

**MILESTONE CAPITAL PARTNERS LLP**  
**MEMBERS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2016**

milestone  
capital



Partnership number: OC330235

**MILESTONE CAPITAL PARTNERS LLP**

<b>Contents</b>	<b>Page</b>
Report of the members	1 - 2
<i>Independent auditor's report</i>	3 - 4
Consolidated statement of comprehensive income	5 - 6
Consolidated statement of financial position	7
Limited liability partnership statement of financial position	8
Consolidated cash flow statement	9
Reconciliation of members' interests	10 - 13
Notes to the financial statements	14 – 29

**MILESTONE CAPITAL PARTNERS LLP  
MEMBERS AND ADMINISTRATIVE INFORMATION**

**Designated members**

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

**Registered office**

c/o RSM UK Tax and Accounting Limited  
6th Floor  
25 Farringdon Street  
London  
EC4A 4AB

**Registered number**

OC330235

**Bankers**

Lloyds TSB  
1<sup>st</sup> Floor, 25 Gresham Street  
London  
EC2V 7HN

**Solicitors**

Travers Smith LLP  
10 Snow Hill  
London  
EC1A 2AL

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

## REPORT OF THE MEMBERS

The members present their report and the audited, consolidated financial statements for the year ended 31 December 2016.

### Principal group activities, business review and results

The principal activities of the LLP, and the Group, are the provision of management and advisory services in connection with private equity investments in management buy-outs, buy-ins and other venture capital investments.

The LLP also acts as a holding undertaking and is regulated by the Financial Conduct Authority ("FCA").

The Group's overall performance is measured by profitability and the loss before members' remuneration and profit and loss share for the year was £22,376 (2015: £194,167 profit). Details of the results for the year are set out on page 5.

The risks and uncertainties faced by the LLP are those inherent within the private equity industry. Specifically the board seeks to mitigate the following risks and uncertainties through its investment strategy.

- Income is mainly derived from (i) management fees charged to Private Equity Limited Partnerships in which the Group acts as the investment manager and (ii) transaction fees charged to investee companies. To ensure these fees are receivable for the life of the fund the basis for payment is contained within a legally binding partnership agreement.
- A key driver for the business is deal flow to enable future returns to the Group. To reduce the risk of any loss we undertake rigorous assessment of potential investments including understanding the business plan, evaluating information on the market place and competition, meeting management and commissioning external experts on appropriate areas of the business.

During the year the subsidiary EAC (Scotland) (XL3) Limited was placed into members voluntary liquidation on 2 November 2016. The members plan to put EAC (Scotland) (GP3) Limited, a subsidiary company, into liquidation during 2017. The subsidiary EAC Holdings Limited was dormant during the year. The Group will continue to provide management and advisory services in connection with private equity investments; however it has stopped making any new investment acquisitions.

### Designated members

The designated members who served the LLP during the year were as follows:

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

### Members' drawings and the subscription and repayment of members' capital

The LLP operates a drawings policy on account of current year's results, which has regard to forecast profits and restricts drawings to prudent levels until the results for the year and individual members' allocations have been determined. Drawings in respect of prior year allocations are available to members subject to sufficient cash being available to meet business needs.

## REPORT OF THE MEMBERS (CONTINUED)

### Members' drawings and the subscription and repayment of members' capital (continued)

Members' capital requirements are determined from time to time having regard to the requirements of the LLP. Members' capital is only repayable on (i) a member becoming a leaver provided that the remaining members agree to contribute an equal amount of capital (ii) the termination of the LLP and (iii) if the management committee so directs upon the LLP ceasing to be regulated by the FCA.

### Statement of members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the law the members 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 Group and LLP for that period. In preparing these financial statements, the members 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 group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors:

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

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

### Auditors

RSM UK Audit LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report has been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

### On behalf of the members

  
C.W. Robinson  
Designated Member

24/4/17

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MILESTONE CAPITAL PARTNERS LLP**

### **Opinion on financial statements**

We have audited the group and parent Limited Liability partnership's financial statements of Milestone Capital Partners LLP for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the limited liability partnership statement of financial position, the consolidated cash flow statement 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), including FRS 102 "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 group's and of the parent limited liability partnership's affairs as at 31 December 2016 and of the group's 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **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 of going concern policy on page 15 concerning the group and the parent limited liability partnership'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 would wind down its activity and then cease trading.

