

Cinven Group Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2015



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A Hall	(Resigned 31 July 2015)
B S Carrier	(Appointed 8 June 2015)
M A Colato	
L A London	(Appointed 8 June 2015)
K J Whale	(Resigned 30 June 2015)

SECRETARY

T L Perkins	(Appointed 8 June 2015)
K J Whale	(Resigned 8 June 2015)

REGISTERED OFFICE

Warwick Court
Paternoster Square
London EC4M 7AG

BANKERS

Lloyds Banking Group Plc
The Mound
Edinburgh EH1 1YZ

SOLICITORS

Linklaters LLP
One Silk Street
London EC2Y 8HQ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Regency Court
Gategny Esplanade
St Peter Port
Guernsey GY1 3HW

STRATEGIC REPORT

The directors present their Strategic report and annual report on the affairs of Cinven Group Limited (registered number 03092251) ("the Company" or "the Group") together with the financial statements and the audit report for the year ended 31 December 2015.

This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matter which are significant to Cinven Group Limited and its subsidiary undertakings when viewed as a whole.

Activities

Cinven Group Limited is the parent company of a group of companies which, during the year under review, engaged in the management of private equity investment funds which invest in a range of European companies. During the year under review, the Company's subsidiary, Cinven Limited (manager of The Fourth Cinven Fund), was authorised and regulated by the Guernsey Financial Services Commission ("GFSC"). Certain subsidiaries of the Group provide advisory services to Cinven Capital Management (V) General Partner Limited, the manager of The Fifth Cinven Fund.

Business review

As shown in the Consolidated Profit and Loss Account on page 8, turnover for the year amounted to £21,115,000 (2014 restated: £30,417,000). For the year under review, turnover comprised fund management and advisory fees.

The restatement of prior year results is due to the adoption of a new accounting framework (note 1).

The consolidated profit for the year after taxation amounted to £193,000 (2014 restated: £690,000) with no transaction fees received in the year (2014: £nil). It was proposed that no interim dividends were to be paid during the year (2014: £nil).

The Consolidated Statement of Financial Position on page 10 of the financial statements shows the Company's financial position at the year end, the Company has net assets of £13,968,000 (2014 restated: £13,775,000).

The directors consider these to be the key performance indicators of the Group.

Future developments

The directors expect the general level of activity to remain constant with 2015 in the forthcoming year.

Principal Risk and Uncertainty

The Company is exposed to financial risk, considered to be its primary risk, through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The directors consider the most important components of financial risk are loss of income, currency risk, credit risk and cash flow risk. These risks are mitigated by regular monitoring and analysis of key information by senior management who take appropriate action to ensure the business continues to operate as a going concern.

Approved by the Board of Directors
and signed on behalf of the Board



L A London
Director
24 March 2016

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the financial statements and auditors report of Cinven Group Limited (registered number 03092251) ("the Company" or "the Group") for the year ended 31 December 2015.

Directors

The membership of the Board is noted below.

Mr R A Hall	(Resigned 31 July 2015)
Dr B S Carrier	(Appointed 8 June 2015)
Mr M A Colato	
Mrs L A London	(Appointed 8 June 2015)
Mr K J Whale	(Resigned 30 June 2015)

Directors Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The directors anticipate that the Group will operate profitably in the coming year. The directors have considered forecast cash flows and the nature of the Group's operations and have reasonable expectations that the Group will have the financial resources to meet its obligations for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in Note 1.

Auditor

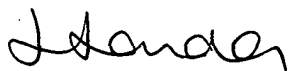
Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



L A London
Director
24 March 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors 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), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102").

Under company law the directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINVEN GROUP LIMITED

We have audited the financial statements of Cinven Group Limited for the year ended 31 December 2015 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated and Company Statements of Financial Position, Consolidated Statement of Cash Flows and the related notes 1 to 27. 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), including The Financial Reporting Standard applicable in the U.K and the Republic of Ireland ("FRS 102").

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 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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are 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 Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and of the Parent Company's affairs as at 31 December 2015 and of the Group's profit 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.

