

South East Growth Fund Managers Limited

Report and Financial Statements

Year Ended 31 March 2015

Company Number 3963896

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South East Growth Fund Managers Limited

**Report and financial statements
for the year ended 31 March 2015**

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Directors

I M Booth
P Daffern
J L Gould
D King

Registered office

108 Richmond Road, Solihull, West Midlands, B92 7RY

Company number

3963896

South East Growth Fund Managers Limited

Report of the directors for the year ended 31 March 2015

The directors present their report together with the unaudited financial statements for the year ended 31 March 2015

Principal activities

The company has been dormant throughout the year, having ceased trading on 31 March 2014

Directors

The directors, all of whom served throughout the year, were

I M Booth
P Daffern
J L Gould
D King

Directors' responsibilities

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 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 accounting estimates that are reasonable and prudent,
- 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.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board



P Daffern
Director

11 September 2015

South East Growth Fund Managers Limited

Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Operating income	2	-	1,000
Operating expenses	3	-	1
Profit on ordinary activities before and after taxation for the financial year		-	999

All amounts relate to discontinued activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

There are no movements in shareholders' funds in the current or prior year apart from the result for the year

The notes on pages 4 and 5 form part of these financial statements

South East Growth Fund Managers Limited

Balance sheet at 31 March 2015

Company number 3963896	Note	2015 £	2014 £
Current Assets			
Cash at bank and in hand		2,218	2,218
		<hr/>	<hr/>
Net assets		2,218	2,218
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	5	2	2
Profit and loss account		2,216	2,216
		<hr/>	<hr/>
Shareholders' funds		2,218	2,218
		<hr/>	<hr/>

The financial statements were approved by the board of directors and authorised for issue on 11 September 2015

- a) For the year ended 31 March 2015 the company was entitled to exemption from audit under Section 480 of the Companies Act 2006 relating to dormant companies
- b) Directors' responsibilities
- Members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006 and,
 - The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime



I M Booth
Director

The notes on pages 4 and 5 form part of these financial statements

South East Growth Fund Managers Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Operating income

Operating income comprises fees from fund management activities. Operating income is recognised on an accruals basis.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a small company under the Companies Act 2006.

Related party transactions

The company is a wholly owned member of the WME Group Limited group and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with WME Group Limited or other wholly owned subsidiaries within the group.

2 Operating income

	2015 £	2014 £
Fund management fees	1,000	1,000

3 Operating expenses

	2015 £	2014 £
Bank charges	-	1

There were no employees during either year.

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

South East Growth Fund Managers Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 *(continued)*

4 Taxation on profit on ordinary activities

There is no tax assessed for the year. The tax assessed for the previous year is lower than the standard rate of corporation tax in the UK applied to profit before tax.

	2015 £	2014 £
Profit on ordinary activities before tax	-	999
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 – 23%)	-	230
Effect of Group relief claimed	-	(230)
Current tax charge for the year	-	-

5 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1.00 each	2	2

6 Ultimate parent company

The company's ultimate parent company and ultimate controlling party is WME Group Limited, a company registered in England and Wales. Copies of the ultimate parent's financial statements may be obtained from 108 Richmond Road, Solihull, West Midlands, B92 7RY.

Partnership number: LP008277

SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**THE MANAGER, GENERAL PARTNER AND PROFESSIONAL ADVISERS AS AT 31
DECEMBER 2014**

MANAGER

West Midlands Enterprise Limited

GENERAL PARTNER

South East Growth Fund Managers Limited

DIRECTORS OF GENERAL PARTNER

I M Booth
P Daffern
J L Gould
D King

REGISTERED OFFICE

108 Richmond Road
Sothull
West Midlands
B92 7RY

AUDITORS

BDO LLP
125 Colmore Row
Birmingham
B3 3SD

SOLICITORS

Eversheds LLP
1 Wood Street
London EC2V 7WS

DMH Stallard LLP
6 New Street Square
New Fetter Lane
London
EC4A 3BF

BANKERS

Barclays Bank plc
Apex Plaza
Forbury Road
Reading
RG1 1AX

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

REPORT OF THE DIRECTORS OF THE GENERAL PARTNER

The directors of the General Partner present their report together with the audited financial statements of the Partnership for the year ended 31 December 2014.

