members' interests to Consolidated Profit and Loss Account

<b>Members' interests at 31 December 2006 -</b>	<b>\$000's</b>
<b>Movement of other reserves:</b>	<b>3,635.4</b>
Members' interests at 31 December 2006	854.5
Less: Members' interests at 1 January 2006	(1,388.8)
Add: Aureos disposal adjustments	534.2
<b>Profit for the financial period available for division</b>	<b>3,635.4</b>

Member's capital is payable immediately on admission to membership. On leaving, subject to a decision of the Managing Board, membership capital is repayable within 14 months to Managing Partners and within 8 months to Partners, with the capital attracting interest during this period. Amounts paid in respect of members' profit share advances are payable monthly. Drawings are payable from time to time. Members' profit share advances and drawings in respect of profit allocation are approved by the Remuneration Committee.

Amounts due to Members are disclosed under current creditors in the balance sheet.

The profit allocation in the period, in respect of the period to 31 December 2006, to the member with the largest entitlement was \$2,166,257.

There were no retirement benefits paid to former Members.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13 Reconciliation of Members' interests (continued)

Partnership	Members' other interests				
	Members' capital	Other reserves	Total	Amounts due to Members	Total
	\$000's	\$000's	\$000's	\$000's	\$000's
Members' interests at 1 January 2006	3,786.0	-	3,786.0	3,303.8	7,089.8
Members' capital introduced	86.5	-	86.5	-	-
Members' capital repaid	(86.5)	-	(86.5)	-	-
Profit for the year available for division among Members	-	21,914.0	21,914.0	-	21,914.0
Members' interests after profit for the year	3,786.0	21,914.0	25,700.0	3,303.8	29,003.8
Allocated profits	-	(18,202.2)	(18,202.2)	18,202.2	-
Members' profit share advances	-	-	-	(14,566.8)	(14,566.8)
Members' interests distributed during the year	-	-	-	(3,303.8)	(3,303.8)
<b>Members' interests at 31 December 2006</b>	<b>3,786.0</b>	<b>3,711.8</b>	<b>7,497.8</b>	<b>3,635.4</b>	<b>11,133.2</b>

Member's capital is payable immediately on admission to membership. On leaving, subject to a decision of the Managing Board, membership capital is repayable within 14 months to Managing Partners and within 8 months to Partners, with the capital attracting interest during this period. Amounts paid in respect of members' profit share advances are payable monthly. Drawings are payable from time to time. Members' profit share advances and drawings in respect of profit allocation are approved by the Remuneration Committee.

Amounts due to Members are disclosed under current creditors in the balance sheet.

There were no retirement benefits paid to former Members.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14 Pension scheme

The group makes contributions to employees' defined contribution Personal Pension Plans. There is a Stakeholder scheme for UK employees and an International Pension Scheme for expatriate employees and local defined contribution pension schemes in each overseas office. The employees' pension cost for the period was \$2,105,296. Creditors as at the period end include \$104,156 payable to Personal Pension Plans in respect of Member's profit share advances.

### 15 Reconciliation of operating profits to operating cash flows

	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
Operating profit	19,108.8	13,983.9
Adjustment for non-cash and disclosable items:		
- Depreciation charge	2,098.4	1,983.3
- Profit on disposal of fixed assets	(6.4)	(76.5)
- Loss on sale of Investment in Joint Venture	132.0	-
- Foreign currency translation movement in taxation payables in group	-	45.3
	<hr/> 21,332.8	<hr/> 15,936.0
Movements in working capital:		
- Increase in debtors	(1,825.9)	(7,392.5)
- Increase in creditors	5,618.3	12,675.7
- Decrease/ (Increase) In other assets	614.1	(429.6)
	<hr/> 25,739.3	<hr/> 20,789.6
<b>Net cash outflow from operating activities</b>	<hr/> <b>25,739.3</b>	<hr/> <b>20,789.6</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16 Analysis of cash flows

	Year to 31 December 2006 \$000's	Year to 31 December 2005 \$000's
<b>Investment and servicing of finance activities</b>		
Interest paid		
- general	(127.3)	(113.2)
- finance lease	(639.1)	(519.3)
- joint venture	(8.8)	(13.4)
Interest received	457.1	262.8
Income from joint venture	58.4	424.1
<b>Net cash outflow from investment and servicing of finance</b>	<b>(259.7)</b>	<b>41.0</b>
<b>Capital expenditure and financial investment activities</b>		
Purchases of tangible fixed assets	(2,406.5)	(761.7)
Acquisition of assets under Finance Lease	(607.0)	
Disposals of tangible fixed assets	94.1	85.7
Purchase of equity investment	-	(9.7)
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(2,919.4)</b>	<b>(685.7)</b>
<b>Financing activities</b>		
Repayment of mid term financing	-	(963.9)
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>(963.9)</b>

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 17 Related party transactions

The Partnership has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures" not to disclose details of transactions with other Group entities that have been eliminated on consolidation.

CDC Group plc is owned by the Department for International Development and during the period the Group and Partnership had the following transactions with CDC Group plc:

	Group \$000's	Partnership \$000's
Management fees receivable	45,403.7	45,253.5
Interest payable	(878.8)	(878.8)
Services received	(149.9)	(149.9)
Services supplied	775.4	775.4

	Group \$000's	Partnership \$000's
Amounts payable to CDC Group plc at 31 December 2006	(1,597.5)	(1,597.5)
Amounts receivable from CDC Group plc at 31 December 2006	2,961.3	2,961.3

Amounts due under Finance Leases entered into with CDC Group plc are included in note 12 to the accounts.

### 18 Intangible Asset

	31 December 2006 \$000's	31 December 2005 \$000's
Goodwill	2,357.6	2,351.1
	<u>2,357.6</u>	<u>2,351.1</u>

The goodwill in the group arose on the acquisition of International Venture Capital Management Limited which is entitled to certain anticipated future contingent cash receipts that will be recovered irregularly. No amortisation has been recognised and there were no impairment losses to be applied during the year. If the asset were to be amortised over 10 years the effect on the Income Statement in the period would have been to reduce profits by \$235,110 (2005: \$235,110). The goodwill will be written off against cash on its receipt. During the year Actis Comafin Private limited was acquired by Actis International Ltd. resulting in Goodwill of US\$6,596.

### 19 Carried Interest

International Venture Capital Management Limited a subsidiary group company is entitled to receive incentive payments if target portfolio returns are exceeded. These payments are referred to as carried interest. No carried interest was received during the period.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 20 Segmental Reporting

No segmental analysis of net trading income, profit before loss, nor net assets have been provided because the Members are of the opinion that the provision of private equity management services comprise a single business segment.

The majority of turnover is received in the UK from CDC Group plc. Funds under management which derive group turnover are geographically analysed as follows:

<i>Region:</i>	<i>%</i>
Africa	50
South Asia	24
Americas	13
Asia Pacific	13