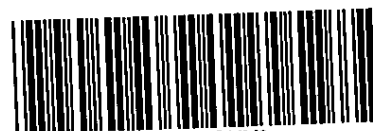


Registered number OC334333

Langholm Capital 2008 LLP

**Report and financial statements
For the year ended 30 June 2010**

TUESDAY



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26/10/2010
COMPANIES HOUSE

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DESIGNATED MEMBERS AND ADVISERS

Designated members

J C Lorenzen
P D Richings
A E B Wiegman

Member

O Q J Wyncoll

Registered office

10 Norwich Street
London
EC4A 1BD

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Solicitors

Macfarlanes
20 Cursitor Street
London
EC4A 1LT

Registered number

OC334333

MEMBERS' REPORT

The members present their report and the financial statements for the year ended June 2010 for Langholm Capital 2008 LLP ("the LLP")

Activities

The principal activity of the LLP during the year was the management of Langholm Capital II LP, a private equity fund ("the Fund") The principal activities of the LLP's subsidiaries were respectively to act as general partner and carried interest partner to the limited partnership The members anticipate that these will continue to be the principal activities for the foreseeable future

Review of business

During the year, the LLP has continued to seek investment opportunities for the Fund, and in May 2010 made the first investment on its behalf The fund was 11.25% invested as at the year end

Principal subsidiaries

The LLP's principal subsidiaries are shown in Note 9 to the accounts

Results for the year and allocation to members

The profit for the year to be attributed to members was £210,575

Designated members

The following were designated members during the year

J C Lorenzen
P D Richings
A E B Wiegman

The other member during the year was O Q J Wyncoll

Capital contributions totalling £7,500 were subscribed to the LLP by its members during the year No capital was repaid to any member

MEMBERS' REPORT (continued)

Policy with respect to members' drawings and subscription and repayment of amounts subscribed or otherwise contributed by members

Certain of the members are permitted to make drawings ("guaranteed drawings") in anticipation of future profits that will be allocated to them. The Limited Liability Partnership Agreement (the "LPA") determines the amount of such drawings.

Profits (up to the aggregate of members' guaranteed drawings) are allocated and paid to the members entitled to guaranteed drawings pro rata to those drawings.

There follows a discretionary allocation of profit to those members not entitled to guaranteed drawings.

The nature of any remaining profits determines whether they are allocated between members pro rata to their Income Profit or Capital Profit Sharing Percentages.

Losses for any financial year are allocated between the members at the discretion of the Management Committee, but with the presumption they will be allocated between members pro rata to their Income Profit or Capital Profit Sharing Percentages, as appropriate.

In preparing the annual accounts, the LLP shall reserve out of profits before distribution, such amounts as the Management Committee shall determine in order to provide further working capital for the business. These amounts may subsequently be distributed as the LLP's working capital needs change.

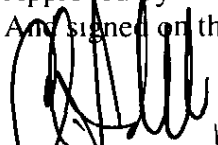
Donations

During the year the Group made donations for charitable purposes of £3,270.

Auditors

A resolution to reappoint KPMG Audit Plc as auditors will be proposed at the next members' meeting.

Approved by the members
And signed on their behalf



J.C. Lorenzen

Designated member

27 September 2010

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 group and LLP financial statements in accordance with applicable law and regulations

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

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

In preparing the group and LLP 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 group and 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 group and 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 group and LLP and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LANGHOLM CAPITAL 2008 LLP

We have audited the group and LLP financial statements ("the financial statements") of Langholm Capital 2008 LLP for the year ended 30 June 2010 set out on pages 9 to 29. 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 495 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 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 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

The members' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Members' Responsibilities on page 6.

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, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the LLP has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of members' remuneration specified by law are not made.