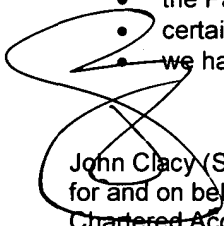
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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


John Clacy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
24 March 2016

CONSOLIDATED PROFIT AND LOSS ACCOUNT**Year ended 31 December 2015**

	Note	2015 £'000	2014 restated £'000
Turnover	3	21,115	30,417
Administrative expenses		(20,937)	(29,583)
Operating profit	4	178	834
Interest receivable and similar income	8	340	287
Interest payable	9	(9)	(8)
Profit on ordinary activities before taxation		509	1,113
Tax on profit on ordinary activities	10	(316)	(423)
Profit for the year		193	690
Attributable to:			
Cinven Group		185	678
Non-controlling interest		8	12

All expenses for the current and preceding year arose from continuing operations in the United Kingdom and Guernsey. All income for the current and preceding year arose from services in respect of continuing operations provided to customers in Guernsey and the European Union.

The notes on pages 14 to 29 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015	2014
	£'000	restated £'000
Profit for the year	<u>193</u>	<u>690</u>
Total comprehensive income	<u>193</u>	<u>690</u>
Profit for the year attributable to:		
Equity shareholders of the Group	185	678
Non-controlling interest	8	12

The notes on pages 14 to 29 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**31 December 2015**

	Note	2015 £'000	2014 restated £'000
FIXED ASSETS			
Tangible fixed assets	12	319	330
Investments	13	7,828	8,107
		<u>8,147</u>	<u>8,437</u>
CURRENT ASSETS			
Debtors	14	8,093	11,007
Cash at bank and in hand		4,958	6,984
		<u>13,051</u>	<u>17,991</u>
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(6,830)</u>	<u>(12,253)</u>
NET CURRENT ASSETS		<u>6,221</u>	<u>5,738</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,368	14,175
CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16	(400)	(400)
NET ASSETS		<u>13,968</u>	<u>13,775</u>
CAPITAL AND RESERVES			
Called up share capital	18	84	84
Share premium account	19	4,984	4,984
Profit and loss account	19	8,593	8,408
SHAREHOLDERS' FUNDS		<u>13,661</u>	<u>13,476</u>
Non-controlling interest		<u>307</u>	<u>299</u>
Total capital employed		<u>13,968</u>	<u>13,775</u>

The notes on pages 14 to 29 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 24 March 2016.

Signed on behalf of the Board of Directors



M A Colato
Director



L A London
Director

COMPANY STATEMENT OF FINANCIAL POSITION

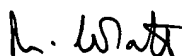
31 December 2015

	Note	2015 £'000	2014 restated £'000
FIXED ASSETS			
Investments	13	35,012	35,041
CURRENT ASSETS			
Debtors	14	965	1,004
Cash at bank and in hand		568	863
		1,533	1,867
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(941)	(1,223)
NET CURRENT ASSETS		592	644
TOTAL ASSETS LESS CURRENT LIABILITIES		35,604	35,685
CREDITORS : AMOUNTS FALLING DUE IN MORE THAN ONE YEAR	16	(400)	(400)
NET ASSETS		35,204	35,285
CAPITAL AND RESERVES			
Called up share capital	18	84	84
Share premium account	19	4,984	4,984
Profit and loss account	19	30,136	30,217
SHAREHOLDERS' FUNDS		35,204	35,285
Attributable to equity shareholders		35,204	35,285

The notes on pages 14 to 29 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 24 March 2016

Signed on behalf of the Board of Directors



M A Colato
Director



L A London
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**31 December 2015**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000	Non- controlling interest £'000	Total £'000
As at 1 January 2014	84	4,984	7,729	12,797	225	13,022
Profit for the financial year (restated)	-	-	679	679	74	753
As at 31 December 2014 (restated)	84	4,984	8,408	13,476	299	13,775
Profit for the financial year	-	-	185	185	8	193
Balance at 31 December 2015	84	4,984	8,593	13,661	307	13,968

