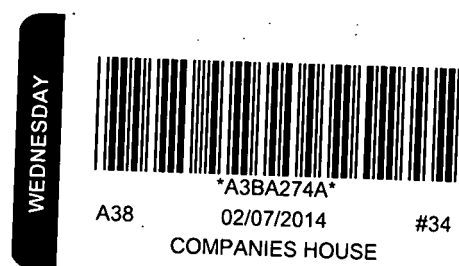


MILESTONE CAPITAL HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013



milestone
capital

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REPORT OF THE DIRECTORS

The directors present their Annual Report and Audited Financial Statements for the year ended 31 December 2013.

Principal activities, business review and results

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 £170,525 (2012: £5,243). Details of the results for the year are set out on page 6. The directors have not accrued a dividend for the year (2012: £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 12.

During the year the company acquired four other Milestone group subsidiaries from its subsidiary EAC Group Limited. Details of the acquisitions can be found in note 4 on page 10.

The directors intend that the company will continue as a holding company to the group.

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

Directors, members and their interests

The directors of the company during the year, none of which had any interest in the shares of the company, were as follows:

C.W. Robinson
E.R.M. Rinner

The members who served Milestone Capital Partners LLP, the ultimate parent undertaking, throughout the period were as follows:

C.W. Robinson
E.R.M. Rinner
P.R. Conboy

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year.

REPORT OF THE DIRECTORS continued

Statement of 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 laws). 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 and 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;
- 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.

The directors confirm that:

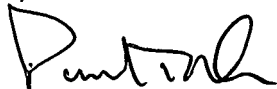
- in so far as each of the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

By order of the Board



P.W. Dickson
Company Secretary
7 May 2014

Registered Office:
3rd Floor, 14 Floral Street
London WC2E 9DH

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MILESTONE CAPITAL HOLDINGS LIMITED

We have audited the financial statements of Milestone Capital Holdings Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet 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 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 in the Directors' Report, 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 website 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 31 December 2013 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 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.



Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
7 May 2014

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2013

	Notes	2013 £	2012 £
Administrative expenses	2	(26,123)	(5,247)
Operating loss		(26,123)	(5,247)
Provision charged against group investments	4	(144,402)	4
Loss on ordinary activities before taxation		(170,525)	(5,243)
Taxation	3	759	-
Loss for the year		(169,766)	(5,243)

The results above were all derived from continuing activities.

The company has no recognised gains and losses other than those reported above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

The notes on pages 8 to 12 form part of these financial statements.

BALANCE SHEET
As at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments in subsidiary undertakings	4	3,056,678	1,136,004
Current assets			
Creditors: amounts falling due within one year	5	(3,008,592)	(918,152)
Net current liabilities		(3,008,592)	(918,152)
Net assets		48,086	217,852
Represented by			
Called-up share capital	6	200	200
Share premium account		313,800	313,800
Profit and loss account		(265,914)	(96,148)
Shareholders' funds	7	48,086	217,852

These financial statements were authorised and approved by the Board of Directors on 7 May 2014 and signed on its behalf by:



E.R.M. Rinner
 Director

The notes on pages 8 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

1. Accounting policies

The following principal 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 applicable accounting standards in the United Kingdom, under the historical cost convention and on a going concern basis.

Investments

Investments are stated at cost less any provision for permanent impairment.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences arising on the treatment of certain items for taxation and accounting purposes.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. The deferred tax balance has not been discounted.

2. Loss on ordinary activities before taxation

	2013 £	2012 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration for:		
- Audit of financial statements pursuant to legislation	2,000	3,140
- Other services relating to taxation	1,250	2,687

Information Regarding Directors and Employees

The directors did not receive any remuneration from the company during the year (2012: £nil). There were no employees during the year (2012: nil).

NOTES TO THE FINANCIAL STATEMENTS continued

3. Taxation

<i>Analysis of charge in the year</i>	2013 £	2012 £
Current tax:		
UK corporation tax on loss of the year	-	-
Adjustments in respect of previous years	-	-
Group relief	(759)	-
	<hr/>	<hr/>
Total current tax	(759)	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	(759)	-
	<hr/>	<hr/>
<i>Factors affecting the tax charge for the current year</i>	2013 £	2012 £
Loss on ordinary activities before tax	(170,525)	(5,243)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK 23.25% (2012: 24.5%)	(39,641)	(1,284)
<i>Effects of:</i>		
Tax losses utilised in the year	-	(3,064)
Expenses not deductible for tax purposes	38,882	(1)
Transfer of chargeable gain	-	4,349
	<hr/>	<hr/>
Current tax (credit) / charge for the period	(759)	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS continued