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

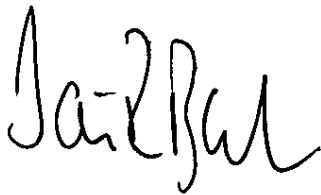
the accounting policies are appropriate to the group's and LLP's circumstances, consistently applied and adequately disclosed

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 of the state of affairs of the group and the LLP as at 30 June 2010 and of the profit of the group for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006



Iain R. Bannatyne (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

8 Salisbury Square
London
EC4Y 8BB

27 September 2010

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
30 JUNE 2010**

	Notes	Year ended 30 June 2010 £	Period ended 30 June 2009 £
Turnover	4	2,599,381	1,141,348
Other Operating Income		32,369	13,110
		<u>2,631,750</u>	<u>1,154,458</u>
Staff costs	(	815,624)	(133,662)
Depreciation	(	160,680)	(126,080)
Other operating expenses	(	848,158)	(557,216)
Operating Profit		<u>807,288</u>	<u>337,500</u>
Interest receivable and similar income		2,098	941
Profit on ordinary activities before taxation		<u>809,386</u>	<u>338,441</u>
Taxation	6 (	799)	(441)
Profit for the financial year/ period before members' remuneration and profit shares		808,587	338,000
Minority Interest	2 (	293,012)	-
Members' remuneration charged as an expense	2 (	305,000)	(137,742)
Profit for the financial year/ period available for discretionary division among members		<u><u>210,575</u></u>	<u><u>200,258</u></u>

All of the above results derive from continuing operations

The notes on pages 17 to 29 are an integral part of these accounts

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND
LOSSES FOR THE YEAR ENDED 30 JUNE 2010**

	Year ended 30 June 2010 £	Period ended 30 June 2009 £
Profit for the financial year/ period available for division among members	210,575	200,258
Currency translation differences on foreign net investment	223,637	181,024
Total recognised gains for the year/ period	434,212	381,282

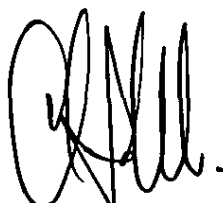
The notes on pages 17 to 29 are an integral part of these accounts

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010

	Notes	At 30 June 2010 £	At 30 June 2009 £
Fixed assets			
Tangible fixed assets	8	566,125	702,874
Investments	9	195	205
		566,320	703,079
Current assets			
Debtors amounts falling due < 1 year	10	628,597	223,164
Cash at bank and in hand		777,359	717,063
		1,405,956	940,227
Current liabilities			
Creditors amounts falling due < 1 year	11	(287,847)	(396,246)
Net current assets		1,118,109	543,981
Total assets less current liabilities		1,684,429	1,247,060
Creditors: amounts falling due > 1 year	11	(38,540)	(51,935)
Provisions for liabilities and charges	12	(12,708)	(3,748)
Net assets attributable to members		1,633,181	1,191,377
<i>Equity</i>			
Members' capital classified as equity under FRS 25	13	817,500	150,000
Other members' interests classified as equity		815,681	-
<i>Loans and other debts due to members</i>			
Members' capital and other amounts		-	1,041,377
		1,633,181	1,191,377

The notes on pages 17 to 29 are an integral part of these accounts

The accounts were approved by the members of the LLP on 27 September 2010 and were signed on its behalf by



J C Lorenzen

Designated member

RECONCILIATION OF MEMBERS' INTERESTS – GROUP

	Members other interests		Loans and other debts due to members	
	Equity per FRS 25	Other reserves	Members' capital and other amounts	Total
	£	£	£	£
Balance at 1st July 09	150,000	-	1,041,377	1,191,377
Reclassification	660,000	381,377	(1,041,377)	-
Members' remuneration charged as an expenses	-	-	305,000	305,000
Profit for the financial year available for discretionary division among members	-	210,575	-	210,575
Members' interests after profit for the year	810,000	591,952	305,000	1,706,952
Introduced during the year	7,500	92	-	7,592
Drawings	-	-	(305,000)	(305,000)
Other movements - exchange differences on translation of foreign net investment	-	223,637	-	223,637
Balance at 30 June 2010	7,500	815,681	-	1,633,181

