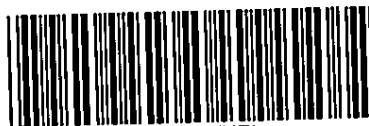


LION CAPITAL LLP

Registered Number OC308261

Year Ended 31 March 2007

THURSDAY



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COMPANIES HOUSE

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MEMBERS' REPORT

The Members present their Annual Report and Financial Statements for the year ended 31 March 2007

Principal Activities

The Limited Liability Partnership ("LLP") was incorporated in the UK on 8 June 2004

The principal activity of the partnership is to provide services to other entities in respect of venture capital investments. The LLP is authorised by the Financial Services Authority

Business review

The members consider the performance of the business to be satisfactory. The result for the year is set out on Page 6

Members

The Members of the LLP during the year to 31 March 2007 were

	Appointed	Resigned	Capital Contribution	Designated Members
Lyndon Lea	-	-	£18,098	Yes
Neil Richardson	-	-	£10,859	Yes
Robert Darwent	-	-	£6,356	Yes
James Cocker	11 September 2006	-	-	-
Ellen Das	12 February 2007	-	-	-
Janet Dunlop	29 January 2007	-	-	-
Mohammed Elsarky	12 February 2007	-	-	-
Javier Ferrán	-	-	-	-
Dominik Halstenberg	-	-	-	-
Kelly Mayer	-	-	-	-
Fabrice Nottin	-	-	-	-
Karim Savul	-	-	-	-
Florian Schnau	18 September 2006	-	-	-
Andreas von Paleske	-	-	-	-

Members' Capital

Under the terms of the Members' Agreement, the Members contributed €50,000 of capital on becoming Designated Members of the LLP. Following amendment of the Agreement in July 2007, this capital is now repayable on a discretionary basis and accordingly classified as equity. No interest is payable by the LLP on any of the capital contributed by the Members.

MEMBERS' REPORT (*continued*)

Donations

During the previous period the LLP made non-political charitable donations totalling £443 for medical research

Disclosure of Information to Auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditors are unaware and that each member has taken all the steps that he ought to have taken, as member, to make himself aware of any relevant audit information, and to establish that the LLP's auditors are aware of that information

Auditors

KPMG Audit Plc of 8 Salisbury Square, London, EC4Y 8BB, were appointed auditor during 2004 and have expressed their willingness to continue in office

Members' Profits and Losses

Members' profits and losses are allocated between them based on their respective profit share during the financial period. Drawings on account of members profit entitlement are paid from time to time as working capital permits and such drawings are based on the Members' fixed shares at the time of payment, unless otherwise agreed between the Members. Should profits for the period be insufficient to satisfy the fixed shares, they will be apportioned amongst the members in proportion to their fixed share amounts. Further distributions in excess of fixed shares will be allocated in such amounts as the management committee may determine.

Approved by the Members on 30 July 2007



Designated Member

21 Grosvenor Place
London
SW1X 7HF

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND THE FINANCIAL STATEMENTS

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations

The law relating to limited liability partnerships (LLPs) requires the members to prepare LLP financial statements for each financial year. Under that law the members have elected to prepare the LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The LLP financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under the Limited Liability Partnerships Regulations 2001, the members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LION CAPITAL LLP

We have audited the financial statements of Lion Capital LLP for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with section 235 of the Companies Act 1985, as required by Regulation 3 of the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's 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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As described in the Statement of Members' Responsibilities on page 4, the members are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the LLP 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 members' remuneration and other transactions is not disclosed.

We read the Members' Report and consider whether it is consistent with the audited financial statements. We 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

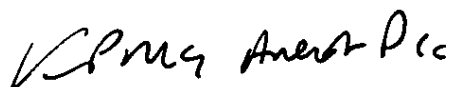
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

Opinion

In our opinion the financial statements

- give a true and fair view in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the LLP as at 31 March 2007 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
Date 30th July 2007

PROFIT AND LOSS ACCOUNT*For the year ended 31 March 2007*

	<i>Notes</i>	31 March 2007	31 March 2006
		£	£
Turnover	2	7,796,186	7,004,845
Administration expenses		(4,324,155)	(4,290,681)
Operating profit	4	3,472,031	2,714,164
Other interest receivable and similar income	3	38,567	28,826
(Loss)/profit on foreign exchange		(28,791)	224
Profit for the financial year before members remuneration and profit share		3,481,807	2,743,214
Members remuneration charged as an expense		(3,481,807)	(2,743,214)
Profit for the financial year available for a discretionary division among members		-	-

The Limited Liability Partnership has no recognised gains and losses other than the profit above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

