

**TERRA FIRMA CAPITAL PARTNERS LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 March 2008**

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**Company No. 04219556**

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# TERRA FIRMA CAPITAL PARTNERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr F S Duncan Mr R C Felton Mr G Hands Mr C O'Haire
<b>Secretary</b>	Mr T Pryce
<b>Company Number</b>	04219556
<b>Registered Office</b>	2 More London Riverside London SE1 2AP
<b>Auditors</b>	Deloitte & Touche LLP St Helier Jersey

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# TERRA FIRMA CAPITAL PARTNERS LIMITED

## CONTENTS

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	Page
Directors' Report	1-3
Independent Auditors' Report	4
Consolidated Profit and Loss Account	5
Consolidated Statement of Total Recognised Gains and Losses	5
Consolidated Balance Sheet	6
Company Balance Sheet	7
Consolidated Cashflow Statement	8
Notes to the Accounts	9-19

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# **TERRA FIRMA CAPITAL PARTNERS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2008**

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The directors present their report together with the accounts and auditors' report for the year ended 31 March 2008.

#### **Principal Activity and Review of Business**

The company was incorporated on 18 May 2001. The principal activity of the company is that of advisor to the General Partners of Limited Partnerships involved in private equity investments. The company, with support from its German subsidiary, terrafirma GmbH, provides investment advice to the General Partners, including sourcing and advising on investment opportunities and realisation strategies.

#### **Business review**

The business has performed very well during the year and has returned a profit after taxation of £3.3m. The increase in turnover recognised during the year reflects the increase in the group's cost base, as the business continues to grow. Staff costs have again increased, reflecting the competitive nature of the private equity industry and the growth of our client business. The Directors expect this level of activity to continue. The group's main performance indicator is the comparison of its actual costs with budgeted costs; the directors are able to consider the group's performance in light of this indicator through their review of monthly management accounts.

#### **Financial Risk Management Objectives and Policies**

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The group does not currently use derivative financial instruments for the management of these risks.

##### *Cash Flow Risk*

The group's activities expose it only to a very limited extent to the financial risks of changes in foreign currency exchange rates. Therefore the directors do not consider it appropriate to use foreign exchange forward contracts to hedge these small exposures.

##### *Credit Risk*

The group's principal financial assets are bank balances and cash, trade and other receivables and investments. The group's credit risk is primarily attributable to its trade receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The group does have significant concentration of credit risk, with exposure spread over a small number of counterparties and customers, however the directors are satisfied that the risk of a loss event is not significant. There have been no such loss events to date.

##### *Liquidity Risk*

In the past, the group has not been required to make use of either long-term or short-term debt finance in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments. The directors consider the liquidity of the group on an ongoing basis, and do not believe that debt finance is required to maintain liquidity.

#### **Results and Dividends**

The audited accounts for the year ended 31 March 2008 are set out in Pages 5 to 20. The group profit for the year after taxation was £3,291,000 (2007: £1,626,000). No dividend was paid during the year (2007: £20,000).

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# **TERRA FIRMA CAPITAL PARTNERS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2008**

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### **Directors**

The directors who served during the year and since the end of the year are:

Mr R C Felton  
Mr F S Duncan  
Mr G Hands  
Mr C O'Haire

### **Directors Interests**

As at 31 March 2008, no director held interests in the shares of the company or any subsidiary undertaking. London 58 Limited, a company owned by G Hands, held the entire share capital of the company (see note 21).

### **Charitable Donations**

During the year the group made charitable donations of £522k (2007: £297k), through a variety of channels – these included the Prince's Trust, as well as aggregate donations of 10% of the company's annual profits to the Private Equity Foundation and the Terra Firma Charitable Trust.

The Terra Firma Charitable Trust, a not-for-profit charitable fund formed and funded by Terra Firma employees and donations from the company, makes charitable donations which will directly benefit the local community in the Borough of Southwark in London.