£1,041,377 has been reclassified from "loans and other debts due to members" to "members' other interests" so as better to reflect the intention behind the provision by the members of capital to the Partnership

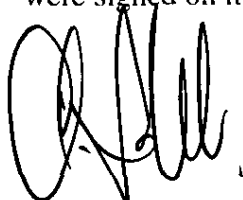
The notes on pages 17 to 29 are an integral part of these accounts

BALANCE SHEET AS AT 30 JUNE 2010 – LLP

	Notes	At 30 June 2010 £	At 30 June 2009 £
Fixed assets			
Tangible fixed assets	8	566,125	702,874
		566,125	702,874
Current assets			
Debtors amounts falling due < 1 year	10	622,523	221,005
Cash at bank and in hand		771,369	714,893
		1,393,892	935,898
Current liabilities			
Creditors amounts falling due < 1 year	11	(287,660)	(396,043)
Net current assets		1,106,232	539,855
Total assets less current liabilities		1,672,357	1,242,729
Creditors: amounts falling due > 1 year	11	(38,540)	(51,935)
Provisions for liabilities and charges	12	(11,488)	(3,307)
Net assets attributable to members		1,622,329	1,187,487
Total members' interests			
<i>Equity</i>			
Members' capital classified as equity under FRS 25	13	817,500	150,000
Other members' interests classified as equity		804,829	-
		1,622,329	150,000
<i>Loans and other debts due to members</i>			
Members' capital and other amounts		-	1,037,487
		1,622,329	1,187,487

The notes on pages 17 to 29 are an integral part of these accounts

The accounts were approved by the members of the LLP on 27 September 2010 and were signed on its behalf by



J.C. Lorenzen

Designated member

RECONCILIATION OF MEMBERS' INTERESTS – LLP

	Members' other interests		Loans and other debts due to members	
	Equity per FRS 25 £	Other £	Members' capital and other amounts £	Total £
Balance at 1st July 2009	150,000	-	1,037,487	1,187,487
Reclassification	660,000	377,487	(1,037,487)	-
Members' remuneration charged as an expense	-	-	305,000	305,000
Profit for the financial year available for division among members	-	427,342	-	427,342
Members' interests after profit for the year	810,000	804,829	305,000	1,919,829
Introduced by members	7,500	-	-	7,500
Drawings	-	-	(305,000)	(305,000)
Balance at 30 June 2010	817,500	804,829	-	1,622,329

£1,037,487 has been reclassified from "loans and other debts due to members" to "members' other interests" so as better to reflect the intention behind the provision by the members of capital to the Partnership

The notes on pages 17 to 29 are an integral part of these accounts

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
30 JUNE 2010**

	Notes	Year ended 30 June 2010 £	Period ended 30 June 2009 £
Net cash inflow from operating activities	<i>a</i>	<u>1,037,536</u>	<u>935,787</u>
Returns on investments and servicing of finance			
Interest received		<u>2,098</u>	<u>941</u>
Net cash inflow from returns on investments and servicing of finance		<u>2,098</u>	<u>941</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(23,931)	(828,955)
Payments to acquire investments		<u>-</u>	<u>(205)</u>
Net cash outflow for capital expenditure and financial investment		(23,931)	(829,160)
Transactions with members			
Payments to members		<u>(598,012)</u>	<u>(137,742)</u>
Net cash outflow from transactions with members		<u>(598,012)</u>	<u>(137,742)</u>
Cash inflow / (outflow) before management of financing		<u>417,691</u>	<u>(30,174)</u>
Amounts paid on behalf of the Langholm Capital 2008 Fund		(350,611)	(58,422)
Amounts paid on behalf of Langholm Capital LLP and Langholm Capital Fund I		(16,385)	-
Loans and other debts due to members		-	660,000
Members' other interests		-	150,000
Other loans		2,010	(4,436)
Capital Subscribed		<u>7,591</u>	<u>95</u>
Net cash (outflow) / inflow from financing		<u>(357,395)</u>	<u>747,237</u>
Increase in cash in the year / period	<i>b/c</i>	<u><u>60,296</u></u>	<u><u>717,063</u></u>

