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**Company Registration No. 03942388**

**NBGI Private Equity Limited**

**Report and Financial Statements**

**31 December 2005**



# **NBGI Private Equity Limited**

## **Report and financial statements 2005**

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# **NBGI Private Equity Limited**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P Stellakis	Chairman & Chief Executive Officer
J H North	Company Secretary
H Jennings	
M Owen	
R Morley	

#### **SECRETARY**

J H North

#### **REGISTERED OFFICE**

Old Change House  
128 Queen Victoria Street  
London EC4V 5BJ

#### **BANKERS**

NatWest Bank Plc – City of London Office  
1 Princes Street  
London EC2R 8PA

#### **SOLICITORS**

S J Berwin  
10 Queen Street Place  
London EC4R 1BE

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

# **NBGI Private Equity Limited**

## **Directors' report**

The directors present their report and the audited financial statements for the year ended 31 December 2005.

### **Activities**

The company is a London based private equity firm regulated by the Financial Services Authority.

### **Review of developments and future prospects**

The company presently manages five funds: the €100m NBG Private Equity Fund which invests in the UK and continental Europe; the €60m NBG Technology Fund which invests in technology related companies primarily in Greece and western Europe; the NBG Emerging Europe Fund investing in Central and Eastern European companies; the NBG Real Estate Fund; and the NBG Greek Private Equity Fund.

These latter two funds were re-structured in the last quarter of 2005. The NBG Greek Private Equity Fund will be re-named the NBG South-Eastern Europe Fund, and will focus on private equity opportunities in Greece and the South-Eastern European markets. The commitment to this fund was increased during the year to €100m to take advantage of these opportunities. The NBG Real Estate Fund was re-structured to be available for investment in private equity in the UK and Western Europe.

During the year, the Company established a branch in Athens in order to better facilitate its operations in Greece.

Together with the investment facilitator, NBG Venture Capital SA, the Company will continue to seek investment opportunities across all funds, manage the portfolio companies to create value and seek exit opportunities where suitable to realise this value.

### **Dividends and results**

The results for the year are set out in the profit and loss account on page 7. The directors do not recommend the payment of a dividend (2004 - £nil).

### **Directors**

The directors who served throughout the year ended 31 December 2005 are shown below. None of the directors had any interest in the share capital of the company.

P Stellakis	Chairman & CEO
J H North	
H Jennings	
M Owen	
R Morley	

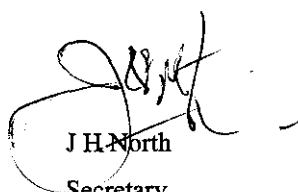
## **NBGI Private Equity Limited**

### **Directors' report (continued)**

#### **Auditors**

Deloitte & Touche LLP have expressed their willingness to continue in office. A resolution proposing the reappointment and giving authority to the directors to fix their remuneration will be submitted at the next Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



J H North

Secretary

NBGI Private Equity Limited

21 April 2006

## **NBGI Private Equity Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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 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 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 NBGI Private Equity Limited**

We have audited the financial statements of NBGI Private Equity Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report 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 the directors' remuneration and other transactions with the company is not disclosed.

We read the directors' report for the above and the other information contained in the annual report for the above year as described in the contents section and 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 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 NBGI Private Equity 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 at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

25th April 2006

# NBGI Private Equity Limited

## Profit and loss account Year ended 31 December 2005

	Note	2005 £	2004 £
Revenue	1, 2	2,815,415	2,443,905
Gross profit		2,815,415	2,443,905
Administrative expenses		(2,785,691)	(2,430,970)
Operating profit	3	29,724	12,935
Interest receivable and similar income	5	11,660	6,571
Profit on ordinary activities before taxation		41,384	19,506
Tax on profit on ordinary activities	6	(13,048)	-
Profit for the financial year after taxation	12	28,336	19,506
Profit and loss account brought forward		12,401	(7,105)
Profit and loss account at the year end		40,737	12,401

There were no other recognised gains or losses in the current or previous year and, therefore, no separate statement of total recognised gains and losses has been presented.

The results for this year and the previous year reflect continuing activities.

