

**Cabot Square Capital LLP
(formerly CSC Capital LLP)**

**Annual report
for the period from incorporation on
14 March 2006 to 31 December 2006**

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CABOT SQUARE CAPITAL LLP

Annual report for the period ended 31 December 2006

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CABOT SQUARE CAPITAL LLP

Members and advisors

Members

John Van Deventer

Designated

James Clark

Designated

Chris Sales

Designated

Keith Maddin

Cabot Square Partners Holding Limited

Larry Small

Rory Duff

Richard McDougall

Steve Siegler

Sophie Orgueil

Hugh McNeill

Jay Derrett

Registered office

7 St James's Street

London

SW1A 1EE

Independent auditors

PricewaterhouseCoopers LLP

Southwark Towers

32 London Bridge Street

London

SE1 9SY

Legal advisors

Herbert Smith LLP

Exchange House

Primrose Street

London

EC2A 2HS

Bankers

Barclays Bank PLC

1 Churchill Place

London

E14 5HP

CABOT SQUARE CAPITAL LLP

Members' report for the period to 31 December 2006

The members present their report and the audited financial statements for the period from 14 March 2006 to 31 December 2006

Principal activities

The principal activity of the limited liability partnership is to manage unregulated collective investment vehicles specialising in venture capital and private equity transactions

The partnership was incorporated on 14 March 2006 Cabot Square Capital LLP is authorised for the conduct of business in the United Kingdom by the Financial Services Authority

The name of the limited liability partnership was changed from CSC Capital LLP to Cabot Square Capital LLP on 2 May 2006

Results and business review

In May 2006, with the approval of the Financial Services Authority, Cabot Square Capital LLP became the FSA authorised manager of collective investment vehicles previously managed by CSC Capital Ltd (formerly Cabot Square Capital Ltd)

Both the level of business and the period end financial position were satisfactory and the members expect that the present level of activity will be sustained for the foreseeable future

The policies of Cabot Square Capital LLP regarding the allocation of profits to members, interim drawings and on account distributions and the subscription and the repayment of members' capital are disclosed in the accounting policies

Members

The following were members of the limited liability partnership during the period ended 31 December 2006 and, unless otherwise stated, continued to be members at that date

John Van Deventer	(appointed on 14 March 2006)	Designated
James Clark	(appointed on 1 May 2006)	Designated
Chris Sales	(appointed on 1 May 2006)	Designated
Keith Maddin	(appointed on 19 May 2006)	
Cabot Square Partners Holdings Ltd	(appointed on 28 March 2006)	
Simon Coupe	(appointed on 19 May 2006 and resigned on 27 July 2006)	
Larry Small	(appointed on 14 March 2006, resigned on 28 March 2006 and appointed on 19 May 2006)	
Rory Duff	(appointed on 19 May 2006)	
Richard McDougall	(appointed on 19 May 2006)	
Steve Siegler	(appointed on 19 May 2006)	
Sophie Orgueil	(appointed on 19 May 2006)	
Hugh McNeill	(appointed on 19 May 2006)	
Jay Derrett	(appointed on 19 May 2006)	

CABOT SQUARE CAPITAL LLP

Members' report for the period to 31 December 2006 (continued)

Statement of members' responsibilities

Limited Liability Partnership Regulations and Company Law require the members to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing those financial statements, the members are required to

- select suitable accounting policies and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Limited Liability Partnerships Regulations 2001 and the Companies Act 1985. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

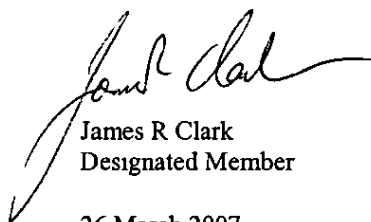
The members of the limited liability partnership have confirmed that

- so far as they are aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware, and
- they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditors are aware of that information

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed within two months of the approval of these financial statements.

On behalf of the Members



James R Clark
Designated Member

26 March 2007

CABOT SQUARE CAPITAL LLP

Independent auditors' report to the members of Cabot Square Capital LLP

We have audited the financial statements of Cabot Square Capital LLP for the period ended 31 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 members and auditors

The members' responsibilities for preparing the Annual Report and 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 Members' 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 for the members of the partnership in accordance with the Companies Act 1985 as applied to limited liability partnerships by the Limited Liability Partnerships Act 2000 and regulations made thereunder, 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, as applied to limited liability partnerships. We also report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 limited liability partnership'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.