The notes on pages 17 to 29 are an integral part of these accounts

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	Year ended 30 June 2010 £	Period ended 30 June 2009 £
a. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	807,289	337,500
Depreciation	160,680	126,080
Increase in debtors	(80,927)	(120,069)
(Decrease)/ increase in creditors	(73,227)	411,252
Currency translation difference on consolidation	223,721	181,024
Net cash inflow from operating activities	1,037,536	935,787

b. Reconciliation of net cash flow to movement in net funds

Increase in cash in the year/ period	60,296	717,063
Change in net funds resulting from cash flows	60,296	717,063
Movement in net funds in the year/ period	60,296	717,063
Opening net funds	717,063	-
Closing net funds	777,359	717,063

c. Analysis of net funds

	As at 30/06/09 £	Cash Flow £	As at 30/06/10 £
Cash in hand, at bank	717,063	60,296	777,359
Total	717,063	60,296	777,359

The notes on pages 17 to 29 are an integral part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2010

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice *Accounting by Limited Liability Partnerships* issued by the Institute of Chartered Accountants in England and Wales, as revised March 2006. The principal accounting policies are described below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of Langholm Capital 2008 LLP and its subsidiaries using the equity method of accounting. Intra group transactions and profits are eliminated on consolidation.

A subsidiary of the group manages as General Partner, a private equity limited partnership. Investments held through the limited partnership are made with the express intent of capital appreciation.

The LLP consolidates its attributable proportion of the assets and income of the venture capital limited partnership which its subsidiary manages as General Partner and in which it has a minority interest. The partnership is a subsidiary undertaking and under the terms of the Companies Act 2006 should be consolidated in full. However, the members consider the accounts would not give a true and fair view if the assets and income as a whole were to be consolidated since the Group's interest in these assets is, except to the extent that they are proportionally consolidated, merely that of investment manager. The effect of this departure is to increase both profit before tax and the minority interest in the profit for the year by £2.7m (2009: £1.5m), to reduce investments by £9.8m (2009: nil), to increase other net assets by £268k (2009: £37k), and to reduce the minority interest in the balance sheet by £9.5m (2009: increase of £37k).

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write-off the cost, less estimated residual value, of assets on a straight line basis over their expected useful lives at the following annual rates:

Leasehold improvements – over the life of the lease – 10%

Software and computer and communications equipment – 33.3%

Furniture and office equipment – 20%

Fixed Asset Investments

Investments in subsidiaries are included at cost less provision for any impairment.

Members' remuneration

The LLP agreement provides that fixed amounts be paid to members, irrespective of the profits of the LLP. These amounts are included within 'Members' remuneration charged as an expense'.

A member's share in the profit or loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

Turnover

Turnover is derived from ordinary activities, and is stated net of VAT, and net of any rebates repayable to investors in Langholm Capital II L P. Management fees and monitoring fees are accounted for on an accruals basis. Transaction fees may be earned and are then invoiced when a deal is completed.

Expenses

Expenses are accounted for on an accruals basis.

Pension costs

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Taxation

Income tax, being the individual liability of each member, is not provided for in the accounts of the LLP.

Corporation tax payable by companies within the group is accounted for on an accruals basis.

Deferred corporation tax is provided for in accordance with FRS 19. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates it will make sufficient taxable profits in the future to absorb the reversal of the underlying difference. Deferred tax balances are not discounted.

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling

at that date. All exchange differences arising in the LLP are dealt with in the profit and loss account.

Foreign currency assets and liabilities of Group entities are translated into sterling at the rate of exchange ruling at the balance sheet date. The trading results of Group entities are also translated into sterling at the rate of exchange ruling at the balance sheet date. The difference arising on consolidation of the Group's results for the period is dealt with as an adjustment to reserves.

Financial Instruments

Foreign currency forward contracts are used to convert non-sterling income into sterling. Gains and losses on these derivatives are deferred and recognised when the hedged transaction occurs.