4. Investments

Investments in subsidiary undertakings

The investments of £3,201,080 (2012: £1,136,004) 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:

Name of Company	Nature of business	Incorporated
EAC Holdings Limited	Intermediate Holding Company	England and Wales
Milestone GP Limited	General Partner ⁽¹⁾	England and Wales
Milestone (Scotland) GP Limited	General Partner ⁽²⁾	Scotland
Milestone Capital Services Limited	Service Company ⁽³⁾	England and Wales
EAC (Scotland) (GP3) Limited	General Partner and Managing Limited Partner ⁽⁴⁾	Scotland
EAC Scotland (XL3) Limited	General Partner ⁽⁵⁾	Scotland
EAC German GP GmbH	General Partner ⁽⁶⁾	Germany
EAC Group Limited *	Intermediate Holding Company	Guernsey

Milestone Capital Holdings Limited owns 100% of the Ordinary Share Capital of all subsidiaries with the exception of EAC Group Limited, which is owned through the intermediate holding company, EAC Holdings Limited who owns 100% of its Ordinary Share Capital. During the year, subsidiaries Milestone Capital Services Limited, EAC (Scotland) (GP3) Limited, EAC Scotland (XL3) Limited and EAC German GP GmbH were acquired from EAC Group Limited at market value.

⁽¹⁾ General Partner of Milestone Parallel Private Equity Limited Partnership, Milestone Parallel 2008 Limited Partnership, Milestone Parallel 2010 Limited Partnership, Milestone Parallel 2012 A Limited Partnership, Milestone Parallel 2012 B Limited Partnership, Milestone 2007 Limited Partnership, Milestone 2008 Limited Partnership, Milestone 2010 Limited Partnership, Milestone 2011 Limited Partnership, Milestone 2012 Limited Partnership and Milestone Link Fund Limited Partnership

⁽²⁾ General Partner of Milestone Carried Interest Limited Partnership

⁽³⁾ Investment Manager from 1 January to 14 May 2008, Service Company from 15 May 2008 to 31 December 2013

⁽⁴⁾ General Partner of EAC Fund III Limited Partnership and the Managing Limited Partner of EAC Fund III GmbH & Co. Beteiligungs KG

⁽⁵⁾ General Partner of EAC Fund III (Scotland) Limited Partnership

⁽⁶⁾ General Partner of EAC Fund III GmbH & Co. Beteiligungs KG

NOTES TO THE FINANCIAL STATEMENTS continued

4. Investments continued

<i>Investments in subsidiary undertakings</i> continued	2013 £	2012 £
<i>Cost</i>		
At 1 January	1,136,004	1,136,004
Additions	2,065,076	-
	<hr/>	<hr/>
At 31 December	3,201,080	1,136,004
	<hr/>	<hr/>
<i>Provision</i>		
At 1 January	-	4
Provision released in the year	144,402	(4)
	<hr/>	<hr/>
At 31 December	144,402	-
	<hr/>	<hr/>
<i>Net Book Value at 31 December</i>	3,056,678	1,136,004
	<hr/>	<hr/>

5. Creditors: amounts falling due within one year

	2013 £	2012 £
Amount owed to group companies	2,989,969	912,918
Accruals	18,623	5,234
	<hr/>	<hr/>
	3,008,592	918,152
	<hr/>	<hr/>

6. Called up share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
200 Ordinary shares of £1 each	200	200
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS continued

7. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Loss for the financial year	(169,766)	(5,243)
Opening shareholders' funds	217,852	223,095
	<hr/>	<hr/>
Shareholders' funds at 31 December	48,086	217,852
	<hr/>	<hr/>

8. Cash flow statement

Under FRS1 (revised) Cash Flow Statements, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary whose results are included in the publicly available consolidated financial statements of the ultimate parent undertaking (see note 11).

9. Related party transactions

Under FRS8 Related Party Transactions, the company is exempt from disclosing transactions with wholly owned subsidiaries within the group as it is also wholly owned by the group whose consolidated annual financial statements, which include the company's results, are publicly available (see note 11).

10. Commitments

There were no capital commitments at the end of the financial year (2012: £nil).

11. Ultimate parent undertaking

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

Copies of these consolidated financial statements can be obtained from Milestone Capital Partners LLP, 3rd Floor, 14 Floral Street, London WC2E 9DH.

12. Exemption from preparing group financial statements

The Company is exempt from the obligation, under section 400 of the Companies Act 2006, to prepare group financial statements and to deliver them to the Registrar of Companies on the grounds that the Company's results have been consolidated in the group financial statements of Milestone Capital Partners LLP, the ultimate parent undertaking. Consequently these financial statements present information about the company as an individual undertaking and not about its group.