

Registered number 3890214

HENDERSON EQUITY PARTNERS LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2005



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Henderson Equity Partners Limited

Report and accounts for the year ended 31 December 2005

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Company Information

Directors

D M Bull, R P Greville, N T Hiscock

Secretary

Henderson Secretarial Services Limited

Registered Office

4 Broadgate
London EC2M 2DA

Auditors

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

Directors' report

The directors present their Annual Report and Accounts of Henderson Equity Partners Limited for the year ended 31 December 2005.

Activities

The Company acts as general partner in HHG Private Capital Portfolio No.1 LP, a limited partnership established to make investments in, and provide funding to, private equity and venture and development capital funds. The limited partners are Pearl Assurance PLC, PriCap 2 LP, PriCap3 LP, PriCap4 LP and PriCap 5 LP. No changes to the Company's activities are anticipated. The profit and loss account is set out on page 6. The directors do not recommend the payment of a dividend.

Directors and their interests

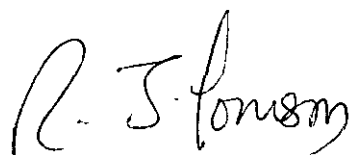
The directors of the Company are named on page 1. They have held office throughout the year. The Directors' shareholding in Henderson Group Plc (formerly HHG Plc) were:

Name of Director	31 December 2005	31 December 2004
	No. of shares held	No. of shares held
D M Bull	8,340	3,078
R P Greville	906,800	45,324
N T Hiscock	156,135	70,954

Auditors

Ernst & Young LLP have expressed their willingness to continue in office and a resolution will be submitted at the annual general meeting to reappoint them as auditors and to authorise the directors to determine their remuneration.

By order of the Board



For and on behalf of Henderson Secretarial Services Limited, Secretary
5 July 2006

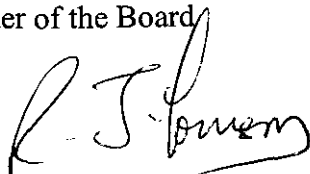
Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare accounts for each financial year which 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 accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that accounts 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



For and on behalf of Henderson Secretarial Services Limited, Secretary

5 July 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HENDERSON EQUITY PARTNERS LIMITED**

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnerships circumstances, consistently applied and adequately disclosed.

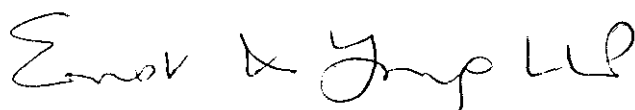
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give

Henderson Equity Partners Limited

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 affairs of the company as at 31 December 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', is written in a cursive style.

Ernst & Young LLP

Registered Auditor

London

11 July 2006

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2005

	Notes	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Turnover	2	650,050	650,050
Expenses		<u>(650,050)</u>	<u>(650,050)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Tax on profit on ordinary activities	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>-</u>	<u>-</u>

All activities relate to continuing operations.

There are no recognised gains or losses other than those included in the profits above and, therefore, no statement of recognised gains and losses has been presented.

The notes on pages 8 to 11 form part of these accounts.

Henderson Equity Partners Limited

BALANCE SHEET at 31 December 2005

	Notes	31 December 2005 £	31 December 2004 £
FIXED ASSETS			
Unlisted Investment	4	50,000	50,000
CURRENT ASSETS			
Debtors	6		
Amounts falling due after one year		924,109	7,746,865
Amounts falling due within one year		268,040	2,314,867
		<u>1,192,149</u>	<u>10,061,732</u>
CREDITORS: Amounts falling due within one year			
Amounts owed to group undertakings		<u>(325,026)</u>	<u>(162,513)</u>
		<u>(325,026)</u>	<u>(162,513)</u>
NET CURRENT ASSETS		<u>867,123</u>	<u>9,899,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			
CREDITORS: Amounts falling due after more than one year	7	(649,082)	(7,634,351)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	5	(268,040)	(2,314,867)
NET ASSETS		<u>1</u>	<u>1</u>
CAPITAL RESERVES			
Called up share capital	8	<u>1</u>	<u>1</u>

The notes on pages 8 to 11 form part of these accounts.

