

HENDERSON PRIVATE CAPITAL (GP) LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2004



Report and accounts for the year ended 31 December 2004

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Directors

D M Bull, R P Greville, N T Hiscock

Secretary

Henderson Secretarial Services Limited

Directors' report

The directors present their report and accounts for the year ended 31 December 2004.

Activities

The purpose of the company is to act as a general partner in private equity limited partnerships.

Review of business

The company continued to act as General Partner to various private equity limited partnership funds throughout the year. A significant development during the year was the raising of a new fund, the Henderson PFI Secondary Fund LP and associated co-investment funds.

Directors and their interests

The directors of the Company are named on page 1. They have held office throughout the year. The Directors' shareholding in Henderson Group PLC (formerly HHG PLC) were:

Name of Director	31 December	31 December
	2004	2003
	No. of shares held	
D M Bull	3,078	-
R P Greville	45,324	45,324
N T Hiscock	70,954	10,891

Registered office

The Company's registered office is 50 Lothian Road, Edinburgh EH3 BY.

Auditors

Ernst & Young LLP 1 More London Place, London SE1 2AF, have expressed their willingness to continue in office and a resolution will be submitted at the annual general meeting to reappoint them as auditors and to authorise the directors to determine their remuneration.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that accounts 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.

By order of the Board



For and on behalf of Henderson Secretarial Services Limited, Secretary
16 May 2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HENDERSON PRIVATE CAPITAL (GP) LIMITED**

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Company Balance Sheet and the related notes 1 to 14. These financial statements have been prepared on the basis of 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 for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company 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

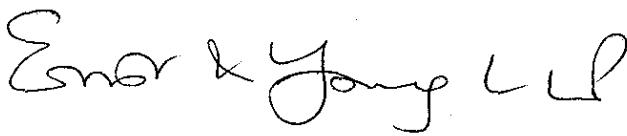
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Henderson Private Capital (GP) Limited

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 company as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "Ernst & Young LLP".

Ernst & Young LLP
Registered Auditor
London
11 May 2005

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2004

	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Profit share	5,933,211	6,593,930
Interest income	<u>28,679</u>	<u>13,951</u>
OPERATING INCOME	<u>5,961,890</u>	<u>6,607,881</u>
Management fees	(5,905,587)	(6,319,795)
Amortisation of placement costs	(27,625)	-
Bank charges	(31)	(4)
Interest expense	<u>(496)</u>	<u>(388,071)</u>
OPERATING GAIN/(LOSS)	<u>28,151</u>	<u>(99,989)</u>
Net foreign exchange (losses)/gains	<u>(45,961)</u>	<u>109,841</u>
OPERATING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(17,810)	9,852
Tax on ordinary activities	3 5,343	(2,956)
OPERATING (LOSS)/PROFIT FOR THE FINANCIAL YEAR	<u><u>(12,467)</u></u>	<u><u>6,896</u></u>

There are no recognised gains and losses for the current financial year other than the loss of £12,467 (2003; gain of £6,896).

The notes on pages 8 to 13 form part of these accounts.

Henderson Private Capital (GP) Limited**BALANCE SHEET**
at 31 December 2004

	Notes	31 December 2004 £	31 December 2003 £
FIXED ASSETS			
Investments	4	31,517	35,218
Intangible assets	5	1,629,875	-
		<u>1,661,392</u>	<u>35,218</u>
CURRENT ASSETS			
Cash at bank		255,888	816,102
Debtors and other current assets	6	17,504,996	18,128,599
Group relief surrendered	3	-	1,859,810
		<u>17,760,884</u>	<u>20,804,511</u>
CREDITORS: Amounts falling due within one year			
	7	(2,361,448)	(1,627,891)
Group relief payable	3	(4,636,114)	-
NET CURRENT ASSETS:		<u>10,763,322</u>	<u>19,176,620</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,424,714</u>	<u>19,211,838</u>
CREDITORS: Amounts falling due after more than one year			
	8	(11,269,842)	(17,250,572)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred tax liability	3	(1,096,320)	(1,890,247)
		<u>58,552</u>	<u>71,019</u>
CAPITAL AND RESERVES			
Called up share capital	9,10	1	1
Profit and loss account		58,551	71,018
SHAREHOLDER'S FUNDS - EQUITY		<u>58,552</u>	<u>71,019</u>

The accounts on pages 6 to 13 were approved by the Board of directors on **18** May 2005 and were signed on its behalf by:-



DM Bull
Director

NOTES TO THE ACCOUNTS

at 31 December 2004

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared on the historical cost basis of accounting and in accordance with applicable UK accounting standards.

Investments

Investments are stated at cost less provision for permanent diminution in value.

Foreign exchange

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies are translated at the closing rate of exchange ruling at 31 December 2004.

Intangible Assets - Placement fees

The costs of acquiring commitments from investors are deferred and amortised straight line over the investment period of the relevant limited partnership not to exceed five years.

2. TURNOVER

Turnover is derived from the participation as a general partner in limited partnerships and represents an accrual of the General Partner's priority profit share.

NOTES TO THE ACCOUNTS
at 31 December 2004

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	31 December 2004 £	31 December 2003 £
a) Analysis of charge in period:		
Current tax charge	(788,584)	(3,166,243)
Deferred tax credit	793,927	3,163,287
Total tax for period	<u>5,343</u>	<u>(2,956)</u>

b) The current rate of corporation tax of 30% (2002/2003: 30%) has been used to calculate the amount of deferred taxation. Provision has been made for all deferred taxation assets and liabilities in respect of short term timing differences, arising from transactions and events recognised in the financial statements of the current year and previous years.

