

CABOT SQUARE CAPITAL GP LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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CABOT SQUARE CAPITAL GP LIMITED

COMPANY INFORMATION

DIRECTORS	Steven W Siegler (resigned 17 December 2010) M L Chasty
COMPANY SECRETARY	Lawrence Small
COMPANY NUMBER	04487778
REGISTERED OFFICE	One Connaught Place London W2 2ET
AUDITORS	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
BANKERS	Barclays Bank Plc 1 Churchill Place London E14 5HP
LEGAL ADVISORS	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS

CABOT SQUARE CAPITAL GP LIMITED

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CABOT SQUARE CAPITAL GP LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

The director has pleasure in presenting her report together with the financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The company's sole activities are to act as the General Partner of CS Capital Partners II, L P

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's loss for the financial year of £25,285 (2009 - profit £7,588) was transferred to reserves

The director does not propose to pay a dividend for the year (2009 £Nil)

DIRECTORS

The directors who served during the year were as follows


Steven W Siegler (resigned 17 December 2010)
M L Chasty

AUDITORS

The director at the time when this report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing her report and to establish that the company's auditors are aware of that information

By order of the Sole Director



M L Chasty
Director

Date 8 July 2011

CABOT SQUARE CAPITAL GP LIMITED

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2010**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director 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). Under company law the director must not approve the financial statements unless she is satisfied that they 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 these financial statements, the director is required to

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 2006. The director is 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.

CABOT SQUARE CAPITAL GP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CABOT SQUARE CAPITAL GP LIMITED

We have audited the financial statements of Cabot Square Capital GP Limited for the year ended 31 December 2010, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 DIRECTOR AND AUDITORS

As explained more fully in the Statement of director's responsibilities, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CABOT SQUARE CAPITAL GP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CABOT SQUARE CAPITAL GP LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- ☐ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- ☐ the financial statements are not in agreement with the accounting records and returns, or
- ☐ certain disclosures of remuneration specified by law are not made, or
- ☐ we have not received all the information and explanations we require for our audit

Lorraine Bay

Lorraine Bay (Senior statutory auditor)

for and on behalf of

Moore Stephens LLP, Statutory Auditors

150 Aldersgate Street

London

EC1A 4AB

Date

14 July 2011

CABOT SQUARE CAPITAL GP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
TURNOVER	1,2	2,660,066	3,029,830
Administrative expenses		(2,685,392)	(3,022,276)
OPERATING (LOSS)/PROFIT	3	(25,326)	7,554
Interest receivable and similar income		41	34
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(25,285)	7,588
Tax on (loss)/profit on ordinary activities	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	9	(25,285)	7,588

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 8 to 12 form part of these financial statements

CABOT SQUARE CAPITAL GP LIMITED
REGISTERED NUMBER 04487778

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
CURRENT ASSETS					
Debtors	6	2,636		60,753	
Cash		42,559		34,733	
		<u>45,195</u>		<u>95,486</u>	
CREDITORS amounts falling due within one year	7	(43,606)		(68,612)	
NET CURRENT ASSETS			<u>1,589</u>		<u>26,874</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,589</u>		<u>26,874</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Profit and loss account	9		1,588		26,873
SHAREHOLDERS' FUNDS	10		<u>1,589</u>		<u>26,874</u>

The financial statements were approved by the sole director on 8 July 2011



M L Chasty
 Director

The notes on pages 8 to 12 form part of these financial statements

CABOT SQUARE CAPITAL GP LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Net cash flow from operating activities	11	7,785	8,229
Interest received	12	41	34
INCREASE IN CASH IN THE YEAR		7,826	8,263

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
Increase in cash in the year	7,826	8,263
NET MOVEMENT IN NET DEBT IN THE YEAR	7,826	8,263
Net cash at 1 January 2010	34,733	26,470
NET FUNDS AT 31 DECEMBER 2010	42,559	34,733

The notes on pages 8 to 12 form part of these financial statements

CABOT SQUARE CAPITAL GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**1 ACCOUNTING POLICIES****1.1 Basis of Accounting**

These financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice) The principal accounting policies are set out below

1.2 Turnover

Turnover represents an advance on profit share and is accounted for on an accruals basis

1.3 Limited Partnerships and Investments

The company is the General Partner of CS Capital Partners II, LP, a Limited Partnership

