

Limited Liability Partnership Registration No. OC308840 (England and Wales)

BANCROFT PRIVATE EQUITY LLP
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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**BANCROFT PRIVATE EQUITY LLP
LIMITED LIABILITY PARTNERSHIP INFORMATION**

Designated members Bancroft UK Limited (Appointed 4 August 2004)
J F Martin (Appointed 4 August 2004)

Limited Liability partnership number OC308840

Registered Office 195 Brompton Road
London
SW3 1NE

Bankers The Royal Bank of Scotland
London Belgravia Branch
24 Grosvenor Place
London
SW1X 7HP

Solicitors S J Berwin
10 Queen Street Place
London
EC4R 1BE

Compliance Advisor The CCL Partnership
26 Throgmorton Street
London EC2N 2AN

**BANCROFT PRIVATE EQUITY LLP
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**BANCROFT PRIVATE EQUITY LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

The members present their report and financial statements for the year ended 31 December 2008.

Principal activities and review of the business

The principal activity of the limited liability partnership was that of managing Bancroft II LP, a fund making private equity investments.

The limited liability partnership was formed on August 2004 and commenced trading on 19 October 2004 when it acquired the assets, liabilities and business of Bancroft UK Limited under a contribution of business agreement. The limited liability partnership had its first financial year closed on 31 December 2005.

The limited liability partnership has made a profit in the year 2008. The members are confident of continued profitability in the future.

Branches

During the year 2008, Bancroft Services UK Limited, a wholly owned subsidiary of the limited liability partnership maintained branches in the Czech Republic, Hungary, Bulgaria and Turkey.

Designated Members

The following designated members have held office since 4 August 2004:

Bancroft UK Limited (Appointed 4 August 2004)

J F Martin (Appointed 4 August 2004)

Policy on members' drawings

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to its share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Statement of members' responsibilities

Company law (as applied to limited liability partnership by regulation 3 of the Limited Liability Partnership Regulation 2001) requires the members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that year.

In preparing these financial statements, the members 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 financial statements;
- Prepare the financial statements on the ongoing concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

**BANCROFT PRIVATE EQUITY LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

As a result of the combination of the provisions of the new Companies Act 2006 and amendments to the SUP 3 of the FSA Handbook, the members of the limited liability partnership have made the determination that the limited liability partnership qualifies for total audit exemption under section 477 of the Companies Act 2006. Members have not required the limited partnership to obtain an audit of its financial statements for the financial year ending 31 December 2008. The members of the limited liability partnership have decided to take advantage of this exemption.

On behalf of the members dated 14 May 2009


Fred Martin
Designated Member

**BANCROFT PRIVATE EQUITY LLP
LIMITED LIABILITY PARTNERSHIP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

		Year ended 31 December 2008	Year ended 31 December 2007
	Notes	£	£
Revenue	2	1,651,936	2,075,360
Administrative expenses		(1,508,393)	(818,883)
Profit from operations	3	143,543	1,256,477
Other interest receivable and similar income	4	2,973	1,844
Interest payable and similar charges	5	(2,426)	98
Profit before tax		144,090	1,258,419
Tax		-	-
Profit available for division amongst partners		144,090	1,258,419

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

**BANCROFT PRIVATE EQUITY LLP
LIMITED LIABILITY PARTNERSHIP BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	6		11,922		17,142
Investments	7		<u>10,002</u>		<u>10,002</u>
			21,924		27,144
Current Assets					
Debtors	8	218,741		151,800	
Cash at bank and in hand		<u>207,988</u>		<u>188,466</u>	
		426,729		340,266	
Creditors: amounts falling due within one year	9	<u>(200,830)</u>		<u>(126,166)</u>	
Net current assets			<u>225,899</u>		<u>214,100</u>
Total assets less current liabilities			<u>247,823</u>		<u>241,244</u>
Represented by:					
Loans and other debts due to members within one year	12		33,823		27,244
Equity – Members other interests:					
Members capital	12		<u>214,000</u>		<u>214,000</u>
Total Member's Interests			<u>247,823</u>		<u>241,244</u>

The financial statements were approved by the Members on 14 May 2009.