### **Directors' indemnities**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware;
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

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### Statement of Directors' Responsibilities

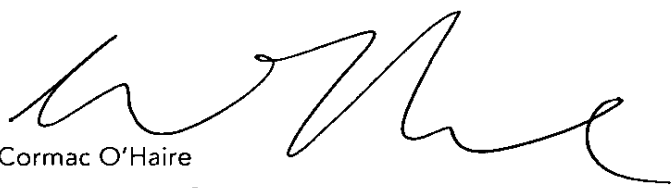
The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board,



Cormac O'Haire  
11 JULY 2008

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

### Independent Auditors' Report to the members of Terra Firma Capital Partners Limited

We have audited the group and parent company financial statements ("the financial statements") of Terra Firma Capital Partners Limited which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement, and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' 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 Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2008 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
St Helier, Jersey

Date

21 May 2008

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2008

	Note	Year Ended 31 March 2008 £000's	Year Ended 31 March 2007 £000's
Turnover	1	47,232	30,598
Administrative expenses		(42,371)	(27,930)
Operating profit	3	4,861	2,668
Interest receivable and similar income		311	120
Interest payable and similar charges	7	(11)	(20)
<b>Profit on Ordinary Activities before Taxation</b>		<b>5,161</b>	<b>2,768</b>
Tax on profit on ordinary activities	8	(1,870)	(1,142)
<b>Profit on Ordinary Activities after Taxation and for the financial year</b>	18	<b>3,291</b>	<b>1,626</b>

All activities are derived from continuing operations.

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2008

	Year Ended 31 March 2008 £000's	Year Ended 31 March 2007 £000's
Profit for the financial year	3,291	1,626
Currency translation difference on foreign currency net investments	55	(17)
<b>Total recognised gains and losses relating to the year</b>	<b>3,346</b>	<b>1,609</b>

The accompanying notes 1 to 21 are an integral part of these financial statements.



# TERRA FIRMA CAPITAL PARTNERS LIMITED

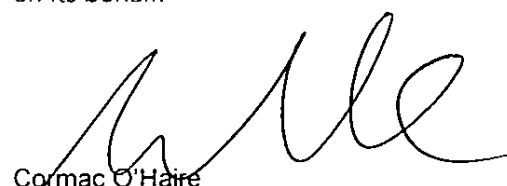
## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	31 March 2008		31 March 2007	
		£000's	£000's	£000's	£000's
<b>Fixed Assets</b>					
Tangible fixed assets	10		4,584		2,753
<b>Current Assets</b>					
Cash at bank and in hand		5,004		6,502	
Debtors	12	<u>13,193</u>		<u>3,664</u>	
		18,197		10,166	
<b>Creditors: Amounts falling due within one year</b>	13	<u>(11,419)</u>		<u>(5,088)</u>	
<b>Net Current Assets</b>			<u>6,778</u>		<u>5,078</u>
<b>Total assets less current liabilities</b>			11,362		7,831
<b>Provisions for liabilities and charges</b>	9		(191)		(6)
<b>Net Assets</b>			<u>11,171</u>		<u>7,825</u>
<b>Capital and Reserves</b>					
Called up share capital	15		5		5
Profit and loss account	17		<u>11,166</u>		<u>7,820</u>
<b>Shareholders' funds</b>	18		<u>11,171</u>		<u>7,825</u>

The accompanying notes 1 to 21 are an integral part of this consolidated balance sheet.

The financial statements on pages 5 to 20 were approved by the board on 11 July 2008 and signed on its behalf.



Cormac O'Haire

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	31 March 2008		31 March 2007	
		£000's	£000's	£000's	£000's
<b>Fixed Assets</b>					
Investments	11		152		152
Tangible fixed assets	10		<u>4,086</u>		<u>2,262</u>
			4,238		2,414
<b>Current Assets</b>					
Cash at bank and in hand		4,679		6,182	
Debtors	12	<u>13,189</u>		<u>3,476</u>	
		17,868		9,658	
<b>Creditors: Amounts falling due within one year</b>	13	<u>(11,210)</u>		<u>(4,505)</u>	
<b>Net Current Assets</b>			<u>6,658</u>		<u>5,153</u>
<b>Total assets less current liabilities</b>			10,896		7,567
<b>Provisions for liabilities and charges</b>	9		(191)		(6)
<b>Net Assets</b>			<u>10,705</u>		<u>7,561</u>
<b>Capital and Reserves</b>					
Called up share capital	15		5		5
Profit and loss account	17		<u>10,700</u>		<u>7,556</u>
<b>Shareholders' funds</b>			<u>10,705</u>		<u>7,561</u>

The accompanying notes 1 to 21 are an integral part of this company balance sheet.

The financial statements on pages 5 to 20 were approved by the board on 11 July 2008 and signed on its behalf.