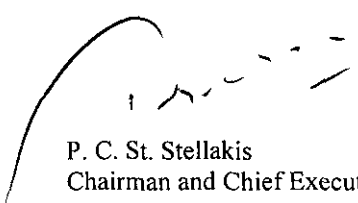
# NBGI Private Equity Limited

## Balance sheet 31 December 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible fixed assets	7	11,037	8,490
		<u>11,037</u>	<u>8,490</u>
<b>Current assets</b>			
Deferred tax asset	8	95,225	-
Debtors	9	164,389	62,481
Cash at bank and in hand		1,123,659	468,576
		<u>1,383,273</u>	<u>531,057</u>
<b>Creditors: amounts falling due within one year</b>	10	(1,253,573)	(427,146)
<b>Net current assets</b>		<u>129,700</u>	<u>103,911</u>
<b>Total assets less current liabilities</b>		<u>140,737</u>	<u>112,401</u>
<b>Capital and reserves</b>			
Called up share capital	11	100,000	100,000
Profit and loss account		40,737	12,401
<b>Equity shareholders' funds</b>	12	<u>140,737</u>	<u>112,401</u>

These financial statements were approved by the Board of Directors on 21 April 2006.

Signed on behalf of the Board of Directors

  
P. C. St. Stellakis  
Chairman and Chief Executive Officer

  
J H North  
Director

# **NBGI Private Equity Limited**

## **Notes to the accounts**

**Year ended 31 December 2005**

### **1. Accounting policies**

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The particular accounting policies adopted are described below.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention. The financial statements are denominated in Pounds Sterling as this is the principal currency in which its activities are conducted.

#### **Revenue**

Revenue represents fees and commissions received in respect of fund management services less fees paid away to investment facilitators and is recognised on an accrual basis. All revenue arises from business in the United Kingdom.

#### **Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation and provision for any impairment in value. Furniture and other tangible fixed assets are to be depreciated on a straight-line basis over five years; computer equipment on a straight-line basis over three years.

#### **Foreign currency translation**

All income to be received or expenses incurred in foreign currencies have been converted to Sterling at the time of recognition of the income or expense. Accordingly, no foreign currency assets or liabilities are outstanding at the balance sheet date. Gains and losses arising during the year on transactions denominated in foreign currencies are treated as normal items of income and expenditure in the profit and loss account.

#### **Pension costs**

The Company operates a defined contribution pension scheme in respect of eligible Directors and permanent members of the staff. Contributions payable for the year are charged to the profit and loss account.

#### **Taxation**

UK Corporation tax is provided at amounts expected to be paid/recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Full provision has been made for deferred tax assets and liabilities arising from timing differences. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

#### **Cash flow statement and related party disclosure**

The Company is a wholly owned undertaking of the National Bank of Greece Group, and is included in the consolidated financial statements of National Bank of Greece S.A. which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 paragraph 3(c) from disclosing related party transactions with entities that are part of the National Bank of Greece S.A.

# NBGI Private Equity Limited

## Notes to the accounts Year ended 31 December 2005

### 2. Revenue

	2005 £	2004 £
<b>Revenue comprises:</b>		
Fund management revenues	3,487,545	3,509,287
Less: investment facilitation fees	(984,375)	(1,234,266)
	<u>2,503,170</u>	<u>2,275,021</u>
Transaction fees and other income	312,245	168,884
	<u>2,815,415</u>	<u>2,443,905</u>

Included within fund management revenues is an amount of £3,487,545 (2004 - £3,509,287) earned from other group undertakings and included within investment facilitation fees is an amount of £984,375 (2004 - £1,234,266) incurred to other group undertakings.

### 3. Operating profit

	2005 £	2004 £
<b>Operating profit is after charging:</b>		
Wages and salaries (excluding directors)	762,427	847,603
Social security costs	132,130	150,428
Pension costs	27,897	37,232
	<u>922,454</u>	<u>1,035,263</u>
Auditors' remuneration – audit fees	17,800	14,568
Auditors' remuneration – non audit fees	8,100	22,000
Directors' emoluments	883,346	647,368
Directors' pension costs	18,495	19,993
Depreciation of tangible fixed assets	4,344	3,887
	<u>922,454</u>	<u>1,035,263</u>

### 4. Information regarding directors and employees

During the year under review, the highest paid director was in receipt of the following emoluments:

	2005 £	2004 £
Aggregate emoluments	<u>281,117</u>	<u>194,750</u>

Contributions paid to the pension schemes included in aggregate emoluments amount to £nil (2004 - £nil).