Partnership's Principal Activity

The principal activity of the Partnership is to make and subsequently profitably realise investments by way of equity or equity related instruments in small and medium sized enterprises that are either headquartered in any of the counties of Berkshire, Buckinghamshire, East Sussex, Hampshire, Isle of Wight, Kent, Oxfordshire, Surrey or West Sussex or which conduct a material part of their business in one or more of these counties.

Auditors

BDO LLP have expressed their willingness to continue in office

Directors of the General Partner

The directors, all of whom served throughout the year, were Mr I M Booth, Mr P Daffern, Mr J L Gould and Mr D King

Statement of General Partner's Responsibilities

The General Partner has the overall responsibility for the supervision of the business management functions carried out by the Manager. The General Partner is required to ensure that the Manager acts in the best interests of the Partnership and performs its obligations under the Management Agreements and the Limited Partnership Agreement.

Company law requires the directors of the General Partner to prepare financial statements of the Partnership 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 and the provisions applicable to entities subject to the small companies regime. 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 Partnership and of the profit or loss of the Partnership 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
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REPORT OF THE DIRECTORS OF THE GENERAL PARTNER (CONTINUED)

Small Companies Regime

The Partnership is classified as a "qualifying partnership" per The Partnerships (Accounts) Regulations 2008, as amended by The Companies and Partnerships (Accounts and Audit) Regulations 2013, because its general partner is a limited company. Consequently, the accounts of the Partnership now have to be prepared as if the Partnership were a company. The Partnership satisfies the size criteria of a small company and therefore these financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime

In preparing this Director's report advantage has been taken of the small companies' exemption.

By order of the board



**P Daffern
Director
South East Growth Fund Managers Limited.
28 April 2015**

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF SOUTH EAST GROWTH FUND
LIMITED PARTNERSHIP**

We have audited the financial statements of South East Growth Fund Limited Partnership for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. 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).

This report is made solely to the limited partnership's members, as a body, in accordance with the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the limited partnership'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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the statement of General Partner's responsibilities, the General Partner is 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2014 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 Partnerships (Accounts) Regulations 2008

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
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**INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF SOUTH EAST GROWTH FUND
LIMITED PARTNERSHIP (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 as applied to partnerships 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;
- we have not received all the information and explanations we require for our audit, or
- the General Partner was not entitled to prepare financial statements in accordance with the small companies' regime



BDO LLP
Chartered Accountants
125 Colmore Row, Birmingham
United Kingdom

28 April 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014	2013
		£	£
Operating income			
Interest receivable		1,469	3,249
Dividends		-	17,125
Loan stock interest		46,981	40,484
		<u>48,450</u>	<u>60,858</u>
Net operating expenses			
Exceptional credit		(26,970)	-
Manager's fee		548,988	634,856
Bank charges & interest		125	(4,704)
Audit fees		7,031	4,500
Other professional fees		11,653	28,667
Investment provisions		1,901,681	583,043
		<u>2,442,508</u>	<u>1,246,362</u>
Operating loss		(2,394,058)	(1,185,504)
Profit on investment realisation		548,269	482,902
		<u></u>	<u></u>
Loss on ordinary activities before and after taxation	7	(1,845,789)	(702,602)
Allocation to:			
Founder Partner		-	-
General Partner		-	-
Special Limited Partner		-	-
Ordinary Limited Partners		(1,845,789)	(702,602)
		<u>(1,845,789)</u>	<u>(702,602)</u>

All results shown in the Profit and Loss Account are from continuing operations.

The Partnership had no realised gains or losses other than those disclosed in the Profit and Loss Account. In 2014 there was no material difference between historical profit and loss and the result reported. The 2013 historical cost loss on ordinary activities was £431,373.

The notes on pages 11 to 18 form part of these Financial Statements.

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Loss for the financial year	(1,845,789)	(702,602)
Unrealised (deficit) / surplus on revaluation of investments	(1,061,882)	2,321,019
Total recognised (losses) / gains for the financial year	<u>(2,907,671)</u>	<u>1,618,417</u>

The notes on pages 11 to 18 form part of these Financial Statements.