The notes on pages 14 to 29 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2015

		2015	2014
	Note	£'000	£'000
Net cash (outflow) / inflow generated from operating activities	20	(2,234)	21
Cash flows from investing activities			
Interest received	8	340	287
Purchase of tangible fixed assets	12	(131)	(169)
Net cash flows from investing activities		209	118
Cash flows from financing activities			
Interest paid (preference dividends and bank interest)	9	(9)	(8)
Proceeds from realisation of investments	13	-	182
Proceeds from issuance of share capital to non-controlling interest		-	62
Share of profit non-controlling interest (non-cash)		8	12
Net cash (outflows) / inflows from financing activities		(1)	248
Net (decrease) / increase in cash and cash equivalents	21,22	(2,026)	387
Cash and cash equivalents at beginning of year		6,984	6,597
Cash and cash equivalents at end of year		4,958	6,984
Components of cash and cash equivalents			
Cash at bank		4,958	6,984

The notes on pages 14 to 29 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Cinven Group Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Cinven Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements which are presented alongside the consolidated financial statements.

Going concern

The Company and Group's principal risk is considered to be financial risk as detailed in the Strategic Report. The Groups business activities together with the factors likely to affect its future development, performance and position are set out in the strategic report. The Director's report further describes the financial position of the Group; its cashflows, liquidity position and borrowing facilities, the Groups objectives, policies and processes for managing its capital; its financial risk management objective; detail of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

Current Economic Conditions

The Group manages a number of private equity funds and is entitled to contractual cashflows from those funds for a period of a minimum of 10 years and a maximum of 12 years from the commencement of the fund. Principal cashflows arise from the management of the Fourth Cinven Fund and the provision of advisory services in respect of the Fifth Cinven Fund. The Fourth Cinven Fund commenced in June 2006 and the Fifth Cinven Fund commenced in April 2012. The private equity model is designed to support longer term investing and consequently the Company's cashflow is not restricted to a material extent by a slowdown in the investment and realisation cycle of the funds it manages.

Working Capital

The Company manages its working capital with the use of a bank overdraft facility. The facility was renewed on 11 June 2015 and is expected to be renewed again in June 2016.

Review

The directors have reviewed (and conduct an ongoing review of) the Group and Company projected income, expenses (including foreign currency exposures) and cashflows and have deemed that the Group and Company has the financial resources to meet its obligations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

General information and basis of accounting

The consolidated financial statements are prepared under the historical cost convention, the functional currency is pounds sterling, they are modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council. The prior year financial statements were restated for material adjustments on adoption of FRS 102. For more information refer to note 26.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

1. Accounting policies (continued)

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and all of its subsidiaries. For both Cinven Capital Management (G3) Limited and Cinven Capital Management (G4) Limited, Cinven Limited holds special shares with certain veto rights and an entitlement to remove one or more directors. As such these companies have been consolidated. The ordinary shares are not held by Cinven Limited however, resulting in a non-controlling interest.

Turnover

Turnover is comprised of fund management and advisory fees. All income in the year was earned in connection with the funds managed and is recognised net of value added tax, and is accounted for on an accruals basis.

Pensions

The Group operates a defined contribution group flexible retirement plan and charges the cost of contributions in respect of employees' service as an expense within the year to which they relate.

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less provision for depreciation. Depreciation is provided on a straight-line basis, and is calculated to write off the cost of the assets over their expected useful economic lives. The rates of depreciation applied are:

Leasehold improvements, fixtures and fittings	Over the period of the lease
IT Equipment	33% per annum

Investments

Investments are stated at cost less provisions for any impairment in value. Investments in private equity partnerships are measured at fair value through profit or loss

Foreign currency

Foreign exchange transactions have been translated at the rates prevailing on the dates of the transactions. The results of overseas operations are translated at the average rates of exchange during the period. Non monetary items are translated at historical cost and monetary items are retranslated at the closing rates of exchange. Exchange differences arising on translation of inter group foreign currency borrowings, to the extent that they are in effect part of the Group's investment in such operations, are reported directly in the statement of other comprehensive income within the unrealised foreign exchange reserve. All other exchange differences are included in the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the Consolidated Statement of Comprehensive Income. All other exchange differences are included in the Consolidated Profit and Loss account in the period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