No note of historical cost profits and losses has been presented as there is no material difference between the limited liability partnership's results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

The notes on pages 9 to 14 form part of these financial statements

BALANCE SHEET*As at 31 March 2007*

	<i>Notes</i>	31 March 2007	31 March 2006
		£	£
Fixed assets			
Tangible	7	483,043	328,665
Intangible	8	321,218	438,026
		<u>804,261</u>	<u>766,691</u>
Current assets			
Debtors	9	1,571,685	535,544
Cash at bank and in hand		2,051,595	1,657,902
		<u>3,623,280</u>	<u>2,193,446</u>
Creditors: amounts falling due within one year	10	(1,376,100)	(471,475)
Net current assets		<u>2,247,180</u>	<u>1,721,971</u>
Total assets less current liabilities		<u>3,051,441</u>	<u>2,488,662</u>
Net assets		<u>3,051,441</u>	<u>2,488,662</u>
Represented by			
Loans and other debts due to Members	11		
Members' capital – classified as liability per FRS 25		-	35,313
Other amounts		3,016,128	2,453,349
Equity			
Members' other interest – classified as equity under FRS 25	11	35,313	-
Total Members' interests		<u>3,051,441</u>	<u>2,488,662</u>

These financial statements were approved by the members on 30 July 2007 and were signed on their behalf by



Designated Member

The notes on pages 9 to 14 form part of these financial statements

CASH FLOW STATEMENT

For the year to 31 March 2007

	<i>Notes</i>	31 March 2007	31 March 2006
		£	£
Cash flow from operating activities	<i>14</i>	3,491,314	713,764
Returns on investments and servicing of finance		38,567	28,826
Capital expenditure and financial investment	<i>15</i>	(217,160)	(698,837)
Transactions with members and former members	<i>15</i>	(2,919,028)	862,177
Increase in cash in the year		393,693	905,930

The notes on pages 9 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year to 31 March 2007

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom and the Limited Liability Partnerships Act 2000. The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP) for Limited Liability Partnerships issued by the Institute of Chartered Accountants in England and Wales.

Turnover

Turnover represents amounts receivable for goods and services provided in the UK and overseas, net of Value Added Tax (where recoverable).

Pension costs

The pension costs charged in the profit and loss account represent the amount of contributions payable by the LLP to the defined contribution scheme in respect of the accounting period.

Foreign currencies

The LLP's accounts are stated in pounds sterling. Income and expenditure transactions denominated in foreign currency are stated at an average rate for the year. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets using the reducing balance method at 25% per annum, with the exception of Antiques and Artwork (which are classified as Fixtures and Fittings) that are not depreciated and Leasehold Improvements that are written off on the straight line method over the remaining term of the lease.

Intangible fixed assets and amortisation

Intangible fixed assets consist of capitalised fund raising costs which are amortised over the investment period of the appropriate fund.

Fixed Assets Investments

Investments are stated at the lower of cost and current net book value.

Leases

The LLP has not entered into any finance leases. Rental charges arising on operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

Classification of members' participation rights

Following the adoption of FRS 25 in 2005 members' capital is classified as equity, and members' remuneration is treated as an allocation of profits, only where there is discretion over any payment or repayment of the participation. To the extent that there is no discretion over members' participation rights, members' capital is classified as a liability and members' remuneration is charged to the profit and loss account. In the adoption of FRS 25 in the previous period the treatment reduced profit available for discretionary allocation among members to £nil and capital was classified as a liability. During 2007 the Partnership Agreement has been updated to introduce an element of discretion over the repayment of members' capital, therefore members' capital contributions have been reclassified as equity in 2007.

NOTES TO THE FINANCIAL STATEMENTS (continued)**2 Turnover**

All of the LLP's turnover is derived from its principal activity

3 Interest receivable and similar income

Interest receivable comprises interest earned on bank deposit accounts

4 Operating profit

	31 March 2007	31 March 2006
	£	£
Operating profit is stated after charging		
Auditors' remuneration -		
Audit of Financial Statements subsidiaries pursuant to legislation	54,300	41,690
Other services relating to tax	8,000	248,074
Depreciation on tangible fixed assets	62,782	79,011
Amortisation on intangible fixed assets	116,808	169,701
Operating lease rentals - buildings	766,393	727,159
- equipment	-	5,876

5 Staff numbers and costs

	31 March 2007	31 March 2006
	£	£
Staff costs include the following		
Wages and salaries	735,124	556,154
Social security costs	87,873	53,200
Pension costs	55,193	35,323
	<hr/>	<hr/>
	878,190	644,677
	<hr/>	<hr/>