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

BALANCE SHEET

AS AT 31 DECEMBER 2014

Partnership number: LP008277

	Notes	2014 £	2013 £
Fixed Asset			
Investments	4	22,597,323	25,257,801
Current assets			
Debtors	5	144,220	115,644
Cash at bank and in hand		16,635	451,309
		<u>160,855</u>	<u>566,953</u>
Current liabilities			
Creditors: Amounts falling due within one year	6	(216,886)	(375,791)
Net current (liabilities)/assets		<u>(56,031)</u>	<u>191,162</u>
Total net assets		<u>22,541,292</u>	<u>25,448,963</u>
Represented by liabilities as follows:	7		
Capital and Loan account		22,846,333	22,846,333
Revaluation Reserve		17,005,666	18,067,548
Profit & Loss account		(17,310,707)	(15,464,918)
Partners' Funds		<u>22,541,292</u>	<u>25,448,963</u>

The directors of the General Partner acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

These financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime.

The Financial Statements on pages 7 to 18 were approved by the board of directors of the General Partner and authorised for issue on 28 April 2015.



I M BOOTH
Director of South East Growth Fund Managers Limited

The notes on pages 11 to 18 form part of these Financial Statements.

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014	2013
		£	£
Net cash outflow from operating activities	9	(679,858)	(528,723)
Capital expenditure and financial investment			
Purchase of fixed asset investments		(351,451)	(460,478)
Redemption of loan notes		169,282	155,000
Sale of shares (including deferred consideration)		427,353	977,551
Net cash (outflow) / inflow before management of liquid resources		(434,674)	143,350
Financing			
Distribution to partners		-	(495,000)
Decrease in cash		(434,674)	(351,650)

The notes on pages 11 to 18 form part of these Financial Statements.

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2014**

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and are in accordance with applicable accounting standards and The Partnership (Accounts) Regulations 2008. Financial statement disclosures are accordance with the provisions applicable to entities subject to the small companies' regime.

The following principal accounting policies have been applied

Going concern

The Partnership was established with an initial life of ten years. However, in accordance with the provisions of the LPA, the life of the Fund was extended for two years from the tenth anniversary of the Initial Closing Date in order to allow a more orderly and profitable realisation of the remaining investee companies. The life of the Fund has now been further extended to 22 July 2016. Notwithstanding the limited life of the Partnership, the financial statements have been prepared on the going concern basis

Consolidated financial statements

The financial statements contain information about the South East Growth Fund Limited Partnership as an individual entity and do not contain consolidated financial information as the parent of a group. The Partnership has taken advantage of the small companies' exemption not to produce consolidated financial statements

Investments

Investments made by the Partnership are held as fixed assets and have been included in the Financial Statements at a value arrived at in accordance with International Private Equity and Venture Capital valuation guidelines. As such, each portfolio company investment is initially carried at cost but with adjustments subsequently made both to reflect the price at which any meaningful third party transactions in the equity of that portfolio company has taken place and the Manager's fair view of the value of the investment. In arriving at its valuation of individual investments, the Manager takes account of the trading results of the investee company, as shown in its latest audited accounts and latest management accounts, as well as other management information provided by the investee company and market data. Where impairment has occurred, the carrying value of the investment is reduced by the estimated extent of the impairment.

In the case of investee companies that have listed on a recognised stock exchange, the Fund's investment is valued at the closing bid price on the balance sheet date, discounted by an amount to reflect any formal restrictions on trading in the relevant securities and, where appropriate, discounted to reflect that the holding may not be able to be sold immediately.

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
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FOR THE YEAR ENDED 31 DECEMBER 2014**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2014 (CONTINUED)**

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Notwithstanding the above stated basis of valuation, the proceeds from the eventual realisation of individual investments and of the portfolio as a whole will inevitably differ from the stated valuation. The differences may be significant

Unrealised gains on the revaluation of investments are included in the revaluation reserve. Realised gains and losses and provisions are included in the profit and loss account

Operating income

Bank interest, Treasury interest and loan stock interest is accounted for on an accruals basis. Other income, including all dividend income is accounted for on a cash basis

Partners' Capital

The General Partner considers that the substance of the contractual arrangements defining the Limited Partners' accounts constitute liabilities and are accordingly classified.