1. Accounting policies (continued)

Taxation

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that 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 expected to apply 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 are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment of Investment

Determining the impairment of investments requires an assessment of the best estimate of the amount that would be received for the investment if it were to be sold at the reporting date. In the current year the carrying amount of three investments in subsidiaries of Cinven Holdings Limited at the balance sheet date was £18,801 (2014: £27,575) after an impairment loss of £8,774 (2014: £17,055) was recognised during 2015.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. In the current year the carrying amount of the investments at the balance sheet date was £7,828,000 (2014: £8,107,000) after a fair value adjustment loss of £279,000 (2014 gain: £107,000) was recognised during 2015 (see note 13).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

3. Turnover

An analysis of the Group's turnover by class of business is set out below:

Subsidiary undertaking	Country of incorporation and operation	Activity	2015 £'000	2014 restated £'000
Cinven Limited	United Kingdom	Investment management	231	1,235
Cinven Capital Management (G4) Limited	Guernsey	Private equity partner	11,746	19,522
Cinven Capital Management (G3) Limited	Guernsey	Private equity partner	(230)	(428)
Cinven International	United Kingdom	Advisory	348	457
Cinven SA	France	Investment management and Advisory	4,928	5,622
Cinven GmbH	Germany	Advisory	3,226	3,168
Cinven Srl	Italy	Advisory	261	215
Cinven Luxembourg Sarl	Luxembourg	Investment administration	605	626
			21,115	30,417

4. Profit on ordinary activities before taxation

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on tangible fixed assets	142	327
Operating lease rentals – land and buildings	1,250	1,379
Foreign currency losses	203	942
Auditor remuneration		
- audit (Company £19,550; 2014: £19,000) (subsidiaries: £28,000; 2014: £31,750)	48	51
- tax	247	96

Audit fees are paid for and borne by Cinven Limited, a subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

5. Operating leases

At 31 December 2015 the Company had annual commitments under non-cancellable leases as set out below. These relate entirely to land and buildings.

	2015	2014
	£'000	£'000
Operating leases which expire:		
In the second to fifth years inclusive	223	258
In more than five years	688	867

6. Related party transactions

A Director of the Company during the year, Mr Robin Hall, is also a Director of The Fifth Cinven Fund Manager. The following subsidiaries of the Group provided investment advisory services to The Fifth Cinven Fund Manager:

- Fees of £2,817,000 were charged by Cinven SA under an Investment Advisory Agreement dated 17 February 2012 (2014: £2,433,000). £2,228,000 was receivable at 31 December 2015 (2014: £1,572,000).
- Fees of £2,294,000 were charged by Cinven GmbH under an Investment Advisory Agreement dated 28 March 2012 (2014: £2,226,000). £102,000 was receivable at 31 December 2015 (2014: £557,000).
- Fees of £291,000 were charged by Cinven International Limited under an Investment Advisory Agreement dated 28 March 2012 (2014: £381,000). £98,000 was receivable at 31 December 2015 (2014: £135,000 was receivable from The Fifth Cinven Fund Manager).
- Fees of £221,000 were charged by Cinven Srl under an Investment Advisory Agreement dated 15 May 2012 (2014: £171,000). £73,000 was receivable at 31 December 2015 (2014: £301,000 was payable to The Fifth Cinven Fund Manager).