2. Information in relation to members

	2010 Number	2009 Number
The average number of members during the year/ period was	4	3
	Year ended 30 June 2010	Period ended 30 June 2009
Salaried remuneration of members	£	£
-Paid under the terms of the LLP agreement	305,000	137,742
	<u>305,000</u>	<u>137,742</u>
The amount of profit attributable to the member with the largest entitlement was	<u>215,808</u>	<u>191,022</u>

'Salaried remuneration of members' represents drawings guaranteed to the members of the LLP by the Limited Liability Partnership Agreement.

Distributions of £313,718 (£293,012 at the year end exchange rate) were made from the LLP's subsidiary entity, Langholm Capital Partners II (GP) LP during the year. The Minority Interest in the consolidated profit and loss account comprises these amounts. No such distributions were made in the prior period.

3. Employee information

The average number of persons employed by the Group (excluding members) during the year/ period was

	2010 Number	2009 Number
Investment professionals	4	-
Administration	4	1
	<u>8</u>	<u>1</u>
	Year Ended 30 June 2010	Period Ended 30 June 2009
Staff costs for the above persons were	£	£
Wages and salaries	692,939	103,520
Social security costs	49,279	11,695
Pension costs	73,406	18,447
	<u>815,624</u>	<u>133,662</u>

The LLP operates a defined contribution pension scheme on behalf of its employees (at 30 June 2010 7 employees, 30 June 2009 5 employees) No contributions were outstanding as at 30 June 2010

4. Turnover

The Group's consolidated turnover includes the following amounts

	Year ended 30 June 2010	Period ended 30 June 2009
	£	£
Management fee due from group companies	2,285,656	1,141,348
Transaction fees	313,725	-
	<u>2,599,381</u>	<u>1,141,348</u>

5. Profit on ordinary activities before taxation

	Year ended 30 June 2010 £	Period ended 30 June 2009 £
is stated after charging		
Depreciation	160,680	126,080
Auditors' remuneration	39,500	31,050
Hire of office equipment - operating leases	5,126	5,168
Other - operating leases	451,334	179,820

An additional amount of £13,512 was charged in the accounts of Langholm Capital II LP in respect of auditors' remuneration

6. Tax on profit on ordinary activities

Taxation for the partnership, being the individual liability of each member, is not provided for in the accounts. Total tax due payable by the Group for the year is £799 (period ended 30 June 2009 £441)

	Year ended 30 June 2010 £	Period ended 30 June 2009 £
Current tax		
UK corporation tax at 21%	-	-
Total current tax charge for the period	-	-
Deferred tax		
Origination and reversal of temporary differences in current period	799	441
Adjustment in respect of prior year	-	-
Tax on profit on ordinary activities	799	441

Factors affecting the tax charge for the current year

	Year Ended 30 June 2010 £	Period Ended 30 June 2009 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>809,385</u>	<u>338,441</u>
Current tax at 21%	169,971	71,073
Effect of		
Net income not subject to corporation tax (partnership income)	(169,971)	(71,073)
Total current tax charge (see above)	<u>-</u>	<u>-</u>

7. Profit of the LLP

As permitted by s 230 Companies Act (as modified for application to LLPs), the LLP is exempt from presenting its own profit and loss account. The profit of the LLP for the financial period before members' remuneration amounted to £732,342 (2009: £515,229).