Cash and liquid resources

Cash balances comprise cash on hand and on-demand deposits. Liquid resources are short term investments which are readily convertible into known amounts of cash.

2. TAXATION

The Limited Partnership is not itself subject to income tax, corporation tax or capital gains tax in England.

3. DIRECTORS' REMUNERATION

None of the directors of the General Partner received any emoluments from the General Partner or the Partnership in respect of their services to the General Partner or the Partnership during either year

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

4. FIXED ASSET INVESTMENTS

	Equity Investments £	Loans £	Total £
<i>Cost or valuation</i>			
At 1 January 2014	28,662,957	1,569,491	30,232,448
Additions	351,451	-	351,451
Revaluation	(661,882)	-	(661,882)
Disposals	(400,000)	(48,366)	(448,366)
At 31 December 2014	27,952,526	1,521,125	29,473,651
<i>Provisions</i>			
At 1 January 2014	4,652,897	321,750	4,974,647
Provided for the year	1,901,681	-	1,901,681
Disposals	-	-	-
At 31 December 2014	6,554,578	321,750	6,876,328
<i>Net book value</i>			
At 31 December 2014	21,397,948	1,199,375	22,597,323
At 31 December 2013	24,010,060	1,247,741	25,257,801

The historical cost of fixed asset investments is £12,467,985 (2013: £12,164,900).

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

4. FIXED ASSET INVESTMENTS (CONTINUED)

The principal undertakings in which the Partnership's interest at the year-end is 20% or more are as follows.

	Year end	Class of share capital held	Proportion of class of share capital held
Abbots 354 Limited	30 April	"A" Ordinary shares of £1 each	100%
Anaxsys Technology Limited	31 January	"A" Ordinary shares of £43.74 each "B" Ordinary shares of £503.82 each Ordinary shares of 10p each	100% 35% 34%
Exam on Demand Limited *	31 August	"A" Ordinary shares of £1 each Deferred shares of £1	100% 78%
Five Star Fabrics Limited	31 December	"A" Ordinary shares of £1 each "A" Preference shares of £1 each	100% 100%
Imagineer Limited	31 July	"B" Ordinary shares of £1 each "C" Ordinary shares of £1 each	1% 34%
Jumbuck's Franchising UK Limited	31 March	"A" Ordinary shares of £1 each Ordinary shares of 1p each	100% 9%
Oxford BioTherapeutics Limited	31 December	"A" Ordinary shares of £1.57 each "C" Ordinary shares of 1p each Ordinary shares of 1p each Preference shares of £1 each	100% 35% 11% 100%
Responsible Travel.com Limited	31 December	"A" Ordinary shares of £1 each Ordinary shares of 1p each	100% 12.6%
Thames Cryogenics Limited *	31 May	"A" Ordinary shares of £1 each Ordinary shares of £1 each	100% 50%

*Subsidiary companies.

All of the above companies were incorporated in England and Wales

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

4. FIXED ASSET INVESTMENTS (CONTINUED)

The following figures have been extracted from audited or unaudited financial statements, or unaudited management accounts, for the companies latest year ends.

	Aggregate share capital and reserves		Profit / (loss) for the year	
	2014 £	2013 £	2014 £	2013 £
Abbots 354 Limited	(228,805)	(212,694)	(16,111)	27,041
Anaxsys Technology Limited	108,004	76,536	(624,563)	(930,766)
Exam on Demand Limited **		(56,768)		26,036
Five Star Fabrics Limited	6,401	36,289	(29,888)	18,429
Imagineer Limited	(422,780)	(961,050)	538,290	125,790
Jumbuck's Franchising UK Limited ***				
Oxford BioTherapeutics Limited	693,072	(9,552,155)	10,233,786	(1,620,591)
Responsible Travel.com Limited	193,007	185,779	7,228	30,727
Thames Cryogenics Limited	32,873	219,595	(184,272)	(31,759)

** The company has ceased operations, hence no accounts are available for 2014

*** The company is in the process of being struck off. No recent financial information has been produced.

5. DEBTORS

	2014 £	2013 £
Accrued bank interest	6	197
Accrued loan stock interest	144,214	115,447
	<u>144,220</u>	<u>115,644</u>