Mr Roberto Italia is a Director of Cinven Srl, he is also a Director of Cinven Manco Sarl, the manager of The Fifth Cinven Fund FCP-SIF. The following subsidiaries of the Group provided investment advisory services to Cinven Manco Sarl:

- Fees of £557,000 were charged by Cinven SA under an Investment Advisory Agreement dated 17 February 2012 (2014: £481,000). £115,000 was receivable at 31 December 2015 (2014: £270,000).
- Fees of £453,000 were charged by Cinven GmbH under an Investment Advisory Agreement dated 28 March 2012 (2014: £440,000). £49,000 was receivable at 31 December 2015 (2014: £145,000).
- Fees of £57,000 were charged by Cinven International Limited under an Investment Advisory Agreement dated 28 March 2012 (2014: £75,000). £14,000 was payable to Cinven Manco Sarl at 31 December 2015 (2014: £50,000 was receivable).
- Fees of £44,000 were charged by Cinven Srl under an Investment Advisory Agreement dated 15 May 2012 (2014: £34,000). £14,000 was receivable at 31 December 2015 (2014: £61,000 was payable to Cinven Manco Sarl).

There were no other related party transactions or outstanding balances requiring disclosure.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

7. Information regarding directors and employees

	2015 £'000	2014 £'000
Directors' emoluments		
Emoluments (excluding pension contributions)	25	50
Highest paid director's remuneration		
Emoluments (excluding pension contributions)	25	50

No directors were members of the pension scheme, which is a defined contribution group flexible retirement plan.

The Company had no employees in the current or prior year.

The average number of persons (including directors) employed by the Group during the year was 24 (2014: 29). 12 employees, including directors, were employed in an investment management role (2014: 12). No employees were employed in an accounting role (2014: nil), and 12 employees were employed in an administrative role (2014: 17). Staff costs incurred during the year in respect of these employees were:

	2015 £'000	2014 £'000
Wages and salaries	5,890	5,249
Social security costs	934	964
Other pension costs	-	15
	6,824	6,228

8. Interest receivable and similar income

	2015 £'000	2014 £'000
Bank interest	1	5
Other interest receivable	339	282
	340	287

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

9. Interest payable

	2015	2014
	£'000	£'000
Bank interest	-	2
Other interest payable	1	6
Dividends paid on B preference shares	8	-
	<u>9</u>	<u>8</u>

10. Tax on profit on ordinary activities

	2015	2014 restated
	£'000	£'000
United Kingdom corporation tax at an average rate of 20.25% (2014: 21.25%) based on the profit for the year	-	-
Adjustment in respect of previous years	5	(8)
Overseas tax	<u>361</u>	<u>377</u>
	366	369
Deferred tax:		
Origination and reversal of timing issue	(50)	92
Adjustment in respect of previous years	-	(38)
	<u>316</u>	<u>423</u>

The differences are explained below:

	2015	2014 restated
	£'000	£'000
Profit on ordinary activities before tax	<u>511</u>	<u>1,113</u>
Tax at 20.25% thereon (2014: 21.5%)	103	239
Effects of:		
Expenses not deductible for tax purposes	123	1
Overseas tax rates	132	122
Transfer pricing adjustment	2	1
Change in unrecognised deferred tax assets	(49)	178
Prior period adjustments	5	(46)
Overseas permanent differences	-	3
Tax rate difference	-	(7)
Income not taxable	-	(68)
Current tax charge for the year	<u>316</u>	<u>423</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

11. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's unaudited loss after tax for the year amounted to £81,000 (2014 restated: £209,000).

12. Tangible fixed assets

	Leasehold improvements £'000	Fixtures and fittings £'000	IT Equipment £'000	Total £'000
The Group				
Cost				
1 January 2015	5,543	522	474	6,539
Additions	3	15	113	131
31 December 2015	5,546	537	587	6,670
Accumulated depreciation				
1 January 2015	5,351	508	350	6,209
Charge for the year	49	6	87	142
31 December 2015	5,400	514	437	6,351
Net book value at 31 December 2015	146	23	150	319
Net book value at 31 December 2014	192	14	124	330

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

13. Fixed asset investments

	2015	2014 restated
The Group	£'000	£'000
Opening balance	8,107	8,001
Fair value adjustment (FRS 102)	(289)	288
Reassigned	(16)	-
Revaluation	26	-
Disposals	-	(182)
Closing balance	7,828	8,107

Investments above include loan and capital contributions to private equity partnerships. These include a participation in the carried interest of the Third Cinven Fund and the Fourth Cinven Fund FCPR (Fonds Professionnel de Capital Investissement), a French investment vehicle which co-invests alongside the Fourth Cinven Fund, and an investment in the Fourth Cinven Fund Co-Investment Partnership.

