

Company Registration No. 03942388

NBGI Private Equity Limited

Report and Financial Statements

31 December 2007

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NBGI Private Equity Limited

Report and financial statements 2007

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NBGI Private Equity Limited

Report and financial statements 2007

Officers and professional advisers

DIRECTORS

P Stellakis	Chairman and 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 4BJ

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
London

NBGI Private Equity Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activity

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

Review of developments and future prospects

An overview of the Company's results and year end position is as follows

	2007 £	2006 £	Change %
Revenue	5,134,323	3,619,641	+42%
Operating profit	60,747	48,207	+26%
Equity shareholders' funds	133,535	214,688	-38%
Number of funds under management	8	5	-

The Company is now focused on managing funds in its three core business areas, namely buy-out funds in the UK and Western Europe, Greece and South-Eastern Europe, and pan-European venture capital technology investing. Funds under management have risen to approximately €570m (2006 - €420m), and are targeted to rise further during 2008 as NBGI Private Equity seeks further profitable opportunities in its target markets.

During 2007, the NBG Private Equity Fund ("UK Fund I") made three further successful exits, and now has an excellent track record of exiting 6 of its 13 investments realizing an overall gross IRR of 76% and a money multiple of 6.9x. During the year UK Fund I made its first ever exit by IPO, with the admission of "Superglass Holdings plc" on to the Official List on the London Stock Exchange in June 2007. NBGI Private Equity Fund II LP ("UK Fund II") held its first closing on 20 June 2007 at £62.4m with NBG acting as cornerstone investor with external investors also participating. With further investment from external investors, the fund size is expected to end up at a minimum of £100m, which has been underwritten by NBG. The UK Fund II made its first investment in 2007 investing £5.9m in its first investee company.

In the Greece and the South Eastern Europe region, NBGI Private Equity now manages targeted funds of €250m and operates from London, Athens, Romania and Bulgaria to take advantage of the buy-out and expansion capital opportunities that these markets provide. During 2007, the team made its first three investments totalling €20.7m, in two buy-outs and one expansion capital investment, all in Greece.

The venture capital technology investing division of NBGI Private Equity is known as "NBGI Ventures" and now manages two funds. Its first fund, NBG Technology LP completed its first exit in 2007, successfully selling its remaining shareholding in Direct Energie in November 2007 achieving a gross IRR of 86% and 2.7x money multiple. The successor fund to this, the NBGI Technology Fund II LP, was closed in August 2007 at €30m, with NBG the sole investor, but with the aim of attracting external investors up to final close with a minimum target of €60m. By the year end this fund had already made three new investments, committing a total of €8.7m.

NBGI Private Equity Limited

Directors' report (continued)

Principal risks and uncertainties and financial risk management objectives and policies

As part of the Company's risk-based approach to the identification and mitigation of risks posed to the business, a regular risk-mapping exercise is undertaken to highlight key regulatory, financial, employee non-compliance and fraud risks posed to the Company, with the aim of ensuring that adequate mitigating controls are implemented to reduce the likelihood of the identified risks from occurring

Such risks throughout the life of the Company are concentrated at fair value through the profit and loss

- (i) Market risk – the Company takes on exposure to market risk, which is the risk that the value of the investments held with Funds under management will fluctuate as a result of uncertain future changes in market values. The investment capital restrictions of the Funds under management prohibit the Funds from investing €15 million or greater in one company
- (ii) Credit risk – the Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the balance sheet date, if any
- (iii) Liquidity risk – the Company takes exposure to liquidity risk, which is the risk that the Funds under management will encounter difficulties in raising funds to meet the commitments of the agreements it has entered including the management fees. The investments undertaken by the Funds are unlisted and as a result, the Funds may not be able to liquidate these as an amount close to the fair value in order to meet specific obligations that may arise. The Funds have the ability to call additional capital from investors to fund investment activities

The manner in which the Company exposes itself to such risks is consistent with other entities which manages funds

Dividends and results

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2006 - £nil)

Branches and representative offices outside the U.K.