These conditions explained in the going concern policy on page 15 indicate the existence of a material uncertainty which may cast significant doubt about the group's and the parent limited liability partnership'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 the group or the parent limited liability partnership were 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 [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 applied to limited liability partnerships requires us to report to you if, in our opinion:

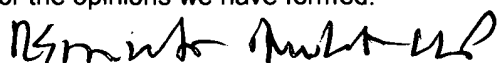
- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MILESTONE CAPITAL PARTNERS LLP (CONTINUED)**

**Respective responsibilities of members and auditor**

As explained more fully in the Members' Responsibilities Statement set out on page 2, the members 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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



26/12/2017

David Fenton (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2016 £	2015 £
<b>Turnover</b>	2	230,760	500,085
Provision for rationalisation costs	3	-	48,084
Other administrative expenses	4	(260,255)	(560,576)
Total administrative expenses		(260,255)	(512,492)
<b>Operating loss</b>		(29,495)	(12,407)
Net profit on realised and unrealised investments and tangible fixed assets	10	12,611	227,788
<b>(Loss)/ profit on ordinary activities before interest and taxation</b>		(16,884)	215,381
Interest receivable and similar income	6	479	579
Interest payable	7	-	(159)
<b>(Loss)/ profit on ordinary activities before taxation</b>		(16,405)	215,801
Tax on loss on ordinary activities in corporate subsidiaries	8	(5,971)	(21,634)
<b>(Loss)/ profit for the year before members' remuneration and profit shares</b>		(22,376)	194,167
<b>(Loss)/ profit for the year before members' remuneration and profit shares</b>		(22,376)	194,167
Members' remuneration charged as an expense	9	-	(4,078)
<b>Retained (loss)/ profit for the year available for discretionary division among members</b>		(22,376)	190,089

The notes on pages 14 to 29 form part of these financial statements

The loss for the year arises from the partnership's continuing operations



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)**

	2016 £	2015 £
<b>(Loss)/ profit for the financial year available for discretionary division among members</b>	<b>(22,376)</b>	<b>190,089</b>
<b>Other comprehensive income</b>		
Exchange translation differences	<b>105</b>	<b>8</b>
<b>Total comprehensive (loss)/ income for the year</b>	<b>(22,271)</b>	<b>190,097</b>

The notes on pages 14 to 29 form part of these financial statements.

The loss for the year arises from the partnership's continuing operations

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investments	10	182	183
		<u>182</u>	<u>183</u>
<b>Current assets</b>			
Debtors	11	48,322	115,392
Cash at bank and in hand		391,212	465,570
		<u>439,534</u>	<u>580,962</u>
<b>Creditors:</b> amounts falling due within one year	12	(168,952)	(287,817)
		<u>270,582</u>	<u>293,145</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		270,764	293,328
<b>Provisions for liabilities</b>	3	-	-
		<u>270,764</u>	<u>293,328</u>
<b>Net assets attributable to members</b>			
<b>Represented by</b>			
<b>Loans and other debts due to members within one year</b>		-	293
<b>Equity</b>			
Members' capital classified as equity		402,545	402,545
Members' other interests – other reserves classified as equity		(131,781)	(109,510)
		<u>270,764</u>	<u>293,328</u>
<b>Members' funds</b>			
		<u>270,764</u>	<u>293,328</u>
<b>Total members' interests</b>			
Loans and other debts due to members		-	293
Members' other interests		270,764	293,035
		<u>270,764</u>	<u>293,328</u>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships Regulations 2008) applicable to LLPs subject to the small LLPs regime.

These financial statements were authorised and approved by the members on 24/4/17 and signed on its behalf by:

  
**C.W. Robinson**  
Designated Member

The notes on pages 14 to 29 form part of these financial statements.

**LIMITED LIABILITY PARTNERSHIP STATEMENT OF FINANCIAL POSITION**

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investments in subsidiary undertakings	10	<u>397,544</u>	<u>397,544</u>
		<b>397,544</b>	<b>397,544</b>
<b>Current assets</b>			
Debtors	11	<b>68,911</b>	106,143
Cash at bank and in hand		<u>94,123</u>	<u>131,796</u>
		<b>163,034</b>	<b>237,939</b>
<b>Creditors: amounts falling due within one year</b>	12	<u>(39,895)</u>	<u>(107,299)</u>
		<b>123,139</b>	<b>(130,640)</b>
<b>Net current assets</b>			
		<u>123,139</u>	<u>(130,640)</u>
<b>Total assets less current liabilities</b>		<u>520,683</u>	<u>528,184</u>
<b>Net assets attributable to members</b>		<u>520,683</u>	<u>528,184</u>
<b>Represented by</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts		<b>481,000</b>	481,293
<b>Equity</b>			
Members' capital classified as equity		<b>402,545</b>	402,545
Members' other interests – other reserves classified as equity		<u>(362,862)</u>	<u>(355,654)</u>
		<b>520,683</b>	<b>528,184</b>
<b>Total members' Interests</b>			
Amounts due from members		<b>(40,304)</b>	(412)
Loans and other debts due to members		<b>481,000</b>	481,293
Members' other interests		<u>39,683</u>	<u>46,891</u>
		<b>480,379</b>	<b>527,772</b>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships Regulations 2008) applicable to LLPs subject to the small LLPs regime.