8. Tangible fixed assets

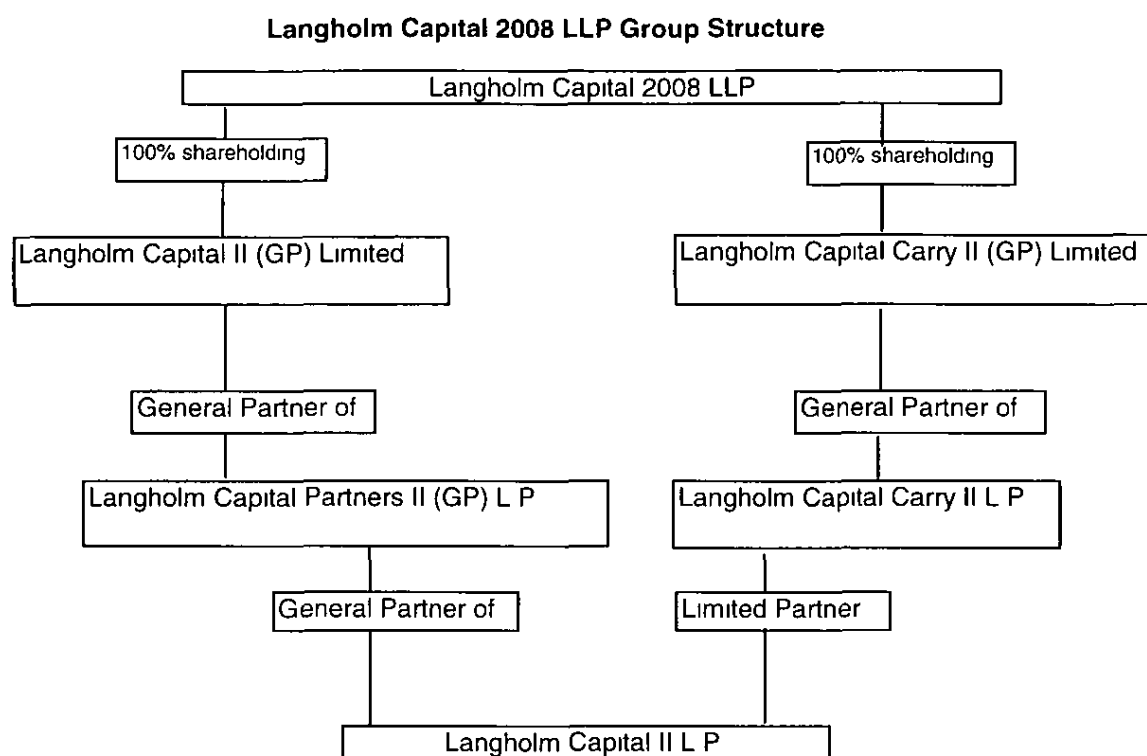
Group, LLP

	Leasehold Improvements	Software and Computer and Communications Equipment	Furniture, and Office Equipment	Total
	£	£	£	£
Cost or valuation				
At 1st July 09	457,815	255,134	116,005	828,954
Additions	-	23,389	542	23,931
At 30 June 2010	457,815	278,523	116,547	852,885
Depreciation				
At 1st July 09	45,189	57,943	22,948	126,080
Charge for the year	45,781	91,625	23,274	160,680
At 30 June 2010	90,970	149,568	46,222	286,760
Net book value				
At 30 June 2010	366,845	128,955	70,325	566,125
At 30 June 2009	412,626	197,191	93,057	702,874

9. Investments - Group

	Investment in subsidiary undertaking £
At 1 July 2009	205
Revaluation due to change in euro/ sterling exchange rate	(10)
At 30 June 2010	195

9. Investments (continued)



The LLP has the following investments in subsidiary undertakings

	Country of registration	Portion of ordinary shares held
Langholm Capital II (GP) Ltd	Scotland	100%
Langholm Capital Carry II GP Ltd	Scotland	100%

The nature of the business of Langholm Capital II (GP) Ltd , and Langholm Capital II Carry GP Ltd is to act as General Partner to limited partnerships

Langholm Capital II LP (“LC II LP”) is a private equity fund. Langholm Capital Partners II (GP) LP, as General Partner of LC II LP, is entitled to receive a priority profit share from LCP II LP

The general partner has delegated management responsibility for LCP II LP to the LLP, which receives a management fee from the general partner in respect of this service

Langholm Capital Carry II LP is the Founder Partner of the Fund, and holds as nominee its members’ rights to carried interests under the relevant provisions of the limited partnership agreement of the Fund