CABOT SQUARE CAPITAL LLP

Independent auditors' report to the members of Cabot Square Capital LLP (continued)

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 partnership's affairs as at 31 December 2006 and of its profit and cash flows for the period then ended, and
- have been properly prepared in accordance with the provisions of the Limited Liability Partnerships Regulation 2001 made under the Limited Liability Partnerships Act 2000.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

28 March 2007

CABOT SQUARE CAPITAL LLP

Profit and loss account for the period ended 31 December 2006

	Notes	2006 £
Turnover	2	5,226,482
Administrative expenses		<u>(627,362)</u>
Operating profit	4	4,599,120
Interest receivable		<u>23,918</u>
Profit for the period before members' remuneration and profit share	8	4,623,038
Members' interim profit share	8	(1,045,706)
Members' final profit share	8	<u>(3,501,266)</u>
Profit for the period available for discretionary division among members	8	<u>76,066</u>

The activities of the limited liability partnership relate entirely to continuing operations

The limited liability partnership has no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit for the period before members' remuneration and profit share as stated above and its historical cost equivalent

The notes on pages 9 to 14 form an integral part of the financial statements

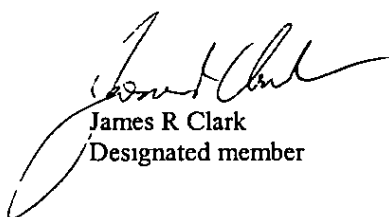
CABOT SQUARE CAPITAL LLP

Balance sheet at 31 December 2006

	Notes	2006 £
Fixed assets		
Tangible Assets	5	<u>32,986</u>
Current assets		
Debtors	6	185,149
Cash at bank and in hand		<u>911,759</u>
		1,096,908
Creditors: amounts falling due within one year	7	<u>(594,183)</u>
Net current assets		<u>502,725</u>
Net Assets attributable to members		<u>535,711</u>
Represented by:		
Loans and other debts due to members		
Members' capital classified as a liability under FRS 25	8	454,545
Equity		
Members' capital	8	5,100
Other reserves	8	76,066
Total equity interests		<u>535,711</u>
Total members' interests		
Loans and other debts due to members	8	454,545
Members' other interests	8	81,166
		<u>535,711</u>

The notes on pages 9 to 14 form an integral part of the financial statements

The financial statements on pages 6 to 14 were approved by the board of members on 26 March 2007 and were signed on its behalf by


James R Clark
Designated member

CABOT SQUARE CAPITAL LLP

Cash flow statement for the period ended 31 December 2006

	Notes	2006 £
Operating activities		
Net cash inflow from operating activities	9	5,021,104
Returns on investments and servicing of finance		
Interest received		23,918
Capital expenditure and financial investment		
Purchase of tangible fixed assets		(45,936)
Net cash inflow before financing		4,999,086
Transactions with members and former members		
Payment to members		(4,092,427)
Financing		
Members' capital received		5,100
Increase in cash in the period	10	911,759
Reconciliation of net cash flow to movement in net funds		
		2006 £
Net cash at 14 March 2006		-
Increase in cash in the period		911,759
Net funds at 31 December 2006		911,759

The notes on pages 9 to 14 form an integral part of the financial statements

CABOT SQUARE CAPITAL LLP

Notes to the financial statements for the period ended 31 December 2006

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical convention and in accordance with the Limited Liability Partnerships Regulations 2001, the Companies Act 1985 and applicable accounting standards in the United Kingdom

Comparatives

The financial statements cover the limited liability partnership's first period of operation. Consequently, no comparative figures have been presented

Tangible assets

The cost of tangible assets is their purchase cost, together with any incidental expenses of acquisition

Depreciation is provided on tangible assets so that the cost, less estimated residual value, is written off on a straight line basis over the estimated useful lives of the assets as follows

	%
Computer equipment	50
Fixtures, furniture and fittings	25

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange on the day on which the transaction took place. Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All foreign exchange differences are taken to the profit and loss account in the period in which they arise

Allocation of profits and drawings

The allocation of profits to those who were members during the financial period occurs following the finalisation of the annual financial statements. During the period members receive monthly drawings and, from time to time, additional profit distributions

Both the monthly drawings and profit distributions represent payments on account of current period profits and are reclaimable from members until profits have been allocated. Any over-distribution of profits during the period is also recoverable from members

CABOT SQUARE CAPITAL LLP

Notes to the financial statements for the period ended 31 December 2006 (continued)

1 Principal accounting policies (continued)

Pension plan

The limited liability partnership does not have a pension plan but does offer a stakeholder pension to all employees. The limited liability partnership does not make any contribution into the plan. All employees are made aware of the plan. No employees have taken up the option of joining the plan.

Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the limited liability partnership as the relevant income tax is the responsibility of the individual members.

2 Turnover

Turnover is wholly attributable to the limited liability partnership's principal activity and comprises management fees earned entirely in the United Kingdom.

