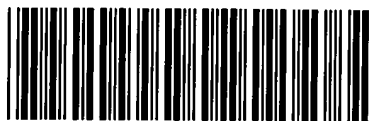


Company Registration No. 05962074 (England and Wales)

MILESTONE CAPITAL HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

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MILESTONE CAPITAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	C W Robinson E R M Rinner
Company number	05962074
Registered office	6th Floor 25 Farringdon Street London EC4A 4AB
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London United Kingdom EC4A 4AB

MILESTONE CAPITAL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company is to act as a holding company. The principal activity of the company's subsidiaries is the provision of advisory services in connection with private equity investments in management buy-outs, buy-ins and other venture capital investments.

The company's overall performance is measured by profitability and the loss before tax for the year was £36,194 (2015: £18,565). Details of the results for the year are set out on page 5. The directors have not accrued a dividend for the year (2015: £nil).

The risks and uncertainties faced by the company are those inherent within the private equity industry and are outlined further, along with the other risks and uncertainties faced by the Milestone Group, in the Member's Report prepared by Milestone Capital Partners LLP, the company's ultimate parent undertaking. Consolidated financial statements can be obtained from the address on page 14.

During the year the subsidiary EAC (Scotland) (XL3) Limited was placed into members voluntary liquidation on 2 November 2016. The directors are planning to dispose of EAC (Scotland) (GP3) Limited, a subsidiary company, during 2017.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C W Robinson
E R M Rinner

Post reporting date events

No important events affecting the Company have occurred since the end of the financial year.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board


C W Robinson
Director

24/4/17

MILESTONE CAPITAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 MILESTONE CAPITAL HOLDINGS LIMITED

Opinion on financial statements

We have audited the financial statements on pages 5 to 14. 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure within note 1 on page 9 concerning the company's ability to continue as a going concern.

There is the possibility that the remaining unlisted investments, held by group entities, will be sold within 12 months of the signing of the financial statements. At this stage, the group, including the company, would wind down its activities and then cease trading.

These conditions explained in note 1 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern for a period of more than 12 months from the date of the signing of the financial statements. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the Directors' Report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILESTONE CAPITAL HOLDINGS LIMITED (CONTINUED)

Respective responsibilities of directors and auditor

As more fully explained 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.

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.

David Fenton 26/4/2017

David Fenton (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom
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MILESTONE CAPITAL HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Notes	£	£
Administrative expenses		(9,881)	(18,565)
Other gains and losses	5	(26,313)	-
Loss before taxation		(36,194)	(18,565)
Taxation	6	-	-
Loss for the financial year	11	(36,194)	(18,565)

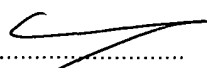
The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

MILESTONE CAPITAL HOLDINGS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	7	2,292,745		2,319,058	
Creditors: amounts falling due within one year	9	(2,431,566)		(2,421,685)	
Net current liabilities		(2,431,566)		(2,421,685)	
Total assets less current liabilities		(138,821)		(102,627)	
Capital and reserves					
Called up share capital	10	200		200	
Share premium account	11	313,800		313,800	
Profit and loss reserves	11	(452,821)		(416,627)	
Total equity		(138,821)		(102,627)	

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

The financial statements were approved by the board of directors and authorised for issue on 24/4/2017 and are signed on its behalf by:


C W Robinson
Director

MILESTONE CAPITAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2015	200	313,800	(398,062)	(84,062)
Year ended 31 December 2015:				
Loss and total comprehensive income for the year	-	-	(18,565)	(18,565)
Balance at 31 December 2015	200	313,800	(416,627)	(102,627)
Year ended 31 December 2016:				
Loss and total comprehensive income for the year	-	-	(36,194)	(36,194)
Balance at 31 December 2016	200	313,800	(452,821)	(138,821)

MILESTONE CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Milestone Capital Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, 25 Farringdon Street, London, EC4A 4AB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Group accounts exemption

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Milestone Capital Holdings Limited is a wholly owned subsidiary of Milestone Capital Partners LLP and the results of Milestone Capital Holdings Limited are included in the consolidated financial statements of Milestone Capital Partners LLP which are available from the address shown on page 13.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

MILESTONE CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Going concern

The directors note that the company has net liabilities. As a result, the directors have sought comfort from the members of the ultimate parent undertaking, Milestone Capital Partners LLP, that the parent will continue to support the company and provide financial assistance where necessary to allow the company to meet its liabilities as and when they fall due.