Cormac O'Haire



# TERRA FIRMA CAPITAL PARTNERS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Year Ended 31 March 2008	Year Ended 31 March 2007
		£000's	£000's
Net cash inflow from operating activities	19	2,542	5,642
Returns on investments and servicing of finance			
Interest received		311	120
Interest paid		(11)	(20)
Taxation			
UK corporation tax paid		(1,488)	(589)
Foreign tax paid		(436)	(124)
Capital expenditure			
Purchase of tangible fixed assets		(2,470)	(304)
Dividends paid		-	(20)
Cash (outflow)/inflow before management of liquid resources and financing		(1,553)	4,705
Management of liquid resources			
Cash placed on short term deposits		1,047	(4,140)
(Decrease)/Increase in cash in the year	20	(506)	565

The accompanying notes 1 to 21 are an integral part of these financial statements.

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2008

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### 1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

#### ***Basis of Preparation***

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

#### ***Basis of Consolidation***

The group financial statements consolidate the financial statements of terrafirma GmbH from its acquisition on 27 March 2002, translated at a closing rate of 1.26 Euros to £1 (2007: 1.43 Euros to £1).

#### ***Turnover***

Turnover represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

#### ***Investments***

Fixed asset investments are shown at cost less provision for impairment.

#### ***Tangible Fixed Assets***

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Computer equipment and software	-	3 years
Fixture and fittings	-	3-5 years
Leasehold improvements	-	10 years

#### ***Taxation***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted by the balance sheet date.

Deferred taxation is provided in full without discounting, on timing differences that result in an obligation at the balance sheet to pay more tax, or a right to pay less tax, at a future date, at rates which apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that the asset will be recovered.

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

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### **Foreign Currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising on foreign currency balances is taken to the profit and loss account.

Results of overseas operation are translated at an average rate of exchange during the year of 1.40 Euros to £1 (2007: 1.45 Euros to £1). Exchange differences arising on the translation of opening net assets are reported in the statement of total recognised gains and losses.

### **Pension Costs**

The company contributes to defined contribution schemes on behalf of its staff. The amount charged to the profit and loss account in the year is contributions payable in the year.

## **2. Parent company**

The parent company profit after tax for the period was £3,144,000 (2007: £1,492,000). As permitted by Section 230 of the Companies Act 1985 no separate profit and loss account is presented in respect of the parent company.

## **3. Operating profit**

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£000's	£000's
The operating profit is stated after charging:		
Depreciation	640	561
The analysis of auditors' remuneration is as follows:		
Fees payable to the company's auditors for the audit of the company's annual accounts	66	53
The audit of the company's subsidiary pursuant to legislation	10	7
Total audit fees	<u>76</u>	<u>60</u>
Other services pursuant to legislation:		
- Tax services	50	14
- Other services	<u>18</u>	<u>-</u>
Total non-audit fees	<u>68</u>	<u>14</u>

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 4. Segmental Reporting

	Year Ended 31 March 2008			Year Ended 31 March 2007		
	£000's			£000's		
Geographical segments:	United Kingdom	Rest of Europe	Group	United Kingdom	Rest of Europe	Group
Turnover	46,851	381	47,232	30,116	482	30,598
Operating profit/(loss)	6,564	(1,703)	4,861	4,467	(1,799)	2,668
Profit/(loss) before tax	6,851	(1,690)	5,161	4,573	(1,805)	2,768
Net Assets	10,552	619	11,171	7,406	419	7,825

All income derives from the provision of investment advice.

### 5. Employee costs

	Year Ended 31 March 2008	Year Ended 31 March 2007
<b>Group</b>	<b>£000's</b>	<b>£000's</b>
Employee costs including Directors, consist of:		
Wages and salaries	24,970	16,495
Social security	3,321	2,053
Pension costs	1,394	691
	<hr/>	<hr/>
Total	<u>29,685</u>	<u>19,239</u>
The average number of employees, including Directors, during the year was:	<b>Number</b>	<b>Number</b>
Administration	105	87

All pension costs related to defined contribution schemes.

