

Egerton Capital Limited

Report and Financial Statements

31 March 2009



Egerton Capital Limited

Registered No: 2909193

Directors

J C Armitage

H M Avery

G N Dawson

Secretary

H M Avery

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Bankers

Barclays Bank plc

Fleet Street Goslings Business Centre

London EC4Y 1ET

Solicitors

Simmons & Simmons

CityPoint

1 Ropemaker Street

London EC2Y 9SS

Registered Office

2 George Yard

Lombard Street

London EC3V 9DH

Directors' report

The directors present their report and financial statements for the year ended 31 March 2009.

Results

The loss for the year after taxation amounted to £91,200 (2008 – profit £230,672).

No dividends are recommended.

Principal activity and review of the business

The company is the General Partner in and provides support services to Egerton Capital Limited Partnership ("the Partnership"), an organisation whose principal activity during the year was the provision of fund management services. The company is regulated by the Financial Services Authority. Disclosure of the company's capital, risk exposures and risk assessment process is made on the www.pillar3.eu website in accordance with the FSA rules on Pillar 3 disclosures.

The directors remain optimistic about the future of the company.

Future Developments

The company has no plans that will significantly change the nature of its activities.

Principal risks and uncertainties

The company's income is in the form of expense reimbursement and profit allocation from the Partnership, the level of which the directors also consider to be the key performance indicator for the company. The business is subject to risks associated with the performance of the funds managed by the Partnership, with the tax and regulatory regimes within which its business operates and with attracting and retaining the services of key investment executives.

Charitable contributions

During the year the company made charitable donations totalling £29,675 (2008 – £4,752). The donations made during the year were to the following organisations:

- Carbon neutral project (£4,200)
- Great Ormond Street Hospital (£5,000)
- Krankenhaus Nordwest (£20,000)
- Nordoff Robbins Music Therapy (£475)

2008:

- Nordoff Robbins Music Therapy (£475)
- The Royal National Lifeboat Institution (£765)
- The British Heart Foundation (£3,512)

Directors

The directors during the year ended 31 March 2009 were as follows:

J C Armitage
H M Avery
G N Dawson

Directors' report


Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Auditors

The Company has elected to dispense with the obligation to appoint auditors annually. Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

On behalf of the board


Director

Date 22/7/09

Statement of directors' responsibilities in respect of the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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

Independent auditors' report

to the members of Egerton Capital Limited

We have audited the company's financial statements for the year ended 31 March 2009 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cash Flows and the related notes 1 to 16. These financial statements have been prepared on the basis of 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

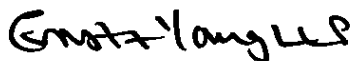
Independent auditors' report

to the members of Egerton Capital Limited (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 company's affairs as at 31 March 2009 and of its loss 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.



Ernst & Young LLP
Registered Auditor
London

Date: 24 July 2009

Profit and loss account

for the year ended 31 March 2009

	Notes	2009 £	2008 £
Turnover	2	209,527	627,869
Administration expenses		(6,140,624)	(6,459,666)
Less amounts recharged		5,692,414	6,033,363
Operating (loss)/profit	3	(238,683)	201,566
Bank interest payable		–	(304)
Bank interest receivable		103,600	147,262
Foreign exchange gain		1,207	441
Other income		52,794	27,224
Gain on disposal of fixed asset investments		–	6,788
Loss on disposal of tangible fixed assets		(596)	(960)
(Loss)/profit on ordinary activities before tax		(81,678)	382,017
Taxation	6	(9,522)	(151,345)
(Loss)/profit on ordinary activities after tax	14	(91,200)	230,672

All amounts are in respect of continuing activities.

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £91,200 in the year ended 31 March 2009, and the profit of £230,672 for the year ended 31 March 2008.