There is the possibility that the remaining unlisted investments, held by group entities, will be sold within 12 months of the signing of the financial statements. At this stage, those entities would cease trading and the remaining entities within the group headed by the ultimate parent undertaking, Milestone Capital Partners LLP, including the company, will wind down their activities and then cease trading.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern for a period of more than 12 months from the date of the signing of the financial statements. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

MILESTONE CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Recoverability of investments

Investments in subsidiaries are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions on recoverability.

3 Directors' remuneration and employees

The directors did not receive any remuneration from the company during the year (2015: £nil). There were no employees during the year (2015: nil).

MILESTONE CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	2,560	2,500
For other services		
Taxation compliance services	3,683	2,500
All other non-audit services	3,625	3,500
	7,308	6,000

5 Other gains and losses

	2016 £	2015 £
Other gains and losses	(26,313)	-

During the year, the company filed for a special resolution to wind up its subsidiary EAC (Scotland) (XL3) limited. At the balance sheet date the investment in EAC (Scotland) (XL3) Limited was impaired to £nil by virtue of the subsidiary having £nil net assets at the 31 December 2016.

MILESTONE CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Taxation

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Loss before taxation	(36,194)	(18,565)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(7,239)	(3,759)
Tax effect of expenses that are not deductible in determining taxable profit	5,263	2,035
Group relief	-	1,724
Deferred tax not recognised	1,680	-
Adjust deferred tax to average rate	296	-
Tax expense for the year	-	-

There is a tax loss of £1,680 available (2015: £nil). A deferred tax asset has not been provided for as the company is unlikely to receive income and make profits in the foreseeable future.

7 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	8	2,292,745	2,319,058

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016 & 31 December 2016	3,201,080
Impairment	
At 1 January 2016	882,022
Impairment losses	26,313
At 31 December 2016	908,335
Carrying amount	
At 31 December 2016	2,292,745
At 31 December 2015	2,319,058

MILESTONE CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
EAC Holdings Limited	England and Wales	Dormant Holding Company	Ordinary shares	100.00	
Milestone GP Limited	England and Wales	General Partner (1)	Ordinary shares	100.00	
Milestone (Scotland) GP Limited	Scotland	General Partner (2)	Ordinary shares	100.00	
Milestone Capital Services Limited	England and Wales	Group Service Company	Ordinary shares	100.00	
EAC (Scotland) (GP3) Limited	Scotland	General and Managing Limited Partner (3)	Ordinary shares	100.00	
EAC (Scotland) (XL3) Limited	Scotland	General Partner (4) (In liquidation)	Ordinary shares	100.00	
EAC German GP GmbH Germany General	Germany	General Partner (5)	Ordinary shares	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
EAC Holdings Limited	-	1,434,983
Milestone GP Limited	18,233	17,313
Milestone (Scotland) GP Limited	(17,399)	178,238
Milestone Capital Services Limited	10,465	1,273,893
EAC (Scotland) (GP3) Limited	609	154,762
EAC (Scotland) (XL3) Limited	(23,513)	1
EAC German GP GmbH Germany General	(2,041)	(24,943)

Milestone Capital Holdings Limited owns 100% of the Ordinary Share Capital of all subsidiaries. The investments of £2,292,745 (2015: £2,319,058) comprise shares in group companies at cost less any provision for permanent impairment. The company's subsidiaries all of which are included within the group consolidation (see note 12) are as follows:

- (1) General Partner of Milestone Parallel 2010 Limited Partnership and Milestone 2012 Limited Partnership
- (2) General Partner of Milestone Carried Interest Limited Partnership
- (3) General Partner of EAC Fund III Limited Partnership and the Managing Limited Partner of EAC Fund III GmbH & Co. Beteiligungs KG
- (4) General Partner of EAC Fund III (Scotland) Limited Partnership
- (5) General Partner of EAC Fund III GmbH & Co. Beteiligungs KG

EAC (Scotland) (XL3) Limited is in liquidation at the balance sheet date. The directors entered a special resolution in members voluntary liquidation on 2 November 2016 and the company has £nil net assets at 31 December 2016.

MILESTONE CAPITAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts due to group undertakings	2,423,306	2,413,172
Accruals and deferred income	8,260	8,513
	<u>2,431,566</u>	<u>2,421,685</u>

10 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
200 Ordinary of £1 each	200	200

Each ordinary share carries one vote in general meetings and entitles the holder to participate in dividends should there be sufficient profits. They do not confer any rights of redemption.

11 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions.

12 Controlling party

The company is a wholly owned subsidiary of Milestone Capital Partners LLP, a LLP registered in England and Wales, which prepares group financial statements is incorporated in England and Wales.

Copies of these consolidated financial statements can be obtained from Milestone Capital Partners LLP, c/o RSM UK Tax and Accounting Limited, 25 Farringdon Street, London, EC4A 4AB.