One director is a member of the company's defined contribution pension scheme and accrued benefits during the year under the scheme (2004 – one).

# NBGI Private Equity Limited

## Notes to the accounts

Year ended 31 December 2005

### 4. Information regarding directors and employees (continued)

The average monthly number of employees, including directors, during the year was ten (2004 – nine) employed within:

	2005 No.	2004 No.
Front office	4	3
Management	4	4
Administration	2	2
	<u>10</u>	<u>9</u>

### 5. Interest receivable and similar income

	2005 £	2004 £
Deposit account interest	<u>11,660</u>	<u>6,571</u>

### 6. Tax on profit on ordinary activities

	2005 £	2004 £
UK corporation tax at 30% (2004 – 30%)		
- Current year	<u>108,273</u>	-
	108,273	-
Deferred tax		
- Timing differences, origination and reversal (note 8)	<u>(95,225)</u>	-
	<u>13,048</u>	-

# NBGI Private Equity Limited

## Notes to the accounts

Year ended 31 December 2005

### 6. Tax on profit on ordinary activities (continued)

The current year UK taxation charge is lower than the standard UK tax rate of 30%. The main differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	41,384	19,506
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	12,415	5,852
<b>Effects of:</b>		
Depreciation in excess of capital allowances	(230)	(188)
Expenses not deductible for tax purposes	863	9,012
Timing differences on unpaid bonuses	95,225	-
Group relief not paid for	-	(14,676)
Current tax charge for the year	108,273	-

### 7. Tangible fixed assets

	Computers, furniture and fittings	Total 2005 £
<b>Cost</b>		
At 1 January 2005	29,622	29,622
Additions	6,891	6,891
At 31 December 2005	36,513	36,513
<b>Accumulated depreciation</b>		
At 1 January 2005	21,132	21,132
Charge for the year	4,344	4,344
At 31 December 2005	25,476	25,476
<b>Net book value</b>		
At 31 December 2005	11,037	11,037
At 31 December 2004	8,490	8,490

# NBGI Private Equity Limited

## Notes to the accounts Year ended 31 December 2005

### 8. Deferred tax asset

#### Movement of deferred tax in the year

	2005 £	2004 £
Opening balance	-	-
Current year timing differences (note 6)	95,225	-
Closing balance	<u>95,225</u>	<u>-</u>

#### Analysis of deferred tax:

	2005 £	2004 £
Timing differences on unpaid bonuses	95,225	-
	<u>95,225</u>	<u>-</u>

The deferred tax asset is expected to be recovered after more than one year.

### 9. Debtors: amounts falling due within one year

	2005 £	2004 £
Prepayments and accrued income	<u>164,389</u>	<u>62,481</u>

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

	2005 £	2004 £
Corporation tax	108,273	-
Amounts owed to group undertakings	50,000	50,000
Accruals and deferred income	1,095,300	377,146
	<u>1,253,573</u>	<u>427,146</u>

### 11. Called up share capital

	2005 £	2004 £
Authorised, allotted, issued, called and fully paid: 100,000 (2004 – 100,000) ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

## NBGI Private Equity Limited

### Notes to the accounts

Year ended 31 December 2005

#### 12. Reconciliation of movement in equity shareholders' funds

	2005 £	2004 £
Profit after tax for the financial year	28,336	19,506
Net addition to equity shareholders' funds	28,336	19,506
Opening equity shareholders' funds	112,401	92,895
Closing equity shareholders' funds	140,737	112,401

#### 13. Ultimate parent company and controlling party

The Company was incorporated in Great Britain as a private limited company registered under the laws of England and Wales and is 100% owned by NBG International Limited. The Company regarded by the directors as the ultimate Parent Company and controlling party is National Bank of Greece S.A., a company incorporated in Greece, which is also the parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up and of which the Company is a member. Copies of the Group accounts may be obtained at 50 St. Mary Axe, London, EC3A 8EL.