Balance sheet

at 31 March 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	175,708	178,585
Investments	8	290,978	315,978
		<u>466,686</u>	<u>494,563</u>
Current assets			
Debtors	9	1,221,746	1,107,778
Cash at bank and in hand		2,849,665	3,306,273
		<u>4,071,411</u>	<u>4,414,051</u>
Creditors: amounts falling due within one year	10	706,574	938,188
Net current assets		<u>3,364,837</u>	<u>3,475,863</u>
Total assets less current liabilities		<u>3,831,523</u>	<u>3,970,426</u>
Creditors: amounts falling due after more than one year	11	264,483	312,186
Net assets		<u>3,567,040</u>	<u>3,658,240</u>
Capital and reserves			
Called up share capital	12	250,000	250,000
Profit and loss account	14	3,317,040	3,408,240
Shareholders' funds		<u>3,567,040</u>	<u>3,658,240</u>

Director

Date:

Helen Avey
22/1/09

Statement of cash flows

for the year ended 31 March 2009

	Notes	2009 £	2008 £
Net cash (outflow)/inflow from operating activities	15(a)	(394,467)	613,662
Returns on investments and servicing of finance			
Interest received		103,600	132,037
Interest paid		—	(304)
Net cash inflow from returns on investments and servicing of finance		103,600	131,733
Taxation			
Corporation tax paid		(154,557)	(213,755)
Tax deducted at source		—	(835)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(79,745)	(66,343)
Receipts from sales of tangible fixed assets		—	170
Payments to acquire investments		—	(70,675)
Receipts from sale of fixed asset investments		25,000	41,780
Net cash outflow from capital expenditure and financial investment		(54,745)	(95,068)
(Decrease)/increase in cash	15(b)	(500,169)	435,737

Notes to the financial statements

at 31 March 2009

1. Accounting policies

Accounting convention

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

Basis of financial statements

In its capacity as General Partner, the company has the theoretical ability to exercise dominant influence over the Egerton Capital Limited Partnership and, on this basis, the Partnership is a subsidiary of the company. However, the Founder Limited Partners have the actual ability collectively to exercise dominant influence over the assets of the Partnership.

Section 299 of the Companies Act 1985 permits and FRS 2 requires the exclusion of a subsidiary from consolidation if severe long-term restrictions substantially hinder the exercise of the parent undertaking's rights over the subsidiary's assets or management. In the directors' opinion, the powers of the Founder Limited Partners amount to such 'severe long-term restriction'. Consequently, consolidated financial statements have not been prepared.

Fixed assets

All fixed assets are recorded at cost and depreciated.

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

Office equipment	-	over 3 years
Fixtures and fittings	-	over 5 years
Furniture	-	over 5 years

Paintings are not depreciated.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes.

A deferred tax asset arises in respect of the company's share of partnership income taxable in the company before it is earned income for accounting purposes. This asset will reverse on the distribution of profits from the partnership or on the disposal of the investment in the partnership.

Deferred tax assets in respect of tax losses carried forward will be recognised only to the extent that it is considered more likely than not that there will be taxable profits in the future against which the asset can be offset.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Valuation of investments

Investments are stated at cost less provision for any permanent diminution in value.

Notes to the financial statements

at 31 March 2009

1. Accounting policies (continued)

Pensions

The company operates a group personal pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover represents profit share from Egerton Capital Limited Partnership which is based in the UK.

3. Operating (loss)/profit

This is stated after charging:

	2009	2008
	£	£
Auditors' remuneration - audit services	23,000	23,000
Depreciation of owned fixed assets	82,026	69,997
Operating lease rentals - land and buildings	564,135	564,135
	<u>669,161</u>	<u>657,132</u>

Expenses totalling £5,692,414 (2008 – £6,033,363) relating to the fund management activities of Egerton Capital Limited Partnership incurred by the company were recharged to that partnership.

4. Directors' emoluments

	2009	2008
	£	£
Emoluments (excluding pension contributions)	176,503	163,003
Company contributions to money purchase pension schemes	21,975	22,500
	<u>198,478</u>	<u>185,503</u>

Contributions were made to the money purchase pension scheme on behalf of 2 directors (2008 – 2).

5. Staff costs

	2009	2008
	£	£
Wages and salaries	2,745,964	3,239,480
Social security costs	297,815	388,285
Other pension costs	161,331	142,370
	<u>3,205,110</u>	<u>3,770,135</u>

Notes to the financial statements

at 31 March 2009

5. Staff costs (continued)

The average weekly number of employees during the year was:

	2009 No.	2008 No.
Fund management	10	10
Administration	34	30
	<u>44</u>	<u>40</u>

6. Tax on (loss)/profit on ordinary activities

	2009 £	2008 £
Based on the profit for the year:		
Corporation tax	1,408	179,213
Corporation tax underprovided in previous year	484	223
Income tax deduction for reinvested distribution	(2,132)	-
	<u>(240)</u>	<u>179,436</u>
Deferred tax:		
Originating and reversal of timing differences	8,793	(39,174)
Effects of changes in tax rate of opening liability	-	11,083
Adjustments in respect of prior years	(1,163)	-
Income tax deduction for reinvested distribution	2,132	-
	<u>9,522</u>	<u>151,345</u>

