

CHARTERHOUSE GENERAL PARTNERS (VIII) LIMITED



REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

CHARTERHOUSE GENERAL PARTNERS (VIII) LIMITED

REGISTERED NO. 02290328

REPORT OF THE DIRECTORS

The Directors present their report on the affairs of Charterhouse General Partners (VIII) Limited (the “Company”), a private limited company incorporated in the United Kingdom, together with the financial statements and auditor’s report for the year ended 31 March 2017.

DIRECTORS

The Directors of the Company, who held office throughout the year and at the date of this report, are:

Mr D Aldred
Mr J S E Arnell
Mr J G Bonnyman
Mr P N Burrow
Mr L L M Giacomotto
Mr T S Patrick

Registered Office: Warwick Court, Paternoster Square, London EC4M 7DX.

PRINCIPAL ACTIVITY

The Company’s principal activity is to act as a General Partner to investment funds. The principal activity of the Charterhouse group of companies (“the Group”) is the provision of private equity fund management and related services.

BUSINESS REVIEW AND PRINCIPAL RISKS

The business has performed in line with its Directors’ expectations for the year ending 31 March 2017.

Charterhouse Capital Partners VIII (the “Fund”) terminated on 10 March 2017. On this date, the Company, as the General Partner and Liquidating Trustee of the Fund, cancelled all outstanding commitments to the Fund and initiated the orderly winding up of the Fund, including the realisation of the remaining investments to maximise value to the Limited Partners. The Company’s principal activity will continue to be the management of the investments remaining in the Fund’s portfolio.

No new activities outside of the core business have been entered into or are contemplated.

LOSS AND DIVIDENDS

The loss for the year after taxation was £3,000 (2016 £100,000 profit). No dividends were declared or paid during the year (2016 £nil). The Directors declared and approved the payment of an interim dividend of £1,500,000 to the equity shareholders on 21 June 2017. The financial statements for the year do not reflect this dividend.

GOING CONCERN

The Company has sufficient financial resources and, as a consequence, the Directors believe that the Company is well-placed to manage its business risk. With this in mind and having made all reasonable enquiries and having respect to the nature of the Company and its activities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis in preparing financial statements.

REPORT OF THE DIRECTORS (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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). 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 judgements 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 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.

DIRECTORS' INDEMNITIES

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

SMALL COMPANIES REGIME

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The Directors have chosen not to prepare a Strategic Report as the Company is a small company under the Companies Act 2006.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the 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 made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By Order of the Board and signed on its behalf by:



I M WATSON

Secretary

17 July 2017

Warwick Court

Paternoster Square

London EC4M 7DX

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE GENERAL PARTNERS
(VIII) LIMITED**

We have audited the financial statements of Charterhouse General Partners (VIII) Limited (the "Company") for the year ended 31 March 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 11. 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 Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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 (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 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 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 Company's affairs as at 31 March 2017 and of its loss 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

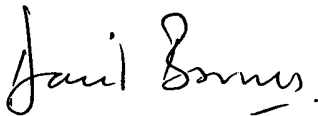
In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE GENERAL PARTNERS
(VIII) LIMITED (continued)**

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; or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report.



David Barnes FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London

17 July 2017

PROFIT AND LOSS ACCOUNT

		Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
	Notes		
Turnover	2	-	4,375
Administrative expenses	3	-	(4,353)
Profit on ordinary activities before taxation		-	22
Taxation on profit on ordinary activities	5	(3)	78
(Loss)/profit for the financial year		(3)	100
(Loss)/profit for the financial year attributable to:			
Equity shareholders of the Company		(3)	100
		(3)	100

All income and expenditure arose from continuing activities.

The notes on pages 8 to 11 form part of these financial statements.

BALANCE SHEET

as at		31 March 2017 £'000	31 March 2016 £'000
	Notes		
CURRENT ASSETS			
Debtors			
Amounts falling due within one year	6	1,709	1,734
Cash at bank		5	5
Deferred taxation	7	22	-
NET ASSETS		<u>1,736</u>	<u>1,739</u>
CAPITAL AND RESERVES			
Called up share capital	8	40	40
Profit and Loss Account		1,696	1,699
TOTAL SHAREHOLDERS' FUNDS		<u>1,736</u>	<u>1,739</u>

The notes on pages 8 to 11 form part of these financial statements.

The financial statements of Charterhouse General Partners (VIII) Limited (registered number 02290328) were approved by the Board of Directors and authorised for issue on 17 July 2017. They were signed on its behalf by:



P N BURROW
Director

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity shareholders of the Company		
	Called up share capital £'000	Profit and Loss Account £'000	Total £'000
At 1 April 2015	40	1,599	1,639
Profit for the financial year	-	100	100
At 31 March 2016	40	1,699	1,739
Loss for the financial year	-	(3)	(3)
At 31 March 2017	40	1,696	1,736

The notes on pages 8 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2017

1 ACCOUNTING POLICIES

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

Company information

Charterhouse General Partners (VIII) Limited is a private limited company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"), as issued by the Financial Reporting Council.

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported for asset and liabilities as at the Balance Sheet date and the amounts reported for revenue and expenses during the year. 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 associated 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 the current and future periods.