The Company operates one branch in Athens, Greece and has representative offices in Bulgaria and Romania

Policy on the payment of creditors

In respect of all suppliers, it is the Company's policy to settle terms of payment when agreeing the terms of each transaction, ensure that the suppliers are made aware of the terms of payment and abide by the terms of payment

Directors

The directors who served throughout the year ended 31 December 2007 are shown below. None of the directors had any interest in the share capital of the company

P Stellakis	Chairman and CEO
J H North	Company Secretary
H Jennings	
M Owen	
R Morley	

NBGI Private Equity Limited

Directors' report (continued)

Auditors

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

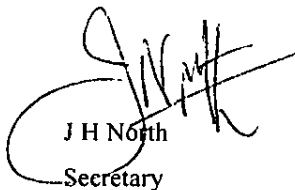
(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 that information

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

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors. A resolution proposing the reappointment and giving authority 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

30 April 2008

NBGI Private Equity Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and 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 period. 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 are responsible for keeping proper accounting records that 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 2007 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

The directors' responsibilities for preparing 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 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 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 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 circumstances of the Company, 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 Company's affairs as at 31 December 2007 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.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

30 April 2008

NBGI Private Equity Limited

Profit and loss account Year ended 31 December 2007

	Notes	2007 £	2006 £
Revenue	2	5,134,323	3,619,641
Administrative expenses		(5,073,576)	(3,571,434)
Operating profit	3	60,747	48,207
Interest receivable and similar income	5	10,132	10,407
Profit on ordinary activities before taxation		70,879	58,614
Tax on profit on ordinary activities	6	(152,032)	15,337
(Loss)/profit for the financial year after taxation	12	(81,153)	73,951

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

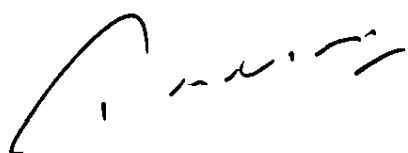
NBGI Private Equity Limited


Balance sheet 31 December 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible fixed assets	7	222,700	114,533
Current assets			
Deferred tax asset	8	-	73,655
Debtors	9	1,426,229	393,387
Cash at bank and in hand		472,980	773,382
		<u>1,899,209</u>	<u>1,240,424</u>
Creditors: amounts falling due within one year	10	<u>(1,988,374)</u>	<u>(1,140,269)</u>
Net current assets		<u>(89,165)</u>	<u>100,155</u>
Total assets less current liabilities		<u>133,535</u>	<u>214,688</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account		33,535	114,688
Equity shareholders' funds	12	<u>133,535</u>	<u>214,688</u>

These financial statements were approved by the Board of Directors on 30 April 2008

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 2007

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 the Company's 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 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 2007

2. Revenue

	2007 £	2006 £
Revenue comprises:		
Fund management revenues from other group undertakings	4,977,023	3,460,040
Less investment facilitation fees to other group undertakings	-	(210,938)
	<u>4,977,023</u>	<u>3,249,102</u>
Transaction fees and other income	157,300	370,539
	<u>5,134,323</u>	<u>3,619,641</u>

3 Operating profit

	2007 £	2006 £
Operating profit is after charging:		
Wages and salaries (excluding directors)	1,805,694	816,452
Social security costs	281,331	191,469
Pension costs	16,760	36,638
	<u>2,103,785</u>	<u>1,044,559</u>
Auditors' remuneration – audit fees	73,891	71,068
Auditors' remuneration – non audit fees for tax services	39,842	53,300
Directors' emoluments	803,911	784,549
Directors' pension costs	39,540	36,200
Depreciation of tangible fixed assets	39,108	8,288

4 Information regarding directors and employees

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

	2007 £	2006 £
Aggregate emoluments	<u>316,856</u>	<u>231,833</u>

Contributions paid to the pension schemes included in aggregate emoluments amount to £nil (2006 - £nil)