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of UK corporation tax (28%). This is explained below:

	2009 £	2008 £
(Loss)/profit on ordinary activities before taxation	(81,678)	382,017
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 30%)	<u>(22,870)</u>	<u>114,605</u>
Effect of:		
Disallowed expenses and non-taxable income	23,031	21,508
Other timing differences	1,716	-
Adjustments in respect of previous periods	484	223
Overseas partnership share	-	43,100
Small companies rate	(469)	-
Income tax deduction for reinvested distribution	(2,132)	-
Current tax charge for the year	<u>(240)</u>	<u>179,436</u>

Notes to the financial statements

at 31 March 2009

6. Tax on (loss)/profit on ordinary activities (continued)

Factors that may affect future tax charges

The company has an unrecognised deferred tax asset in respect of capital losses carried forward of £24,197 (2008 – £14,123). The assets are not recognised as it is not considered more likely than not that there will be suitable taxable profits in the future against which the assets can be offset.

7. Tangible fixed assets

	<i>Fixtures and fittings</i>	<i>Office equipment</i>	<i>Furniture</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 31 March 2008	419,026	866,594	356,270	1,641,890
Additions	6,655	71,046	2,044	79,745
Disposals	–	(8,226)	–	(8,226)
At 31 March 2009	425,681	929,414	358,314	1,713,409
Depreciation:				
At 31 March 2008	405,620	780,761	276,924	1,463,305
Provided during the year	7,508	63,308	11,210	82,026
Disposals	–	(7,630)	–	(7,630)
At 31 March 2009	413,128	836,439	288,134	1,537,701
Net book value:				
At 31 March 2009	12,553	92,975	70,180	175,708
At 31 March 2008	13,406	85,833	79,346	178,585

8. Investments

	2009	2008
	£	£
Cost		
At 31 March 2008	315,978	287,083
Additions	–	70,675
Disposals	(25,000)	(41,780)
At 31 March 2009	290,978	315,978

Included in the above balance are investments of £1,000 (2008 – £1,000) in Egerton Capital Limited Partnership and of £40,303 (2008 – £40,303) in Egerton Capital Partners, L.P. The remainder are investments in The Egerton European Dollar Fund Limited and CF Egerton Sterling Investment Fund.

Egerton Capital Limited Partnership is a partnership registered and operating in the UK whose activities are fund management. Its capital and reserves at 31 March 2009 amounted £4,400 (2008: £4,200) and its retained profit for the year was nil (2008: nil).

Notes to the financial statements

at 31 March 2009

9. Debtors

	2009	2008
	£	£
Other debtors	456,063	473,527
Prepayments	496,732	439,920
Deferred tax asset	184,569	194,331
Current corporation tax	84,382	—
	<u>1,221,746</u>	<u>1,107,778</u>

The deferred tax asset is in relation to tax assessed on the company's share of income arising in Egerton Capital Partners, L.P.

Included within other debtors are rental deposits of £244,984 (2008 – £244,984) which are due in more than one year.

10. Creditors: amounts falling due within one year

	2009	2008
	£	£
Amounts due to Egerton Capital Limited Partnership	229,279	288,651
Trade creditors	143,005	216,136
Current corporation tax	—	70,415
Other taxes and social security costs	76,055	112,305
Other creditors	8,627	—
Accruals	186,572	231,206
Bank overdraft	63,036	19,475
	<u>706,574</u>	<u>938,188</u>

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

	2009	2008
	£	£
Accruals	264,483	312,186

12. Share capital

	2009	Authorised 2008
	£	£
Ordinary shares of £1 each	300,000	300,000

	2009	2008	2009	2008
	No.	No.	£	£
Ordinary shares of £1 each	250,000	250,000	250,000	250,000

Notes to the financial statements

at 31 March 2009

13. Related party transactions

During the year the company received income of £209,627 (2008 – £627,869) from, and recharged expenses of £5,692,414 (2008 – £6,033,363) to, Egerton Capital Limited Partnership. The company is the General Partner in this partnership, and two other partners, J C Armitage and H M Avery, who were directors of the company during the year, are entitled to receive profit allocations from the Partnership. At 31 March 2009, £229,279 (2008 – £288,651) was due to the partnership from the company.

14. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total £
At 31 March 2008	250,000	3,408,240	3,658,240
Loss for the year	–	(91,200)	(91,200)
At 31 March 2009	250,000	3,317,040	3,567,040

15. Notes to the statement of cash flows

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

	2009 £	2008 £
Operating (loss)/profit	(238,683)	201,566
Depreciation	82,026	69,997
Foreign exchange gain/(loss)	1,207	441
(Increase)/decrease in debtors	(39,348)	17,212
(Decrease)/increase in creditors	(252,463)	291,394
Other income	52,794	27,224
Gain on disposal of fixed asset investments	–	6,788
Loss on disposal of tangible fixed assets	–	(960)
Net cash (outflow)/inflow from operating activities	(394,467)	613,662

(b) Analysis of changes in net funds

	At 1 April 2008 £	Net cash (outflow)/ inflow £	At 31 March 2009 £
Cash at bank and in hand	3,306,273	(456,608)	2,849,665
Bank overdrafts	(19,475)	(43,561)	(63,036)
Cash	3,286,798	(500,169)	2,786,629

Notes to the financial statements

at 31 March 2009

16. Other financial commitments

Operating leases

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below:

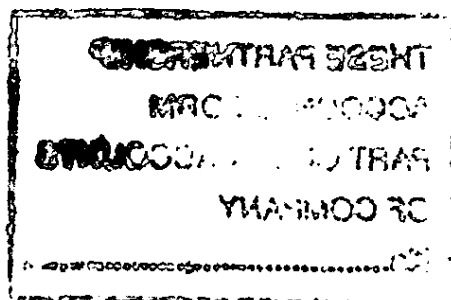
	<i>Land and buildings 2009 £</i>	<i>Land and buildings 2008 £</i>
Operating leases which expire: Between two and five years	564,135	564,135
	<u> </u>	<u> </u>

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 2909193

Egerton Capital Limited Partnership

Report and financial statements

31 March 2009



Egerton Capital Limited Partnership

Partners

J C Armitage	(Founder Limited Partner)	
W G Bollinger	(Founder Limited Partner)	
Egerton Capital Limited	(General Partner)	
H Avery	(Further Limited Partner)	
P W Murphy	(Further Limited Partner)	
M Sallusti	(Further Limited Partner)	
G Ross	(Further Limited Partner)	(removed 31 March 2009)
C Evans Lombe	(Further Limited Partner)	
J A Huck	(Further Limited Partner)	
L Govi	(Further Limited Partner)	
N Jones	(Further Limited Partner)	
R Kanza	(Further Limited Partner)	
M Blank	(Further Limited Partner)	
S Dahya	(Further Limited Partner)	
J A Rodgers	(Further Limited Partner)	(appointed 29 July 2008)
S A Ward	(Further Limited Partner)	(appointed 1 April 2008)
P Tucker	(Further Limited Partner)	(appointed 1 April 2008)

Auditors

Ernst & Young LLP
1 More London Place
London, SE1 2AF

Solicitors

Simmons & Simmons
CityPoint
1 Ropemaker Street
London EC2Y 9SS

Registered Office

2 George Yard
Lombard Street
London EC3V 9DH

General Partner's report

The General Partner presents the report and financial statements for the year ended 31 March 2009.

Principal activity and business review

The principal activity of the Partnership is the provision of investment management services to hedged/long only funds. The Partnership's General Partner (Egerton Capital Limited) is regulated by the FSA with permission for this activity.

Profits available for allocation to partners decreased from £78,736,781 for the year ended 31 March 2008 to £26,669,182 for the year ended 31 March 2009.

Principal risks and uncertainties

The partnership's income is in the form of management and performance fees in respect of its funds under management. The General Partner considers the level and performance of funds under management to be the key performance indicator. The business is subject to the impact of market and investment performance risks on the funds under management and to risks associated with the tax and regulatory regimes within which its business operates and risks associated with attracting and retaining the services of key investment executives.

Future developments

The Partnership has no plans that will significantly change the nature of its activities.

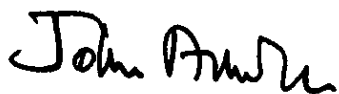
Partners' profit allocation and capital transactions

Any profits are shared among the partners as governed by the Partnership Deed ("the Deed"). Policies for partners' contributions and return of capital are also governed by the Deed.