The functional currency of the Company is Sterling.

The Company 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. Exemptions have been taken in relation to presentation of a cash flow statement and from disclosing transactions with other wholly-owned companies within the same Group.

Going concern

The Company has sufficient financial resources and, as a consequence, the Directors believe that the Company is well placed to manage its business risk. With this in mind and having made all reasonable enquiries and having respect to the nature of the Company and its activities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis in preparing financial statements.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the Profit and Loss Account in the period in which they arise.

Limited partnerships under management

The Company is the General Partner of certain limited partnerships (the "Funds") which invest in, primarily, unlisted companies in the UK and Europe. Due to the nature of limited partnerships, the Funds could technically be considered as subsidiary undertakings of the General Partner. However, as the distribution of the assets of the Funds is determined by the limited partnership agreements, the General Partner's rights over the assets of the Funds are severely restricted and therefore the Funds have been excluded from consolidation.

In addition, the General Partner controls certain investments of the Funds which are excluded from consolidation as the General Partner's control is exercised only on behalf of the investors in the Funds in a fiduciary capacity.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2017 (continued)

1 ACCOUNTING POLICIES (continued)

Financial assets and liabilities

Financial assets and liabilities which are basic financial instruments are initially recorded at the transaction price. Subsequently, these are re-measured at amortised cost using the effective interest method. Financial assets and liabilities that are classified as receivable or payable within one year are not discounted.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Turnover

The Company receives management profit shares from the Funds which are accounted for on an accruals basis. All turnover is derived from the United Kingdom.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) 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 to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2 TURNOVER

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Fees receivable in respect of management profit share	-	4,375

3 ADMINISTRATIVE EXPENSES

The auditor's remuneration of £4,500 (2016 £8,700) has been borne by a fellow subsidiary undertaking.

The Company had no employees during the financial year (2016 none).

4 DIRECTORS' EMOLUMENTS

The Directors do not receive any remuneration for their services to the Company and have not waived any remuneration (2016 £nil).

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2017 (continued)

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of the tax (charge)/credit in the year

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Current tax:		
UK corporation tax credit on the profit for the year	-	78
Adjustment in respect of prior periods	(25)	-
Total current tax credit	(25)	78
Deferred tax:		
Other timing differences	(6)	-
Adjustment in respect of prior periods	28	-
Total deferred tax credit	22	-
Total tax (charge)/credit on profit on ordinary activities	(3)	78

b) Factors affecting the tax (charge)/credit for the year

The tax assessed on the profit on ordinary activities differs from the standard rate of corporation tax in the UK of 20.0% (2016 20.0%). The differences are reconciled below:

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Profit on ordinary activities before taxation	-	22
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.0% (2016 20.0%)	-	(4)
Effects of:		
Accounting allocation of profits (less)/more than tax allocation	(6)	823
Tax losses	-	(741)
Adjustments in respect of prior periods	3	-
Total tax (charge)/credit for the year	(3)	78

6 DEBTORS

	31 March 2017 £'000	31 March 2016 £'000
Amounts falling due within one year:		
- Amounts due from fellow subsidiary undertakings	1,709	1,656
- Group relief debtor	-	78
	1,709	1,734

The amounts due from fellow subsidiary undertakings are interest free and at call.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2017 (continued)

7 DEFERRED TAXATION

	31 March 2017 £'000	31 March 2016 £'000
Other timing differences	22	-
	<u>22</u>	<u>-</u>

The deferred tax asset arises on the FRS 102 adjustments which is expected to reverse in future years. A potential deferred tax asset on surplus tax losses of £12,013,000 (2016 £ 12,012,000) has not been recognised at the Balance Sheet date.

8 SHARE CAPITAL

	31 March 2017 £'000	31 March 2016 £'000
Authorised		
250,000 Ordinary shares of £1 each	250	250
Allotted, called up and fully paid		
40,000 Ordinary shares of £1 each	40	40

9 POST BALANCE SHEET EVENT

On 21 June 2017, the Directors declared and approved the payment of an interim dividend to the equity shareholders of £1,500,000 (£37.50 per Ordinary share).

10 RELATED PARTY TRANSACTIONS

As at 31 March 2017, the Company acted as the General Partner to the following limited partnerships:

- CCP VIII LP No. 1.1
- CCP VIII LP No. 1.2
- CCP VIII LP No. 2.1
- CCP VIII LP No. 2.2
- CCP VIII Co-investment LP

These limited partnerships are considered to be related parties by virtue of the control exercised by the General Partner over the management of the limited partnerships.

Under the terms of FRS 102 the Company, which is a wholly-owned subsidiary, is exempt from disclosing transactions with other wholly-owned companies within the same Group.

11 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking and ultimate controlling party is Watling Street Capital Partners LLP, which is registered in England and Wales.

The ultimate parent undertaking of the smallest and largest group in which the financial statements of the Company are consolidated is Watling Street Capital Partners LLP.

The consolidated financial statements of Watling Street Capital Partners LLP may be obtained from the Company Secretary, Warwick Court, Paternoster Square, London EC4M 7DX.