10. Debtors: amounts falling due < 1 year

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2010	2010	2009	2009
	£	£	£	£
Amounts owed by subsidiary undertaking	-	6,074	-	2,126
Other debtors	547,416	535,268	140,189	135,904
Prepayments and accrued income	81,181	81,181	82,975	82,975
	<u>628,597</u>	<u>622,523</u>	<u>223,164</u>	<u>221,005</u>

Other debtors include various expenses borne by the LLP on behalf of the Fund and on behalf of its investee company and subsequently recharged to it

11. Creditors: amounts falling due < 1 year

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2010	2010	2009	2009
	£	£	£	£
Trade creditors	56,569	56,569	315,450	315,450
Other creditors, including taxation and social security	23,205	23,018	25,538	25,335
Accruals and deferred income	208,073	208,073	55,258	55,258
	<u>287,847</u>	<u>287,660</u>	<u>396,246</u>	<u>396,043</u>

Creditors: amounts falling due > 1 year

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2010	2010	2009	2009
	£	£	£	£
Other creditors	38,540	38,540	51,935	51,935

The maturity of obligations under finance leases and hire purchase contracts is as follows

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2010	2010	2009	2009
	£	£	£	£
In 2 to 5 years	51,935	51,935	65,330	65,330

12. Provisions for liabilities and charges

	Group 2010 £	LLP 2010 £
At 1 July 2009	(3,748)	(3,307)
Charged during the year	(8,960)	(8,181)
At 30 June 2010	(12,708)	(11,488)

The provision at 30 June 2010 relates to the expected liability for dilapidations on expiry of the lease of the property occupied by the LLP, and a deferred tax provision in the accounts of Langholm Capital II (GP) Limited

13. Members' Interests

Capital and loans contributed to the Partnership by members bear no interest

Loans and other debts due to members rank equally with debts due to ordinary creditors in a winding up

14. Operating lease commitments

At 30 June 2010 the LLP had annual commitments under operating leases as follows

	At 30 June 2010 £	At 30 June 2009 £
Obligations under operating leases comprising		
Other assets		
Expiring in 2 to 5 years	27,558	6,430
	<u>27,558</u>	<u>6,430</u>

15. Related party disclosures

The Partnership has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures" not to disclose details of transactions with other Group entities that have been eliminated on consolidation

The management fees receivable by the Group are all due from investors as limited partners of the limited partnership comprising the underlying private equity fund

The Group controls Langholm Capital II Carry LP, which holds as nominee the rights to carried interests of the Members and certain employees of the LLP under the relevant limited partnership agreement of the limited partnership in the Fund. No gains were allocated during the year under the terms of the carried interest provisions within the limited partnership agreements

Under the terms of the partnership agreement for the Fund, the designated members and certain employees of the LLP have an obligation to co-invest in each of the Fund's investee companies an amount up to 1 per cent of the aggregate investment in that company. Co-investments totalling £107,000 were made through these arrangements during the year

The LLP has no controlling party

16. Subsidiary undertakings

The LLP's subsidiary partnerships (see Note 9) have been dealt with on a consolidated basis in its accounts, as described in Note 1, "Basis of consolidation". Advantage has therefore been taken of the exemption conferred by Regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993 (1), permitting the Group to file its accounts without appending those of its qualifying subsidiary partnerships

17. Financial Instruments

The LLP uses forward foreign exchange contracts to manage its exposure to exchange rate movements. The designated members regularly review the LLP's exposures and forward cover. At the year end, the LLP had outstanding forward transactions to hedge foreign currency receipts as follows

	In currency	Sterling equivalents	In currency	Sterling equivalents
	2010	2010	2009	2009
	€	£	€	£
Quarterly foreign exchange forward contracts				
Maturing within 1 year	3,002,329	2,658,202	3,000,000	2,702,384
Maturing in 2 to 5 years	1,490,000	1,302,277	1,512,329	1,358,481
	<u>4,492,329</u>	<u>3,960,479</u>	<u>4,512,329</u>	<u>4,060,865</u>