These investments are measured at fair value through profit or loss in the balance sheet, with the movement in fair value recognised in the Statement of Comprehensive Income.

Investments measured and reported at fair value are classified and disclosed utilising inputs from one or more of the following categories:

Level 1 - quoted (bid) price for an identical asset in an active market;

Level 2 - price of a recent transaction for an identical asset. If necessary, the price is adjusted to reflect updated economic conditions or if evidence suggests that a recent transaction was not at fair value;

Level 3 - if there is no active market and no suitable recent transactions then a valuation technique is used to determine the arm's length price for the asset. If a reliable, commonly used valuation method exists in that market, then that technique is used.

The investment in carry units reported here are considered to be Level 3 as no active market exists for them. The fair value of the carry units equates to the value attributable to the carry units based on the Third Cinven Fund's net assets at the year end as the underlying entities assets are ultimately held at fair value. There were no additions or disposals during the year. The only gains and losses relate to the fair value adjustment.

The units held by the Company in the Fourth Cinven Fund FCPR were reassigned under a Deed of Assignment dated 10 June 2015.

	Interests in Group undertakings	Other investments	Total
	£'000	£'000	£'000
The Company			
1 January 2015 (restated)	34,996	45	35,041
Fair value adjustment (FRS 102)	-	(32)	(32)
Revaluation	-	3	3
31 December 2015	34,996	16	35,012

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

13. Fixed asset investments (continued)

Other investments relate to carried interest in the Fourth Cinven Fund FCPR.

Cinven Limited holds special shares in Cinven Capital Management (V) General Partner Limited and Cinven Manco S.à.r.l. These shares give certain veto rights and an entitlement to remove one or more directors. Cinven Limited has no economic entitlement resulting from these shares. These companies have not been consolidated and the special shares are included within other investments.

All of the undernoted subsidiaries have been included in the consolidation and all have a year-end dated 31 December 2015.

Subsidiary undertakings	Country of incorporation and operation	Activity	% of ordinary shares and voting rights held
Cinven Limited	United Kingdom	Investment management	100%
Cinven Holdings Limited	United Kingdom	Holding company	49%*
<u>Subsidiaries of Cinven Holdings Limited:</u>			
Cinven SA	France	Investment management and Advisory	99.982%
Cinven GmbH	Germany	Advisory	100%
Cinven Srl	Italy	Advisory	100%
Cinven Luxembourg Sarl	Luxembourg	Investment administration	100%
Cinven International Limited	United Kingdom	Advisory	100%
Avalon Beteiligungs GmbH	Germany	Private equity partner	100%
Avalon Co-Invest Beteiligungs GmbH	Germany	Private equity partner	100%
Novala Beteiligungs GmbH	Germany	Private equity partner	100%
Cevine V MLP Limited	Guernsey	Dormant	100%
Cinven Capital Management (G3) Limited	Guernsey	Private equity partner	Nil**
Cinven Capital Management (G4) Limited	Guernsey	Private equity partner	Nil**

With the exception of Cinven Limited, all of the above companies are owned by subsidiaries of the Company.

*Cinven Limited holds 49% of the equity in Cinven Holdings Limited with an entitlement to 100% of any distributed profits but with no voting rights.