The average number of staff employed by the LLP (excluding members) during the year was 11 (2006 11) The average number of members during the year was 9 (2006 9) The profit allocation to the member with the largest entitlement was £298,894 (2006 £209,994)

6 Taxation

Taxation for the LLP, being the individual liability of each member, is not provided for in the accounts

NOTES TO THE FINANCIAL STATEMENTS (continued)**7 Tangible fixed assets**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Opening Balance	160,523	171,824	91,157	423,504
Additions	81,369	70,339	65,452	217,160
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	241,892	242,163	156,609	640,664
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
Opening Balance	17,198	51,874	25,767	94,839
Charge for year	25,436	4,614	32,732	62,782
Amounts written off	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	42,634	56,488	58,499	157,621
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2007	199,258	185,675	98,110	483,043
	<hr/>	<hr/>	<hr/>	<hr/>

8 Intangible fixed assets

	Capitalised Fund Expenses £	Total £
Cost		
Opening Balance	642,440	642,440
Additions in year	-	-
	<hr/>	<hr/>
At 31 March 2007	642,440	642,440
	<hr/>	<hr/>
Amortisation		
Opening Balance	204,414	204,414
Charge for year	116,808	116,808
	<hr/>	<hr/>
At 31 March 2007	321,222	321,222
	<hr/>	<hr/>
Net book value		
At 31 March 2007	321,218	321,218
	<hr/>	<hr/>

LION CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)

9 Debtors

	31 March 2007 £	31 March 2006 £
Trade debtors	866,433	16,390
Prepayment and other debtors	705,252	519,154
	<u>1,571,685</u>	<u>535,544</u>

10 Creditors: amounts falling due within one year

	31 March 2007 £	31 March 2006 £
Trade creditors	544,136	38,876
Taxation and social security	22,603	18,974
Other creditors	809,361	413,625
	<u>1,376,100</u>	<u>471,475</u>

11 Reconciliation of Members' interests

	Members' capital £	Other amounts £	Total £
Members' interests at 31 March 2006	35,313	2,453,349	2,488,662
Amount contributed by Members	-	(1,292,559)	(1,292,559)
Profit for the year available for division among members	-	3,481,807	3,481,807
Members' interests after profit for the year	35,313	4,642,597	4,677,910
Drawings	-	(1,626,469)	(1,626,469)
Members' interests at 31 March 2007	35,313	3,016,128	3,051,441

The adoption of FRS 25 in 2005 (as discussed in note 1) resulted in members' capital being classified as a liability. The Partnership Agreement was subsequently amended on 6 July 2007 and has introduced discretion on the part of the LLP over repayment of members' capital up to €50,000. Accordingly Members' capital contributions of €50,000 (£35,313) have been reclassified as equity in 2006.

NOTES TO THE FINANCIAL STATEMENTS (continued)**12 Commitments**

Annual commitments under non-cancellable operating leases are as follows

	31 March 2007	31 March 2006
	£	£
Operating leases which expire		
Within one year	12,627	1,507
In the second to fifth years inclusive	-	16,996
Over five years	766,393	702,288
	<hr/>	<hr/>

13 Pension scheme

The pension costs charged in the profit and loss account represent the amount of contributions payable by the LLP to the defined contribution pension scheme in respect of the accounting period. There is no amount outstanding at 31 March 2007.

14 Reconciliation of operating profits to operating cash flows

	31 March 2007	31 March 2006
	£	£
Operating profit	3,472,031	2,714,164
Depreciation charge	62,782	79,011
Amortisation expense	116,808	169,701
Profit on disposal of tangible fixed assets	-	(313)
(Loss)/profit on foreign exchange	(28,791)	3,376
(Increase) in debtors	(1,036,141)	(301,888)
Increase/(decrease) in creditors	904,625	(1,950,287)
	<hr/>	<hr/>
Net cash inflow from operating activities	3,491,314	713,764
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)**15 Analysis of cash flows**

	31 March 2007 £	31 March 2006 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(217,160)	(339,178)
Sale of tangible fixed assets	-	2,849
Purchase of intangible fixed assets	-	(367,508)
Purchase of investments	-	-
Sale of investments	-	5,000
	<hr/> (217,160) <hr/>	<hr/> (698,837) <hr/>
Transactions with members and former members		
Payments to members	(1,626,469)	(1,202,823)
Contributions by members	(1,292,559)	2,065,000
	<hr/> (2,919,028) <hr/>	<hr/> 862,177 <hr/>

16 Related Party Transactions

Lion Capital General Partner LLP is a related party to the LLP. No related party transactions took place during the year.

17 Controlling Party

The ultimate controlling party of the LLP is the member, Lyndon Lea.