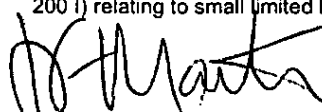
The members have not required the limited liability partnership to obtain an audit.

For the year ended 31/12/08 the LLP was entitled to exemption under section 249A (l) of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001).

The members acknowledge their responsibility for:

- i) ensuring the limited liability partnership keeps accounting records that comply with Section 221; and
- ii) preparing accounts which give a true and fair view of the affairs of the limited liability partnership as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the limited liability partnership.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2001) relating to small limited liability partnerships.



Bred Martin
Designated Member

BANCROFT PRIVATE EQUITY LLP
LIMITED LIABILITY PARTNERSHIP CASH FLOW STATEMENT
AS AT 31 DECEMBER 2008

	2008	2007
	£	£
Profit from operations	144,090	1,258,419
Adjustments for:		
Depreciation	5,846	5,397
Interest received	(2,973)	(1,942)
Interest paid	2,426	
Operating cash inflows before movements in working capital	149,389	1,261,874
(Increase)/decrease in receivables	31,128	(33,680)
Increase/(decrease) in payables	74,664	8,178
Cash generated from operations	255,181	1,236,372
Corporate taxes paid	-	-
Net cash flow from operating activities	255,181	1,236,372
Investing Activities		
Interest received	2,973	1,942
Interest paid	(2,426)	
Purchase of tangible assets	(628)	(466)
Net cash used in investing activities	(81)	1,476
Financing Activities		
Payments to and on behalf of partners	(235,578)	(1,241,533)
Interest paid		
Net cash used in financing activities	(235,578)	(1,241,533)
Net increase in cash and cash equivalents	19,522	(3,685)
Cash and cash equivalents at the beginning of the year	188,466	192,151
Cash and cash equivalents at the end of the year	207,988	188,466
Cash and cash equivalents comprise		
Cash at bank	206,491	186,849
Cash in hand	1,496	1,617
	207,988	188,466

**BANCROFT PRIVATE EQUITY LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently during the year and the Statement Recommended Practice "Accounting by Limited Liability Partnership".

1.3 Revenue

Revenue represents the amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at costs less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	33.33% per annum on a declining balance
Motor vehicles	33.33% per annum on a declining balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Taxation

The limited liability partnership as a transparent entity is not subject to pay UK income tax. Where relevant for UK tax purposes each member is required to report on its tax return its share of the income, gains, losses, deductions and credits of the partnership.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to profit and loss account.

BANCROFT PRIVATE EQUITY LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

2 Revenue

The total revenue of the limited liability partnership for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Profit from operations

	2008	2007
	£	£
Profit from operations is stated after charging:		
Depreciation of tangible assets	5,846	8,268
Operating lease rental	-	43,239
Auditors' remuneration	-	-
Loss/(profit) on foreign exchange transactions	(79,848)	(21,764)

4 Interest receivable

	2008	2007
	£	£
Bank interest	2,973	1,844

5 Interest payable

	2008	2007
	£	£
Other interest	2,426	(98)

BANCROFT PRIVATE EQUITY LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

6 Tangible fixed assets

	Fixtures, fittings & equipment	Motor vehicles	Total
Book Cost	£	£	£
At 31 December 2007	45,889	34,994	80,883
Additions	628	-	628
At 31 December 2008	<u>46,517</u>	<u>34,994</u>	<u>81,511</u>
Depreciation			
At 31 December 2007	39,705	24,038	63,743
Charge for the year	2,230	3,616	5,846
At 31 December 2008	<u>41,935</u>	<u>27,654</u>	<u>69,589</u>
Net book value			
At 31 December 2007	6,186	10,956	17,142
At 31 December 2008	<u>4,582</u>	<u>7,340</u>	<u>11,922</u>

7 Fixed assets investments

Cost	Shares in subsidiaries undertakings
	£
At 31 December 2007	10,002
Additions	-
At 31 December 2008	<u>10,002</u>