There are severe long-term restrictions upon the ability of the General Partner to exercise control or dominant influence over the Partnership other than for the interests of the Limited Partners Accordingly, the Partnership has been excluded from consolidation

1.4 Taxation

UK corporation tax is payable on taxable profits at the current rates

1.5 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to supply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements Deferred tax assets and liabilities are not discounted

1.6 Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year end Transactions during the year are translated at the rate of exchange ruling at the date of the transaction

All gains and losses are dealt with in the profit and loss account

2 TURNOVER

Turnover is wholly attributable to the company's principal activity conducted in the United Kingdom and comprises an advance on profit share accounted for on an accruals basis

	2010 £	2009 £
Advance payment of General Partner's share of profits	2,660,066	3,029,830

CABOT SQUARE CAPITAL GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**3 OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging

	2010 £	2009 £
Auditors' remuneration	2,340	2,413
Management fee	2,645,066	3,014,830

4. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration for their services in the year (2009 Nil)

5. TAXATION

	2010 £	2009 £
UK corporation tax charge on (loss)/profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2009 same as) the standard rate of corporation tax in the UK of 21% (2009 21%) as set out below

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(25,285)	7,588
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 - 21%)	(5,310)	1,593
Effects of:		
Disallowable expenses	7,122	-
Utilisation of tax losses	(1,812)	(1,593)
Current tax charge for the year	-	-

At the year end, the company had a unrecognised deferred tax asset of £75,473 (2009 £81,059) The deferred tax asset relates to timing differences between its share of income from CS Capital Partners II, LP and management fees received The deferred tax asset has not been recognised due to uncertainty over future profits

6 DEBTORS

	2010 £	2009 £
Other debtors	2,636	60,753

CABOT SQUARE CAPITAL GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 20107 CREDITORS:
Amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	34,770	34,770
Other creditors	2,636	26,842
Accruals	6,200	7,000
	<u>43,606</u>	<u>68,612</u>

8 SHARE CAPITAL

	2010 £	2009 £
Allotted, called up and fully paid		
1 Ordinary share of US\$1	<u>1</u>	<u>1</u>

9. RESERVES

	Profit and loss account £
At 1 January	26,873
Retained loss for the financial year	(25,285)
At 31 December	<u>1,588</u>

10. SHAREHOLDERS' FUNDS

	2010 £	2009 £
At 1 January	26,874	19,286
(Loss)/profit for the financial year	(25,285)	7,588
At 31 December	<u>1,589</u>	<u>26,874</u>

CABOT SQUARE CAPITAL GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

11 CASH FLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating (loss)/profit	(25,326)	7,554
Decrease/(increase) in debtors	58,117	(26,842)
(Decrease)/increase in creditors	(25,006)	27,517
Net cash inflow from operating activities	7,785	8,229

12 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	41	34

13 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank	34,733	7,826	-	42,559
Net funds	34,733	7,826	-	42,559

14 RELATED PARTY TRANSACTIONS

Cabot Square Capital GP Limited and Cabot Square Capital GP III Limited are wholly owned subsidiaries of Cabot Square Partners Holding Limited. Cabot Square Partners Holding Limited has a 85% voting and capital interest only in Cabot Square Capital LLP, the Fund Manager of CS Capital Partners II, LP.

During the year Cabot Square Capital GP Limited incurred management fees payable to Cabot Square Capital LLP of £2,645,066 (2009 £3,014,830).

Included in Other Debtors and Other Creditors (Notes 6 & 7) was £2,636 (2009 £26,842) of General Partner's share of profits underpaid (2009 overpaid) by CS Capital Partners II, LLP and the same amount of management fee underpaid (2009 overpaid) to Cabot Square Capital LLP. This was cleared by all parties on 10 January 2011 (2009 25 February 2010).

At the year end Cabot Square Capital GP Limited owed Cabot Square Capital GP III Limited £34,770 (2009 £34,770), relating to group tax losses surrendered.

At the year end £ Nil (2009 £33,912) was due from CSC Capital Limited. The full amount was written off during the year. CSC Capital Limited is considered a related party due to common control.

CABOT SQUARE CAPITAL GP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

15 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The director regards Cabot Square Partners Holding Limited, a company incorporated in Guernsey, as the parent company. The ultimate controlling party is considered to be Mr John Van Deventer.