NBGI Private Equity Limited

Notes to the accounts Year ended 31 December 2007

4. Information regarding directors and employees (continued)

The average monthly number of employees, including directors, during the year was twenty-eight (2006-twenty three) employed within

	2007 No.	2006 No.
Front office	14	10
Management	5	5
Administration	9	8
	<u>28</u>	<u>23</u>

5. Interest receivable and similar income

	2007 £	2006 £
Deposit account interest	<u>10,132</u>	<u>10,407</u>

6 Tax on profit on ordinary activities

	2007 £	2006 £
UK corporation tax at 30% (2006 – 30%)		
- Current year	-	1,627
Adjustment in respect of prior years marginal relief	45,439	(84,639)
Double taxation relief	(20,085)	(1,627)
	<u>25,354</u>	<u>(84,639)</u>
Foreign tax for current period	<u>53,023</u>	<u>47,732</u>
	<u>78,377</u>	<u>(36,907)</u>
Deferred tax		
- Current timing differences, origination and reversal (note 8)	88,055	14,400
- Prior period adjustments	(14,400)	7,170
	<u>152,032</u>	<u>(15,337)</u>

NBGI Private Equity Limited

Notes to the accounts Year ended 31 December 2007

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

	2007 £	2006 £
Profit on ordinary activities before tax	70,879	58,614
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	21,264	17,584
Effects of:		
Expenses not deductible for tax purposes	-	3,728
Permanent differences	14,687	-
Capital allowances in excess of depreciation	(4,578)	(5,285)
Timing differences on unpaid bonuses	(67,500)	(14,400)
Adjustment in respect of prior years (current tax)	45,439	-
Adjustment in respect of prior years marginal relief	(20,085)	(84,639)
Unrelieved foreign tax	53,023	46,105
Losses utilised during the year	(3,040)	-
Group relief surrendered for nil consideration	39,167	-
Current tax (credit)/ charge for the year	78,377	(36,907)

7. Tangible fixed assets

	Computers, furniture and fittings £
Cost	
At 1 January 2007	126,119
Additions	149,280
Disposals	(2,005)
At 31 December 2007	273,394
Accumulated depreciation	
At 1 January 2007	11,586
Charge for the year	41,113
On Disposals	(2,005)
At 31 December 2007	50,694
Net book value	
At 31 December 2007	222,700
At 31 December 2006	114,533

NBGI Private Equity Limited

Notes to the accounts Year ended 31 December 2007

8 Deferred tax asset

Movement of deferred tax in the year

	2007 £	2006 £
Opening balance	(73,655)	95,225
Current timing differences, origination and reversals (note 6)	88,055	(14,400)
Prior year adjustments	(14,400)	(7,170)
	<u>-</u>	<u>73,655</u>

Analysis of deferred tax balance

	2007 £	2006 £
Timing differences on unpaid bonuses	<u>-</u>	<u>73,655</u>

9 Debtors, amounts falling due within one year

	2007 £	2006 £
Amounts owed by group undertakings	354,114	-
Prepayments and accrued income	1,072,115	393,387
	<u>1,426,229</u>	<u>393,387</u>

10 Creditors, amounts falling due within one year

	2007 £	2006 £
Corporation tax	109,178	78,115
Amounts owed to group undertakings	984,346	199,324
Accruals and deferred income	894,850	862,830
	<u>1,988,374</u>	<u>1,140,269</u>

11 Called up share capital

	2007 £	2006 £
Authorised, allotted, issued, called and fully paid: 100,000 (2006 – 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 2007

12. Reconciliation of movement in equity shareholders' funds

	2007 £	2006 £
(Loss)/profit after tax for the financial year	(81,153)	73,951
Net addition to equity shareholders' funds	(81,153)	73,951
Opening equity shareholders' funds	214,688	140,737
Closing equity shareholders' funds	133,535	214,688

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 in which the Company is included. Copies of the Group accounts may be obtained at 75 King William Street, London, EC4N 7BE.