Provision for deferred tax

Balance at start of period	(1,890,247)	(5,053,534)
Deferred tax credit	793,927	3,163,287
Provision at end of period	<u>(1,096,320)</u>	<u>(1,890,247)</u>

The major components of the provision for deferred taxation are as follows:

Accrued partnership profit share taxable in future periods	(1,096,320)	(1,890,247)
Total provision for deferred tax	<u>(1,096,320)</u>	<u>(1,890,247)</u>

Current tax

Balance at start of period	1,859,810	5,026,052
Current tax charge	(788,584)	(3,166,242)
Payments received for group relief	(5,707,340)	-
Group relief at end of period	<u>(4,636,114)</u>	<u>1,859,810</u>

NOTES TO THE ACCOUNTS
at 31 December 2004

4. INVESTMENTS

	Opening Balance	Additions	Disposal	Unlisted Investment Closing Balance
Investment				
Fund Founder Partnerships	18,718	-	(2,193)	16,525
Private Capital Portfolio LP	8,800	-	-	8,800
PCP II LP	7,700	3,477	(4,985)	6,192
	<u>35,218</u>	<u>3,477</u>	<u>(7,178)</u>	<u>31,517</u>

The movement on the investments during the year was as follows:

	31 December 2004 £	31 December 2003 £
Cost at 1 January	35,218	57,025
Additions	3,477	12,902
Disposals	(7,178)	(34,709)
Cost at 31 December	<u>31,517</u>	<u>35,218</u>

5. INTANGIBLE ASSETS

	31 December 2004 £	31 December 2003 £
Placement costs		
Capitalisation of placement costs	1,657,500	-
Less: Amortisation of placement costs	(27,625)	-
	<u>1,629,875</u>	<u>-</u>

Placement costs are capitalised to reflect the expected economic benefit expected to flow to the General Partner over the investment period of the relevant limited partnership not exceeding five years.

NOTES TO THE ACCOUNTS
at 31 December 2004

6. DEBTORS AND OTHER CURRENT ASSETS

	31 December 2004 £	31 December 2003 £
Accrued Profit Share due from Limited Partnerships	11,743,450	18,099,544
Receivables from Fund Founder Partners	8,824	29,055
Inter Group receivable due from other group companies	5,752,722	-
	<u>17,504,996</u>	<u>18,128,599</u>

7. CREDITORS: amounts falling due within one year.

	31 December 2004 £	31 December 2003 £
Management fee due to Henderson Private Capital Ltd	1,224,744	1,627,891
Placement fees payable	1,089,500	-
Amounts due to founder partners	2,009	-
Other Creditors	45,195	-
	<u>2,361,448</u>	<u>1,627,891</u>

8. CREDITORS: amounts falling due after more than one year.

	31 December 2004 £	31 December 2003 £
Loans from fund partnerships	10,489,125	17,195,661
Loan from Henderson Private Capital Ltd	54,911	54,911
Accrued placement fees	493,000	-
Amounts due to Limited Partnerships	232,806	-
	<u>11,269,842</u>	<u>17,250,572</u>

The loans from fund partnerships represent an interest free loan from the underlying investments in order for the General Partner to fulfil its duties under the partnership agreement.

**NOTES TO THE ACCOUNTS
at 31 December 2004****9. SHARE CAPITAL**

	31 December 2004 £	31 December 2003 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

**10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT
ON RESERVES**

	Share Capital £	Profit and loss Account £	Total Shareholders' Funds £
At 1 January 2004	1	71,018	71,019
Loss for the year	-	(12,467)	(12,467)
At 31 December 2004	<u>1</u>	<u>58,551</u>	<u>58,552</u>

11. PARENT UNDERTAKING

The company's immediate parent undertaking is Henderson Private Capital Limited. The parent undertaking of the smallest group for which group accounts are prepared is Henderson Group PLC (formerly HHG PLC).

In accordance with section 228 (2) of the Companies Act 1985, the company has not prepared consolidated accounts.

The ultimate parent undertaking and controlling party is Henderson Group PLC (formerly HHG PLC), a company incorporated in England. The address from which copies of the accounts of Henderson Group PLC (formerly HHG PLC) can be obtained is 4 Broadgate London EC2M 2DA.

12. CASHFLOW STATEMENT

Cashflows of the Company are included in the consolidated group cashflow statement of Henderson Group PLC (formerly HHG PLC) and consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cashflow statement.

NOTES TO THE ACCOUNTS
at 31 December 2004

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures', relating to transactions between 90 per cent or more controlled subsidiaries.

Henderson Private Capital (GP) Limited is general partner to Private Capital Portfolio LP, PCPII LP, Henderson European Partners (FP) LP, Henderson European Partners I LP, Henderson Asia Pacific Equity Partners (FP) LP, Henderson Global Fund of Funds (FP) LP, Henderson Global Fund of Funds I LP, Henderson Fund Partners (FP) LP and Henderson Technology Partners I LP, Henderson PFI Secondary Fund L.P., Henderson Infrastructure (F.P.) L.P., Henderson PFI Secondary Co-investment Fund 'A' L.P., and Henderson PFI Co-investment Fund 'B' L.P.

Henderson Private Capital (GP) Limited is considered a related party to the above entities. Any amounts received, due, paid or payable between the General Partner and the Limited Partners are disclosed in notes 4 (Investments), 5 (Debtors), 6 and 7 (Creditors).

Henderson Private Capital Limited has agreed to pay audit and custodian fees for Henderson Private Capital (GP) Limited. In addition the company has also received an interest free loan from Henderson Private Capital Limited to meet its working capital requirements.

14. COMMITMENTS

Henderson Private Capital (GP) Limited has agreed to advance a participation to Private Capital Portfolio LP of £12,000, of which £3,200 remains uncalled. In addition it has also agreed to advance a participation to PCP II LP of £10,500, of which £4,308 remains uncalled.