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2008

#### 5. Employee costs (continued)

	Year Ended 31 March 2008	Year Ended 31 March 2007
<u>Company</u>	£000's	£000's
Employee costs including Directors, consist of:		
Wages and salaries	23,509	15,065
Social security	3,261	1,983
Pension costs	1,373	670
	<hr/>	<hr/>
Total	<u>28,143</u>	<u>17,718</u>
The average number of employees, including Directors, during the year was:	Number	Number
Administration	96	77

#### 6. Directors' Costs

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£000's	£000's
Fees	2	2
Basic salaries	1,525	1,525
Benefits in kind	10	10
Pension contributions	23	21
	<hr/>	<hr/>
Total	<u>1,560</u>	<u>1,558</u>
The payments made to the highest paid Director were as follows:		
Emoluments	750	750
Pension contributions	-	-
	<hr/>	<hr/>
	<u>750</u>	<u>750</u>

All pension contributions were to defined contribution schemes.

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2008

#### 7. Interest payable and similar charges

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£000's	£000's
Bank charges	<u>11</u>	<u>20</u>

#### 8. Tax on profit on ordinary activities

The tax charge is based upon the results of the company and its subsidiary and is due to the following taxation authorities.

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£000's	£000's
Current Tax		
United Kingdom Inland Revenue	1,535	973
German Tax Authority	<u>150</u>	<u>259</u>
Total current tax charge	<u>1,685</u>	<u>1,232</u>
Deferred tax charge/(credit)	<u>185</u>	<u>(90)</u>
Total tax charge for the year	<u>1,870</u>	<u>1,142</u>

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£000's	£000's
Current Tax		
Profit on ordinary activities before tax	5,161	2,768
Corporation tax at 30%	<u>1,548</u>	<u>830</u>
Effects of:		
Expenses not deductible	180	186
Depreciation in excess of / (less than) capital allowances	(20)	24
Movement in short-term timing differences	(80)	94
Effect of overseas tax rate	57	146
Prior period	<u>-</u>	<u>(48)</u>
Current tax charge for the period	<u>1,685</u>	<u>1,232</u>



# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2008

#### 9. Deferred tax

	Year Ended 31 March 2008 £000's	Year Ended 31 March 2007 £000's
Accelerated capital allowances	191	107
Accrued pension contributions	-	(18)
Gift aid donation	-	(83)
Deferred tax liability	<u>191</u>	<u>6</u>

	Group		Company	
Deferred Tax Provision	2008 £000's	2007 £000's	2008 £000's	2007 £000's
Brought forward as at 1 April	6	96	6	96
Charged/(credited) to profit and loss account during the year	185	(90)	185	(90)
Balance as at 31 March	<u>191</u>	<u>6</u>	<u>191</u>	<u>6</u>

#### 10. Tangible fixed assets – Group

GROUP	Leasehold Improvements £000's	Fixtures and fittings £000's	Computer equipment and software £000's	Total £000's
<b>Cost</b>				
At 31 March 2007	2,585	1,127	304	4,016
Exchange Difference	54	42	15	111
Additions	1,950	226	209	2,385
Disposals	-	(1)	(19)	(20)
At 31 March 2008	<u>4,589</u>	<u>1,394</u>	<u>509</u>	<u>6,492</u>
<b>Depreciation</b>				
At 31 March 2007	(528)	(519)	(216)	(1,263)
Exchange Difference	(5)	(7)	(13)	(25)
Disposal	-	1	19	20
Charge for the year	(301)	(252)	(87)	(640)
At 31 March 2008	<u>(834)</u>	<u>(777)</u>	<u>(297)</u>	<u>(1,908)</u>
<b>Net book value</b>				
At 31 March 2008	<u>3,755</u>	<u>617</u>	<u>212</u>	<u>4,584</u>
At 31 March 2007	<u>2,057</u>	<u>608</u>	<u>88</u>	<u>2,753</u>

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 10. Tangible fixed assets (continued) – Company

COMPANY	Leasehold Improvements	Fixtures and fittings	Computer equipment and software	Total
	£000's	£000's	£000's	£000's
<b>Cost</b>				
At 31 March 2007	2,272	886	217	3,375
Additions	1,950	226	205	2,381
<b>At 31 March 2008</b>	<b>4,222</b>	<b>1,112</b>	<b>422</b>	<b>5,756</b>
<b>Depreciation</b>				
At 31 March 2007	(495)	(479)	(139)	(1,113)
Charge for the year	(264)	(213)	(80)	(557)
<b>At 31 March 2008</b>	<b>(759)</b>	<b>(692)</b>	<b>(219)</b>	<b>(1,670)</b>
<b>Net book value</b>				
At 31 March 2008	3,463	420	203	4,086
At 31 March 2007	1,777	407	78	2,262

### 11. Fixed asset investments – Company

	Subsidiary £000's
<b>Shares at cost</b>	
At 31 March 2007 and 2008	152

On 27 March 2002, the Company acquired the entire share capital of terrafirma GmbH, a company incorporated in Germany whose sole trade is advising the Company.