** For both Cinven Capital Management (G3) Limited and Cinven Capital Management (G4) Limited, Cinven Limited holds special shares with certain veto rights and an entitlement to remove one or more directors. As such these companies have been consolidated. The ordinary shares are not held by Cinven Limited however, resulting in a non-controlling interest. Cinven Limited also is entitled to receive a fee from each of these companies.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

14. Debtors

	The Group		The Company	
	2015	2014 restated	2015	2014
	£'000	£'000	£'000	£'000
Trade debtors	313	405	-	21
Amounts owed by subsidiary undertakings	-	-	735	791
Other debtors	3,341	7,182	195	192
Overseas tax	66	213	-	-
Corporation tax	47	-	35	-
Other taxation and social security	44	37	-	-
Prepayments and accrued income	4,282	3,170	-	-
	<u>8,093</u>	<u>11,007</u>	<u>965</u>	<u>1,004</u>

A deferred tax asset has not been recognised in respect of timing differences relating to UK accelerated capital allowances and other timing differences or in respect of tax losses as there is insufficient evidence that the asset will be recovered. The amount of the deferred tax asset not recognised is £6,870,000 (2014 restated: £7,689,000).

Included within prepayments and accrued income of the Group are amounts of £2,503,000 and £1,418,000 (2014: £2,264,000 and £465,000) both receivable from Cinven Capital Management (V) General Partner Limited and Cinven Manco Sarl, respectively, both related parties (see note 4).

15. Creditors: amounts falling due within one year

	The Group		The Company	
	2015	2014 restated	2015	2014
	£'000	£'000	£'000	£'000
Trade creditors	419	549	-	-
Amounts owed to subsidiaries	-	-	332	280
Other creditors	5,392	9,698	146	133
Corporation tax (including deferred tax)	18	54	-	3
Overseas tax	1	1	-	-
Other tax and social security	97	177	-	-
Accruals and deferred income	903	1,774	463	807
	<u>6,830</u>	<u>12,253</u>	<u>941</u>	<u>1,223</u>

Included within accruals and deferred income of the Group is an amount of £nil (2014: £301,000) due to Cinven Capital Management (V) GP Limited and £13,000 (2014: £61,000) due to Cinven Manco Sarl, both related parties (see note 4).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

16. Creditors: amounts falling due after more than one year

	2015		2014	
	Number of shares	Preference share capital £	Number of shares	Preference share capital £
Called up, allotted and fully paid:				
'A' Preference shares of £1	29	29	29	29
'B' Cumulative non-redeemable B preference shares of £1	400,000	400,000	400,000	400,000
		<u>400,029</u>		<u>400,029</u>

The number of authorised 'A' Preference shares is 29 (2014: 29). The number of authorised 'B' Cumulative non-redeemable B preference shares is 400,000 (2014: 400,000).

The 'A' preference shares are non-redeemable and have dividend rights per share equivalent to the net performance fees earned by the Group in respect of Client Investment Pools (which were closed as at 14 February 1996) divided by the number of issued 'A' preference shares. The 'A' preference shares do not entitle the holders to any further or other participation in the profits or assets of Cinven Group Limited.

The 'B' preference shares are non-redeemable and have dividend rights equivalent to the post tax distributions of the Second Cinven Fund (arising from the Group's investment therein) divided by the number of issued 'B' Preference Shares. The 'B' preference shares do not entitle the holders to any further or other participation in the profits or assets of Cinven Group Limited. The Second Cinven Fund was dissolved on 30 December 2014 and the final 'B' preference dividend was paid in 2015.

These preference shares are presented as liabilities rather than equity.

17. Deferred taxation

	2015 £'000	2014 restated £'000
Deferred taxation movement for the year:		
Opening balance	54	
Current year (credit) / charge	(50)	92
Prior year charge / (credit)	-	(38)
Closing balance	<u>4</u>	<u>54</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

17. Deferred taxation (continued)

The amount of deferred tax provided in the financial statements:

	Provided		Unprovided	
	2015	2014 restated	2015	2014 restated
	£'000	£'000	£'000	£'000
Capital allowances in excess of depreciation	-	-	(10)	(14)
Other timing differences	42	92	(37)	(31)
Tax losses carried forward	(38)	(38)	(6,823)	(7,644)
	<u>4</u>	<u>54</u>	<u>(6,870)</u>	<u>(7,689)</u>

18. Called up share capital

	2015		2014	
	Number of shares	Share capital	Number of shares	Share capital
		£		£
Called up, allotted and fully paid:				
Ordinary shares of 10 pence	844,221	84,421	844,221	84,421

The Company has one class of Ordinary Shares which have attached to them the full voting, dividend and capital distribution (including on winding up) rights, subject to any priority entitlement of the A and B Preference Shares (see note 16); they do not confer any rights of redemption.