Disclosure of information to the auditors

So far as the directors of the General Partner are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of the directors of the General Partner and the Partnership's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the General Partner



Director
Egerton Capital Limited

Date:

22. VII. 09



Director
Egerton Capital Limited

Date: 22-7-09

Statement of General Partner's responsibilities in respect of the financial statements

The General Partner is required to prepare the financial statements in accordance with applicable laws and regulations.

The Partnership and Unlimited Companies (Accounts) Regulations 1993 and the Partnership Agreement requires the General Partner to prepare financial statements for each financial year. In preparing those financial statements, the General Partner is required to:

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

The General Partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable it to ensure that the financial statements comply with the Partnership Agreement. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the partners of Egerton Capital Limited Partnership

We have audited the Partnership's financial statements for the year ended 31 March 2009 which comprise Profit and Loss Account, Statement of Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Partners of the Partnership, as a body, in accordance with the Partnership Agreement and the Partnerships and Unlimited Companies (Accounts) Regulations 1993. Our audit work has been undertaken so that we might state to the Partners 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 Partnership and the Partners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of General Partner and auditors

As described on page 3 the General Partner is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom 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, are properly prepared in accordance with the Partnership Agreement and whether the information given in the General Partners' report is consistent with the financial statements. We also report to you if, in our opinion, the Partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the General Partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 affairs of the Partnership as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Partnership Agreement and the Partnerships and Unlimited Companies (Accounts) Regulations 1993; and
- the information given in the General Partner's report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor

London 24 July 2009

Profit and loss account

for the year ended 31 March 2009

	Notes	2009 £	2008 £
Income			
Management and performance fees	1	32,056,779	84,147,164
Administrative expenses			
Direct expenses incurred	2	(96,326)	(226,910)
Reimbursement of expenses incurred by Egerton Capital Limited	2	(5,692,414)	(6,033,363)
Reimbursement of expenses incurred by Swan Walk Management Inc.	2	(18,372)	(9,970)
Operating profit		26,249,667	77,876,921
Bank interest receivable		65,692	154,544
Net foreign exchange gains		353,823	705,316
Profit available for division among Partners		26,669,182	78,736,781

All amounts are in respect of continuing activities.

Statement of total recognised gains and losses

There were no recognised gains or losses attributable to the partners in the year ended 31 March 2009 or in the preceding year, other than the profits of £26,669,182 and £78,736,781 respectively.

Balance sheet

at 31 March 2009

	Notes	2009 £	2008 £
Current assets			
Debtors	3	2,989,304	4,294,003
Cash		1,322,593	1,268,929
		<u>4,311,897</u>	<u>5,562,932</u>
Current liabilities			
Creditors: amounts falling due within one year	4	4,307,497	5,558,732
Net current assets		<u>4,400</u>	<u>4,200</u>
Total assets less current liabilities		<u>4,400</u>	<u>4,200</u>
Represented by:			
Loans and other debts due to Partners			
Capital contributions classified as a liability under FRS 25	5	4,400	4,200
Total Partners' interests			
Loans and other debts due to Partners		4,400	4,200
Partners' other interests	5	4,058,369	5,180,869
		<u>4,062,769</u>	<u>5,185,069</u>

The financial statements on pages 5 to 10 were approved by the General Partner on 22/7/09

For and on behalf of the General Partner

Helen Avey

Cash flow statement

for the year ended 31 March 2009

	Notes	2009 £	2008 £
Net cash inflow from operating activities	7(a)	27,846,924	77,160,044
Returns on investments and servicing of finance	7(b)	65,692	154,544
Distributions paid to partners	7(b)	(27,859,152)	(79,135,010)
Financing	7(b)	200	—
Increase/(decrease) in cash	7(c)	53,664	(1,820,422)

Notes to the financial statements

at 31 March 2009

1. Accounting policies

Basis of accounting

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

Income

Fee income relates to management and performance fees from funds under management less rebates given. Income is accounted for on a receivable basis.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the balance sheet date. Foreign currency gains or losses are included in the results for the year.

2. Expenses

	2009	2008
	£	£
Legal and professional fees	67,924	47,148
Auditors' remuneration – audit services	10,500	10,500
Auditors' remuneration – other services in relation to taxation	7,940	153,984
Other expenses	9,962	15,278
Total	96,326	226,910

Expenses totalling £5,692,414 (2008 - £6,033,363) and £18,372 (2008 - £9,970) incurred by the General Partner and by Swan Walk Management Inc. in respect of the fund management activities of Egerton Capital Limited Partnership were reimbursed.