Holdings of more than 20%

The limited liability partnership holds more than 20% of the share capital of the following companies:

Company	Country of registration incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Bancroft Services UK Limited	England	Ordinary	100%
Bancroft Advisers UK Limited	England	Ordinary	100%

BANCROFT PRIVATE EQUITY LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

8 Debtors

	2008	2007
	£	£
Trade debtors	-	2,470
Amounts due from members	159,051	60,984
Other debtors	37,748	68,910
Prepayments	21,942	19,486
	218,741	151,800

9 Creditors

	2008	2007
	£	£
Trade creditors	44,942	56,966
Amounts owed to subsidiary undertakings	102,548	30,642
Taxes and social security costs	8,115	7,025
Other creditors	-	947
Accruals	45,225	30,586
	200,830	126,166

10 Contingent liabilities

The company has a charge on its assets totalling £21,120 (£21,120 at 31 December 2007) in respect of security given in respect to property leased by Bancroft Private Equity LLP.

BANCROFT PRIVATE EQUITY LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

11 Members' interest – limited liability partnership

	Members capital	Other reserves	Total	Loans and other amounts due to/from members	Total
	£	£	£	£	£
Members' interest at 31 December 2007	214,000	-	214,000	(33,740)	180,260
Profit for the year available for division among members	-	144,090	144,090	-	144,090
Members' interests after profit for the year	214,000	144,090	358,090	-	324,350
Allocated profits		(144,090)	(144,090)	-	
Member's Drawings				(91,488)	(144,090)
Members' interest at 31 December 2008	214,000	-	214,000	(125,228)	88,772
Amounts due to members				(33,823)	
Amounts due from members, included in debtors				159,051	
				<u>(125,228)</u>	

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

BANCROFT PRIVATE EQUITY LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

12 Financial commitments

At 31 December 2008 the limited liability partnership was committed to making the following payments under non-cancellable operating leases in the year ending 31 December 2008:

	Land & Buildings 2008 £	Land & Buildings 2007 £
Operating lease which expire:		
Less than one year	-	43,240
Between two and five years	-	-

13 Information in relation to members

	2008 Number	2007 Number
The average number of members during the year was	2	2

14 Employees

Number of employees

The average monthly number of employees (including members) during the year was:

	2008 Number	2007 Number
Professional	2	2
Administration	3	3
	<u>5</u>	<u>5</u>

15 Employment costs

	2008 £	2007 £
Wages and salaries	217,213	194,376
Social security costs	25,193	22,453
	<u>242,406</u>	<u>216,829</u>

15 Control

The limited liability partnership is controlled by Fred Martin.

**BANCROFT PRIVATE EQUITY LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

16 Related party transactions

During the year ending 31 December 2008, Bancroft Services UK Limited, a wholly owned subsidiary, received administrative fees amounting to £300,000 (£278,000 for the year ending 31 December 2007) and consulting fees amounting to £595,000 (£170,500 for the year ending 31 December 2007) from the limited liability partnership. As of 31 December 2008, £102,548 was due to Bancroft Services UK Limited (£30,642 in 2007)

In 2008, the Limited liability partnership charged management fees totalling £1,447,747 (£2,075,360 for the year ending 31 December 2007) to Bancroft II GP Jersey Limited, an entity in which J F Martin has an interest. As of 31 December 2008, £Nil was due from Bancroft II GP Jersey Limited (£Nil due to Bancroft II GP Jersey in 2007).

In 2008, the Limited liability partnership charged management fees totalling £126,721 (£Nil for the year ending 31 December 2007) to Bancroft II GP Jersey Limited, an entity in which J F Martin has an interest. As of 31 December 2008, £Nil was due from Bancroft II GP Jersey Limited (£Nil due to Bancroft 3 GP Jersey Limited in 2007).

At 31 December 2008, £6,104 was due from Bancroft II LP (£2,216 due from Bancroft II LP in 2007), an entity in which J F Martin has an interest.