All amounts shown under debtors fall due for payment within one year

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Accruals	216,886	375,791
	<u>216,886</u>	<u>375,791</u>

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

7. CAPITAL AND RESERVES

	At 1 January 2014 £	Movement £	At 31 December 2014 £
Partners' capital account			
Capital/Loan Contributions	23,506,333	-	23,506,333
Distributions	(660,000)	-	(660,000)
Revaluation reserve	18,067,548	(1,061,882)	17,005,666
Partners' current account			
Profit and loss account	(15,464,918)	(1,845,789)	(17,310,707)
Total	25,448,963	(2,907,671)	22,541,292

8. CAPITAL CONTRIBUTIONS AND REPAYMENTS

There were no capital contributions made during the year (2013: £nil) and no distributions made during the year (2013: £495,000).

9. RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Loss on operating activities	(2,394,058)	(1,185,504)
Movement in investment provision	1,901,681	583,043
Movement in prepayments and accrued income	(28,576)	(1,541)
Movement in creditors and accruals	(158,905)	75,279
Net cash outflow from operating activities	(679,858)	(528,723)

10. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014 £	2013 £
Decrease in cash	(434,674)	(351,650)
Movement in net funds	(434,674)	(351,650)
Opening net funds	451,309	802,959
Closing net funds	16,635	451,309

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

11. ANALYSIS OF NET (DEBT) / FUNDS

	At 1 January 2014 £	Cash flow £	At 31 December 2014 £
Cash	451,309	(434,674)	16,635
Total	451,309	(434,674)	16,635

12. TRANSACTIONS WITH RELATED PARTIES

West Midlands Enterprise Limited

Manager's fees of £548,988 (2013: £633,856) were charged to the Partnership by West Midlands Enterprise Limited, the holding company of the General Partner, South East Growth Fund Managers Limited. These fees are payable in accordance with the provisions of the Limited Partnership Agreement establishing the Partnership, as amended by the deed of consent and amendment executed in December 2014. No fee (2013: £1,000) was paid by the Partnership to the General Partner.

In addition, the Manager, West Midlands Enterprise Limited, is entitled to charge arrangement fees and monitoring fees to investee companies of the Partnership. Arrangement fees may not exceed 2% of the sum being invested by the Partnership at the time of investment. Total transaction fees charged to any portfolio company may not exceed £5,000 plus 2% of the aggregate amount invested in that company, per annum.

In the year, West Midlands Enterprise Limited charged the following arrangement, monitoring and directors fees, all of which were charged within the limits set out above

	2014 £	2013 £
Arrangement fees	-	-
Monitoring fees	78,091	68,106
Directors Fees	6,375	6,375

As a consequence of West Midlands Enterprise Limited being able to charge arrangement fees, it assumes responsibility for any abort costs incurred in relation to investments that do not complete. Such abort costs would otherwise be borne by the Partnership. Abort costs paid during the year were £nil (2013: £nil)

No other payments were made by the Partnership, in the year to 31 December 2014, to either the Manager or to any member of the Manager's Group.

**SOUTH EAST GROWTH FUND LIMITED PARTNERSHIP
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

12. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

West Midlands Enterprise (continued)

At 31 December 2014 the Partnership owed West Midlands Enterprise £209,934 (2013: £316,425) and this amount was included within accruals

At 31 December 2014, West Midlands Enterprise Limited's shareholding was 0.04% (2013: 0.05%) of the total share capital of MirriAd Limited

At 31 December 2014, West Midlands Enterprise Limited's shareholding was 0.11% (2013: 0.31%) of the total share capital of Anaxsys Technology Limited.

Investment Executives

An investment executive acquired shares in investee companies during 2011 and 2012. Jason Gould holds 0.44% (2013: 0.44%) of the share capital of Oxford BioTherapeutics Limited and 0.17% (2013: 0.50%) of the share capital of Anaxsys Technology Limited. All these shares were acquired on the same terms as the Fund acquired its shares.

13. CAPITAL COMMITMENTS

The Fund had capital commitments of £nil (2013: £nil) at the year end.

14. ULTIMATE PARENT ENTITY

The Partnership did not have a parent entity at 31 December 2014.