The accounts on pages 6 to 11 were approved by the Board of directors on 5 July 2006 and were signed on its behalf by:-


D M Bull
Director

NOTES TO THE ACCOUNTS
at 31 December 2005

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

Investments

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

2. TURNOVER

Turnover is derived from the investment in HHG Private Capital Portfolio No.1 LP calculated in accordance with the partnership agreement and represents an accrual of the General Partner's priority profit share.

If on dissolution of the Limited Partnership the distributions made to the General Partner are insufficient to repay the loan on account of the accrued profit share, the balance outstanding will be written off and the General Partner will have no further liability to the Limited Partnership.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

The directors of the Company have employment contracts with Henderson Administration Limited. They receive no remuneration for their services to Henderson Equity Partners Limited.

4. INVESTMENTS

	31 December 2005 £	31 December 2004 £
Investment in HHG Private Capital Portfolio No.1 LP	<u>50,000</u>	<u>50,000</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	31 December 2005 £	31 December 2004 £
a) Analysis of charge in period:		
Current tax charge	(2,046,827)	185,822
Deferred tax	2,046,827	(185,822)
Total tax for period	<u>-</u>	<u>-</u>

b) The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Loss on ordinary activities before tax	<u>-</u>	<u>-</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004: 30%)	-	-
Effects of:		
Tax on accrued profit share	195,015	195,015
Group relief received	(2,241,842)	-
Prior year adjustments	-	(9,193)
	<u>(2,046,827)</u>	<u>185,822</u>

c) The current rate of corporation tax of 30% (2004: 30%) has been used to calculate the amount of deferred taxation. Provision has been made for all deferred taxation assets and liabilities in respect of short term timing differences, arising from transactions and events recognised in the financial statements of the current year and previous years.

Provision for deferred tax

Balance at start of period	(2,314,867)	(2,129,045)
Deferred tax for the year	2,046,827	(185,822)
Provision at end of period	<u>(268,040)</u>	<u>(2,314,867)</u>

The major components of the provision for deferred taxation are as follows:

Accrued partnership profit share taxable in future periods	(268,040)	(2,314,867)
Total provision for deferred tax	<u>(268,040)</u>	<u>(2,314,867)</u>

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6. DEBTORS

	31 December 2005 £	31 December 2004 £
Amounts owed by Group Undertakings	268,040	2,314,867
Accrued profit share of Limited Partnership	924,109	7,746,865
	<u>1,192,149</u>	<u>7,746,865</u>

7. CREDITORS: amounts falling due after more than one year.

	31 December 2005 £	31 December 2004 £
Drawings Account – HHG Private Capital Portfolio No.1 LP	599,082	7,584,351
Loan from Henderson Private Capital Limited	50,000	50,000
	<u>649,082</u>	<u>7,634,351</u>

The loan from Henderson Private Capital Limited is unsecured and interest free with no fixed repayment date.

8. SHARE CAPITAL

	31 December 2005 £	31 December 2004 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital £	Profit and loss Account £	Total Shareholders' Funds £
At 1 January 2005	1	-	1
Profit for the year	-	-	-
At 31 December 2005	<u>1</u>	<u>-</u>	<u>1</u>

10. PARENT UNDERTAKING

The company's immediate parent undertaking is Henderson Private Capital Limited. The parent undertaking of the smallest group for which group accounts are prepared is Henderson Group PLC (formerly HHG PLC).

The ultimate parent undertaking and controlling party is Henderson Group PLC (formerly HHG PLC), a company incorporated in England. The address from which copies of the accounts of Henderson Group PLC (formerly HHG PLC) can be obtained is 4 Broadgate London EC2M 2DA.

11. CASHFLOW STATEMENT

Cashflows of the Company are included in the consolidated group cashflow statement of Henderson Group PLC (formerly HHG PLC) and consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cashflow statement.

12. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures', relating to transactions between 90 per cent or more controlled subsidiaries.

Henderson Equity Partners Limited is general partner to HHG Private Capital Portfolio No.1 LP.

Henderson Equity Partners Limited is considered a related party to the above entity. Any amounts received, due, paid or payable between the General Partner and the Limited Partner are disclosed in notes 6 (Debtors) and 7 (Creditors).