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 12. Debtors

	<i>Group</i>		<i>Company</i>	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
	£000's	£000's	£000's	£000's
Trade debtors	10,905	1,326	10,828	721
Other debtors	697	1,215	789	1,636
Prepayments and accrued income	1,591	1,123	1,572	1,119
	<u>13,193</u>	<u>3,664</u>	<u>13,189</u>	<u>3,476</u>

### 13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
	£000's	£000's	£000's	£000's
Trade creditors	1,667	546	1,652	510
Accruals and deferred income	6,323	2,340	6,212	2,082
Corporation tax	831	1,070	831	784
Other taxation and social security	2,598	1,132	2,515	1,129
	<u>11,419</u>	<u>5,088</u>	<u>11,210</u>	<u>4,505</u>

### 14. Contingent Liability

At the end of 2005, the company was joined to proceedings which had been brought in early 2004 against two co-defendants in relation to a claim for £95 million. During the year, the case against the company was withdrawn.

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

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### 15. Share Capital

	31 March 2008 £000's	31 March 2007 £000's
<b>Authorised Shares</b>		
100,000 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and paid up Shares</b>		
5,401 Allotted, called up and fully paid ordinary shares of £1.00 each (2007: 5,401)	<u>5</u>	<u>5</u>

### 16. Dividends on shares

	2008 £000's	2007 £000's
Interim and final dividends		
2008: nil p per ordinary share ; (2007: 20p per ordinary share)	<u>-</u>	<u>20</u>

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

### 17. Reserves

	Profit and loss account £000's
<b>Group</b>	
At 31 March 2007	7,820
Profit for the year	3,291
Foreign exchange gain on translation of reserves	55
<b>At 31 March 2008</b>	<b>11,166</b>
<b>Company</b>	
At 31 March 2007	7,556
Profit for the year	3,144
<b>At 31 March 2008</b>	<b>10,700</b>

### 18. Reconciliation of movement in group shareholders' funds

	Year Ended 31 March 2008 £000's	Year Ended 31 March 2007 £000's
Profit on ordinary activities after taxation	3,291	1,626
Dividend Paid	-	(20)
Foreign exchange gain on translation of reserves	55	(17)
Net addition to shareholders' funds	3,346	1,589
Opening shareholders' funds	7,825	6,236
Closing shareholders' funds	11,171	7,825

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2008

#### 19. Reconciliation of operating profit to operating cashflows

	Year Ended 31 March 2008	Year Ended 31 March 2007
	£000's	£000's
Operating profit	4,861	2,668
Depreciation	640	561
(Increase)/Decrease in debtors	(9,529)	2,915
Increase/(Decrease) in creditors	6,570	(502)
	<u>2,542</u>	<u>5,642</u>
<b>Net cash inflow from operating activities</b>	<b>2,542</b>	<b>5,642</b>

#### 20. Analysis and Reconciliation of Net Funds

	At 31 2007 £000's	Cashflow £000's	Foreign Exchange £000's	At 31 March 2008 £000's
Cash at bank and in hand	802	(506)	55	351
Fixed short term deposits	<u>5,700</u>	<u>(1,047)</u>	<u>-</u>	<u>4,653</u>
<b>Net Funds</b>	<b><u>6,502</u></b>	<b><u>(1,553)</u></b>	<b><u>55</u></b>	<b><u>5,004</u></b>

	Year Ended 31 March 2008 £000's	Year Ended 31 March 2007 £000's
(Decrease)/Increase in cash in the	(506)	565
Cash inflow from increase in liquid	(1,047)	4140
Foreign Exchange	55	(14)
<b>Movement in net funds in the year</b>	<b><u>(1,498)</u></b>	<b><u>4691</u></b>
Opening net funds	6,502	1,811
<b>Closing net funds</b>	<b><u>5,004</u></b>	<b><u>6,502</u></b>

# TERRA FIRMA CAPITAL PARTNERS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2008

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### 21. Controlling party and ultimate controlling party

The immediate parent undertaking and controlling company is London 58 Limited, a Cayman Islands registered company. The ultimate controlling party is Mr G. Hands, a director of that company.