

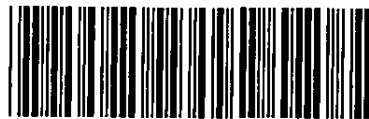
SEP III GP Limited

**Directors' report and financial
statements**

Registered number 289980

30 June 2012

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Directors' report

The directors present their annual report and audited financial statements for the period ended 30 June 2012. The directors who held office during the year were:

Calum Paterson

Stuart Paterson

Richard Sparrow

David Sneddon

Principal activities

The company acts as General Partner for SEP III LP.

Business review

Turnover comprises the General Partner's Share arising from SEP III LP. A net profit of £33,794 (2011: profit of £271,343) has been added to reserves.

Proposed dividend

The directors do not recommend the payment of a dividend (2011: Nil).

Political and charitable contributions

The company made no political or charitable contributions during the year.

Disclosure of qualifying third party indemnity provisions

At the date of this report, indemnities are in force under which the directors are entitled to be indemnified, to the extent permitted by law and the Company's articles of association, in respect of any losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company.

Disclosure of information to auditors

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

By order of the Board



C Paterson
Director

17 Blythswood Square
Glasgow
G2 4AD
17 October 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the Directors of SEP III GP Limited

We have audited the financial statements of SEP III GP Limited for the year ended 30 June 2012 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit 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 requirements of the Companies Act 2006.

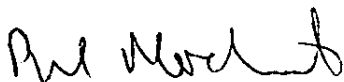
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Phil Merchant (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Glasgow

17 October 2012

Profit and loss account
for the year ended 30 June 2012

	<i>Note</i>	2012 £	2011 £
Turnover		2,306,666	3,950,000
Operating expenses		(2,306,757)	(3,950,061)
Operating loss		(91)	(61)
Loss on ordinary activities before taxation		(91)	(61)
Tax on loss on ordinary activities	<i>4</i>	33,885	271,404
Retained profit for the year		33,794	271,343

The notes on pages 7 to 9 form part of these financial statements.

All items in the profit and loss account derive from continuing activities.

The company has no recognised gains and losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet
at 30 June 2012

	<i>Note</i>	2012 £	2011 £
Current assets			
Debtors	5	937,993	2,434,858
Cash		20	20
		938,013	2,434,878
Creditors: amounts falling due within one year	6	(461)	(2,071,916)
		937,552	362,962
Provisions for liabilities	7	(540,796)	-
Net assets		396,756	362,962
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	396,755	362,961
Shareholders' funds attributable to equity interests		396,756	362,962

The notes on pages 7 to 9 form part of these financial statements.

These financial statements were approved by the board of directors on 17 October 2012 and were signed on its behalf by:



Calum Paterson
Director

Reconciliation of movements in shareholders' funds
for the year ended 30 June 2012

	2012 £	2011 £
Profit for the financial year	33,794	271,343
Addition to shareholders' funds	33,794	271,343
Opening shareholders' funds	362,962	91,619
Closing shareholders' funds	396,756	362,962

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with UK GAAP under historic cost convention and in accordance with Companies Act 2006 and applicable accounting standards.

The company has taken advantage of the exemptions of FRS 1 (Revised 1996): Cash Flow Statements and has elected not to prepare its own cash flow statement as it is included within the Consolidated Statement of Cash Flows in the financial statements of Scottish Equity Partners LLP, its ultimate parent undertaking.

Turnover

Turnover represents the amounts derived for the management and operation of SEP III LP. Sums advanced as interest-free recourse loans in respect of future entitlement to priority profit share as general partner of SEP III LP are treated as income (in accordance with Financial Reporting Standard 5 'Reporting the substance of transactions') and included in turnover.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all timing differences. Deferred tax assets are only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the timing differences and tax losses can be deducted.

Related party transactions

FRS 8 'Related Party Disclosures' requires disclosure of the details of material transactions between the reporting entity and related parties. The company has taken advantage of the exemptions in FRS 8 not to disclose transactions between group entities which eliminate on consolidation.

2 Auditor's remuneration

The remuneration of the auditors in respect of the statutory audit was £720 and was paid by the ultimate parent company.

3 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company in the year.

The company has no employees.

Notes (continued)

4 Taxation

	2012 £	2011 £
Current tax on income for the year	(574,681)	2,071,545
Movement in deferred tax (see note 7)		
-Current year	540,796	(2,342,949)
	<u>(33,885)</u>	<u>(271,404)</u>
Factors affecting current tax charge for the period:		
	£	£
Loss on ordinary activities before tax	(91)	(61)
Corporation tax at 25.5% (2011: 27.5%)	(23)	(17)
Effects of:		
Chargeable gains	-	5,201,858
Income not taxable in current period	(588,263)	(1,086,305)
Unrelieved tax losses	13,605	(2,043,991)
	<u>(574,681)</u>	<u>2,071,545</u>

5 Debtors

	2012 £	2011 £
Amounts due from ultimate parent undertaking	1	1
Group relief recoverable	937,992	2,434,857
	<u>937,993</u>	<u>2,434,858</u>

6 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts due to ultimate parent undertakings	461	371
Corporation tax	-	2,071,545
	<u>461</u>	<u>2,071,916</u>

Notes (continued)

7 Provision for liabilities and charges

	2012 £	2011 £
Deferred tax		
Opening provision	-	2,342,949
Amount provided/(reversed) – current year	540,796	(2,349,949)
Closing provision	540,796	-

Deferred tax is provided at 24% (2011: 28%) on advanced profit share which will be taxable in future years when profit share is realised as taxable income.

8 Called up share capital

	2012 £	2011 £
Authorised		
Equity: 100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
Equity: 1 ordinary share of £1	1	1

9 Profit and loss account

	2012 £	2011 £
At the beginning of year	362,961	91,618
Retained profit for the year	33,794	271,343
At end of year	396,755	362,961

10 Ultimate parent undertaking

The company's ultimate parent undertaking is Scottish Equity Partners LLP.

A copy of the consolidated financial statements of Scottish Equity Partners LLP is available from:

Scottish Equity Partners LLP, 17 Blythswood Square, Glasgow, G2 4AD.