19. Reconciliation of movements in shareholders' funds

	The Group			
	Share Capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
As at 1 January 2014	84	4,984	7,729	12,797
Profit for the financial year (restated)	-	-	679	679
As at 31 December 2014 (restated)	84	4,984	8,408	13,476
Profit for the financial year	-	-	185	185
As at 31 December 2015	<u>84</u>	<u>4,984</u>	<u>8,593</u>	<u>13,661</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

19. Reconciliation of movements in shareholders' funds (continued)

The Company

	Share Capital	Share premium	Profit and loss account	Total
	£'000	£'000	£'000	£'000
As at 1 January 2014	84	4,984	30,426	35,494
Loss for the financial year (restated)	-	-	(209)	(209)
As at 31 December 2014 (restated)	84	4,984	30,217	35,285
Loss for the financial year	-	-	(81)	(81)
As at 31 December 2015	84	4,984	30,136	35,204

20. Reconciliation of operating profit to net cash inflow from operating activities

	2015 £'000	2014 restated £'000
Operating profit	178	803
Profit attributable to non-controlling interest	(8)	(12)
Depreciation, fair value adjustment and impairment (including associated foreign exchange loss)	421	36
Taxation	(252)	(528)
Decrease in debtors	2,814	633
Decrease in creditors	(5,387)	(911)
Net cash (outflow) / inflow from operating activities	(2,234)	21

21. Analysis of movements in net funds

	At 1 January 2015 £'000	Cash flows £'000	At 31 December 2015 £'000
Cash at bank and in hand	6,984	(2,026)	4,958

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year ended 31 December 2015****22. Reconciliation of net cash flow to movements in net funds**

	£'000
Decrease in cash in the year	(2,026)
Cash inflow from debt financing	-
Change in net funds	(2,026)
Net funds at 1 January 2015	6,984
Net funds at 31 December 2015	4,958

23. Contingent liabilities

The Company is party to a cross-guarantee arrangement with Cinven Limited, Cinven Partners LLP and Cinven Services Limited in respect of a group overdraft facility of €40,000,000 (2014: €40,000,000) available to its subsidiaries. At 31 December 2015, €13,583,000 had been drawn on the facility (2014: €14,285,000).

The Group had no other contingent liabilities at 31 December 2015 (2014: £nil).

24. Pension schemes

The Group operates a defined contribution group flexible retirement plan and a mandatory provident fund, held separately and set up to provide retirement benefits to the employees. The total cost to the Group in the year for contributions was £nil (2014: £15,000). These amounts exclude salary sacrifices made by staff during the year.

25. Ultimate controlling party

In the opinion of the directors, there is no single controlling party in relation to the Company as no individual shareholder has overall control of the Company.

26. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under FRS 102. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. As a consequence of adopting FRS 102, accounting policies have changed to comply with that standard.

The below tables reconcile the adjustments to 2014 equity and 2014 profit as a result of transitioning to FRS 102.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 December 2015

26. Explanation of transition to FRS 102 (continued)

Reconciliation of equity

	The Group	The Company
	2014	2014
	£'000	£'000
Equity reported under previous UK GAAP	14,000	35,457
Adjustments to equity on transition to FRS 102		
1. Profit / (loss) on measurement of investments at fair value	(172)	(172)
2. Adjustment to corporation tax due to measurement of investments at fair value	(53)	-
Equity reported under FRS 102	13,775	35,285

Reconciliation of profit / loss for 2014

	Group	Company
	£'000	£'000
Profit / loss for financial year under previous UK GAAP	1,285	(29)
1. Fair value adjustment to investments	288	(172)
2. Adjustment to 2014 Management fee accrual	(460)	-
Profit / (loss) for the year under FRS 102	1,113	(201)

27. Subsequent events

There are no events after the end of the reporting period.