3 Employee information

2006
£

Staff costs

Wages and salaries	128,997
Social security costs	13,622
	<hr/>
	142,619

The average weekly number of persons in the limited liability partnership during the period was

2006
Number

Members	9
Support	3
	<hr/>
	12

The profit attributable to the member with the largest entitlement was £2,255,751

CABOT SQUARE CAPITAL LLP

Notes to the financial statements for the period ended 31 December 2006 (continued)

4 Operating profit

	Period ended 31 December 2006 £
Operating profit is stated after charging:	
Depreciation of tangible fixed assets - owned	12,950
Auditors' remuneration	
- audit services	14,805
- non audit services	
other services	11,750
Net exchange losses on foreign currency	<u>81</u>

5 Tangible assets

	Computer equipment £	Furniture, fixtures and fittings £	Total £
Cost			
At 14 March 2006	-	-	-
Additions	33,257	12,679	45,936
At 31 December 2006	<u>33,257</u>	<u>12,679</u>	<u>45,936</u>
Depreciation			
At 14 March 2006	-	-	-
Charge for the period	(11,026)	(1,924)	(12,950)
At 31 December 2006	<u>(11,026)</u>	<u>(1,924)</u>	<u>(12,950)</u>
Net book value			
At 31 December 2006	<u>22,231</u>	<u>10,755</u>	<u>32,986</u>
At 14 March 2006	-	-	-

CABOT SQUARE CAPITAL LLP

Notes to the financial statements for the period ended 31 December 2006 (continued)

6 Debtors

	2006 £
Amounts falling due within one year:	
Amounts owed by group undertakings	5,504
Other debtors	116,434
Prepayments	63,211
	<u>185,149</u>

7 Creditors: amounts falling due within one year

	2006 £
Trade creditors	10,934
Other creditors	464,499
Accruals	118,750
	<u>594,183</u>

8 Reconciliation of members' interests

	Members' other interests			Loans and other debts to members	
	Members capital £	Other reserves £	Total £	£	Total £
At 14 March 2006	-	-	-	-	-
Additions	5,100	-	5,100	-	5,100
Profit for the period available for division among members	-	4,623,038	4,623,038	-	4,623,038
Members interests after profit for the period	5,100	4,623,038	4,628,138	-	4,628,138
Allocated profits	-	(4,546,972)	(4,546,972)	4,546,972	-
Drawings and distributions					
Preliminary 2006	-	-	-	(1,045,706)	(1,045,706)
Final 2006	-	-	-	(3,046,721)	(3,046,721)
At 31 December 2006	<u>5,100</u>	<u>76,066</u>	<u>81,166</u>	<u>454,545</u>	<u>535,711</u>

CABOT SQUARE CAPITAL LLP

Notes to the financial statements for the period ended 31 December 2006 (continued)

9 Cash flow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities

	2006 £
Operating profit	4,599,120
Depreciation	12,950
Increase in debtors	(185,149)
Increase in creditors	594,183
Net cash inflow from operating activities	<u>5,021,104</u>

10 Reconciliation in net funds

	As at 14 March 2006 £	Cash flow £	As at 31 December 2006 £
Cash at bank and in hand	<u>-</u>	<u>911,759</u>	<u>911,759</u>

11 Related party transactions

On 30 April 2006, the limited liability partnership acquired the tangible fixed assets (except for the leasehold improvements) of CSC Capital Ltd (formerly Cabot Square Capital Ltd) at their net book values totalling £39,243

Cabot Square Capital GP Limited is the general partner of CS Capital Partners II, LP Cabot Square Capital GP III Limited is the general partner of CS Capital Partners III, LP Cabot Square Capital GP Limited and Cabot Square Capital GP III Limited are wholly owned subsidiaries of Cabot Square Partners Holding Limited Cabot Square Partners Holding Limited has an 85% voting and capital interest only in Cabot Square Capital LLP It has no Basic Profit Share or Excess Profit Share interest

During the period, Cabot Square Capital LLP incurred expenses on behalf of CS Capital Partners II, LP and CS Capital Partners III, LP which were wholly outstanding at the period end and included in other debtors The amounts outstanding were as follows

	£
CS Capital Partners II, LP	23,610
CS Capital Partners III, LP	<u>6,891</u>
	<u>30,501</u>

Payment for the total outstanding balance was received on 15 January 2007

The limited liability partnership received management fees during the period amounting to £1,676,499 and £3,549,983 from Cabot Square Capital GP Limited and Cabot Square Capital GP III Limited respectively

CABOT SQUARE CAPITAL LLP

Notes to the financial statements for the period ended 31 December 2006 (continued)

11 Related party transactions (continued)

At the period end amounts owed by group undertakings included the following outstanding balances

	£
CS Capital GP III Limited	4,587
CSC Capital Limited	917
	<hr/>
	5,504
	<hr/>

12 Ultimate controlling party

The members regard Cabot Square Partners Holding Limited, a company incorporated in Guernsey, as the ultimate parent company. The ultimate controlling party is considered to be John Van Deventer. Copies of the accounts of Cabot Square Partners Holding Limited are available at 22 Smith Street, St Peter Port, Guernsey, Channel Islands, GY1 2JQ.

These financial statements are consolidated into the accounts of the ultimate parent company.