3. Debtors

	2009	2008
	£	£
Management and performance fees receivable	2,737,614	3,988,728
VAT recoverable	63,374	80,428
Sundry debtors	23,303	6,242
Due from Egerton Capital Limited	165,013	218,605
	2,989,304	4,294,003

Notes to the financial statements

at 31 March 2009

4. Creditors: amounts falling due within one year

	2009	2008
	£	£
Performance fee rebates	–	67,678
Management fee rebates	23,636	24,762
Due to the Limited Partners	4,223,382	5,399,474
Due to Swan Walk Management Inc.	14,583	10,465
Expense accruals	19,722	24,977
Trade creditors	26,174	31,376
	<u>4,307,497</u>	<u>5,558,732</u>

5. Partners' accounts

	<i>Egerton Capital Limited</i>	<i>Limited Partners</i>	<i>Total</i>
	£	£	£
Capital contribution			
At 31 March 2008	1,000	3,200	4,200
Additions	–	300	300
Repayments	–	(100)	(100)
At 31 March 2009	<u>1,000</u>	<u>3,400</u>	<u>4,400</u>
Retained profit			
At 31 March 2008	–	–	–
Profit for the year	209,527	26,459,655	26,669,182
Allocations in the year	(209,527)	(26,454,655)	(26,669,182)
Retained profit at 31 March 2009	<u>–</u>	<u>–</u>	<u>–</u>
Partners' other interests			
At 31 March 2008	(218,605)	5,399,474	5,180,869
Profit allocation for the year	209,527	26,459,655	26,669,182
Distributions in the year	(223,405)	(27,635,747)	(27,859,152)
Amounts owed in respect of expenses recharged	67,470	–	67,470
At 31 March 2009	<u>(165,013)</u>	<u>4,223,382</u>	<u>4,058,369</u>

6. Related party transactions

Swan Walk Management Inc., a British Virgin Islands company incorporated on 12 April 2001 is licensed to provide management services to The Egerton European Dollar Fund Limited, The Egerton European Equity Fund Limited, Egerton Capital Partners, L.P., Egerton Investment Partners, L.P., The Egerton Euro Investment Fund Limited and The Egerton Dollar Investment Fund Limited.

Notes to the financial statements

at 31 March 2009

6. Related party transactions (continued)

Egerton Capital Limited Partnership (ECLP) has a delegation agreement with Swan Walk Management Inc. whereby the management fees for the 6 funds are receivable by Swan Walk Management Inc. and directly payable to ECLP in full. ECLP also manages Egerton Capital European Fund plc and CF Egerton Sterling Investment Fund.

Fees receivable from the funds for the year amounted to £32,056,779 (2008 - £84,147,164) of which £2,737,614 (2008 - £3,988,728) was due from Swan Walk Management Inc. at the balance sheet date. ECLP allocated profit of £209,527 (2008 - £627,869) to the General Partner, Egerton Capital Limited.

Expenses totalling £5,692,414 (2008 - £6,033,363) and £18,372 (2008 - £9,970) incurred by the General Partner and by Swan Walk Management Inc. in respect of the fund management activities of Egerton Capital Limited Partnership were reimbursed. Amounts due to related parties are shown in note 4.

7. Notes to the statement of cash flows

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

	2009 £	2008 £
Operating profit	26,249,667	77,876,921
Foreign exchange gain	353,823	705,316
Decrease/(increase) in debtors	1,251,108	(887,471)
Decrease in creditors	(7,674)	(534,722)
Net cash inflow from operating activities	27,846,924	77,160,044

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

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	65,692	154,544
	65,692	154,544
Distributions made to partners		
Distributions paid to limited partners	(27,635,747)	(78,508,105)
Distributions paid to general partner	(223,405)	(626,905)
	(27,859,152)	(79,135,010)
Financing		
Partnership capital contributions	300	100
Partnership capital repayment	(100)	(100)
	200	--

(c) Analysis of changes in cash:

	At 1 April 2008 £	Cash flows £	At 31 March 2009 £
Cash at bank	1,268,929	53,664	1,322,593
Cash	1,268,929	53,664	1,322,593