These financial statements were authorised and approved by the members on 24/4/17 and signed on its behalf by:



**C.W. Robinson**  
**Designated Member**

The notes on pages 14 to 29 form part of these financial statements.

# **CONSOLIDATED CASH FLOW STATEMENT**

	Notes	2016 £	2015 £
<b>Operating activities</b>			
Transactions with non-members:			
Cash from/(used in) operations	15	23,779	(201,832)
Interest paid		-	(159)
Corporation taxes paid		(111,039)	(15,459)
<b>Net cash used in operating activities</b>		<b>(87,260)</b>	<b>(217,450)</b>
<b>Investing activities</b>			
Transactions with non-members:			
Purchase of tangible fixed assets			
Sale of investments	10	12,611	249,565
Interest received		479	749
<b>Net cash from investing activities</b>		<b>13,090</b>	<b>250,314</b>
<b>Financing activities</b>			
Transactions with members and former members:			
Payments to members		(293)	(4,078)
Loans and other debts due to members		-	-
<b>Net cash used in financing activities</b>		<b>(293)</b>	<b>(4,078)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(74,463)</b>	<b>28,786</b>
<b>Analysis of changes in cash balances</b>			
Cash and cash equivalents at the beginning of the year		465,570	436,776
(Decrease)/increase in cash during the year		(74,463)	28,786
Translation difference on foreign currencies		105	8
<b>Cash and cash equivalents at the end of the year</b>		<b>391,212</b>	<b>465,570</b>

# RECONCILIATION OF MEMBERS' INTERESTS

Group	EQUITY		DEBT	TOTAL MEMBERS' INTERESTS
	Members' Capital (classified as equity)	Other reserves	Loans and other debts due to members less any amounts due from members in debtors	
Amounts due to members	-	-	293	-
<b>Balance at 1 January 2016</b>	<b>402,545</b>	<b>(109,510)</b>	<b>293</b>	<b>293,328</b>
Loss for the financial year available for discretionary division among members	-	(22,376)	-	(22,376)
<b>Members interest after loss for the year</b>	<b>402,545</b>	<b>(131,886)</b>	<b>293</b>	<b>270,952</b>
Deficit arising on FX revaluation of foreign subsidiaries' assets and liabilities	-	105	-	105
Other reserves movements:				
Repayment by members	-	-	(293)	(293)
<b>Balance at 31 December 2016</b>	<b>402,545</b>	<b>(131,781)</b>	<b>-</b>	<b>270,764</b>

**RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)**

<b>Group</b>	<b>EQUITY</b> <b>Members' Other</b> <b>Interests</b> <b>Members' Capital</b> <b>(classified as</b> <b>equity)</b>	<b>Other</b> <b>reserves</b>	<b>DEBT</b> <b>Loans and other</b> <b>debts due to</b> <b>members less</b> <b>any amounts</b> <b>due from</b> <b>members in</b> <b>debtors</b>	<b>TOTAL</b> <b>MEMBERS'</b> <b>INTERESTS</b>
Amounts due to members	-	-	74	-
Amounts due from members	-	-	(79)	-
<b>Balance at 1 January 2015</b>	<b>402,545</b>	<b>(299,607)</b>	<b>(5)</b>	<b>102,933</b>
Members remuneration charged as an expense, including employment and retirement benefit costs	-	-	4,078	4,078
Profit for the financial year available for discretionary division among members	-	190,089	-	190,089
<b>Members interest after loss for the year</b>	<b>402,545</b>	<b>(109,518)</b>	<b>4,073</b>	<b>297,100</b>
Deficit arising on FX revaluation of foreign subsidiaries' assets and liabilities	-	8	-	8
Other reserves movements:				
Introduced to members	-	-	298	298
Drawings	-	-	(4,078)	(4,078)
Amounts due to members	-	-	293	-
<b>Balance at 31 December 2015</b>	<b>402,545</b>	<b>(109,510)</b>	<b>293</b>	<b>293,328</b>

Members' other reserves rank after unsecured creditors and loans and other debts due to members rank pari passu with unsecured creditors in the event of winding up.

**RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)**

<b>LLP</b>	<b>EQUITY</b> <b>Members' Other</b> <b>Interests</b> <b>Members' Capital</b> <b>(classified as</b> <b>equity)</b>	<b>Other</b> <b>reserves</b>	<b>DEBT</b> <b>Loans and</b> <b>other debts</b> <b>due to</b> <b>members less</b> <b>any amounts</b> <b>due from</b> <b>members in</b> <b>debtors</b>	<b>TOTAL</b> <b>MEMBERS'</b> <b>INTERESTS</b>
Amounts due to members	-	-	481,293	-
Amounts due from members	-	-	(412)	-
<b>Balance at 1 January 2016</b>	<b>402,545</b>	<b>(355,654)</b>	<b>480,881</b>	<b>527,772</b>
Loss for the financial year available for discretionary division among members	-	(7,208)	-	(7,208)
<b>Members interest after Profit for the year</b>	<b>402,545</b>	<b>(362,862)</b>	<b>480,881</b>	<b>520,564</b>
Other reserves movements:				
Amounts due from members	-	-	(40,304)	(40,304)
Repayment of debt to members	-	-	(293)	(293)
Repayment of debt by members	-	-	412	412
Amounts due to members	-	-	481,000	-
Amounts due from members	-	-	(40,304)	-
<b>Balance at 31 December 2016</b>	<b>402,545</b>	<b>(362,862)</b>	<b>440,696</b>	<b>480,379</b>

**RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)**

LLP	EQUITY		DEBT	TOTAL MEMBERS' INTERESTS
	Members' Capital (classified as equity)	Other reserves	Loans and other debts due to members less any amounts due from members in debtors	
Amounts due to members	-	-	536,959	-
Amounts due from members	-	-	(19,574)	-
<b>Balance at 1 January 2015</b>	<b>402,545</b>	<b>(349,865)</b>	<b>517,385</b>	<b>570,065</b>
Profit for the financial year available for discretionary division among members	-	(5,789)	-	(5,789)
<b>Members interest after Profit for the year</b>	<b>402,545</b>	<b>(355,654)</b>	<b>517,385</b>	<b>564,276</b>
Other reserves movements:				
Amounts due to members	-	-	198,219	198,219
Repayment of debt to members	-	-	(253,885)	(253,885)
Repayment of debt by members	-	-	19,162	19,162
Amounts due to members	-	-	481,293	-
Amounts due from members	-	-	(412)	-
<b>Balance at 31 December 2015</b>	<b>402,545</b>	<b>(355,654)</b>	<b>480,881</b>	<b>527,772</b>



## NOTES TO THE FINANCIAL STATEMENTS

### Accounting policies

#### General information

Milestone Capital Partners LLP financial statements incorporate the financial statements of the LLP and its subsidiary undertakings, all of which made up accounts for the year ended 31 December 2016.

Milestone Capital Partners LLP is a Limited Liability Partnership and is incorporated in Great Britain. The address of Milestone Capital Partners LLP's registered office is presented on the Members and Administrative Information page of these financial statements.

#### Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in July 2014, together 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 have been prepared on a going concern basis using the historical cost convention.

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

#### Basis of consolidation

The group financial statements incorporate the financial statements of the LLP and its subsidiary undertakings, all of which made up accounts for the year ended 31 December 2016.

The wholly owned subsidiaries of Milestone Capital Holdings Limited have been consolidated using consolidation accounting principles set out in FRS102 section 9 'Consolidated and Separate Financial Statements'.

A number of wholly owned subsidiaries of the LLP, specifically EAC (Scotland) (GP3) Limited, EAC Scotland (XL3) Limited, Milestone GP Limited and Milestone (Scotland) GP Limited all act as General Partners to various venture capital limited partnerships, details of which are given in note 10. Investments held through the limited partnerships are made with the express intention of capital appreciation.

The LLP consolidates its attributable proportion of the assets and income of the venture capital limited partnerships for which its subsidiaries act as General Partners and in which they have a minority interest. These partnerships are subsidiary undertakings and under the terms of the Companies Act 2006 should be consolidated in full, as the LLP's subsidiaries acting as General Partners, have the power of control over the investments. However, the provisions of Schedule 6 to S1410 of 2008 as to how a subsidiary is consolidated can be overridden, in this case to replace full consolidation by proportional consolidation. The effect of the departure from full consolidation is to increase both the profit before tax and the minority interest in the profit for the year by £2,934,861 (2015: £8,525,659 decrease), and to reduce fixed asset investments by £26,074,885 (2015: £24,621,380), decrease other net assets by £728,685 (2015: £961,011) and decrease minority interest in the balance sheet by £26,803,570 (2015: £25,582,391).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### **Accounting policies (continued)**

#### ***Company statement of comprehensive income***

A separate statement of comprehensive income for the LLP has not been presented in accordance with the exemption given by section 408 of the Companies Act 2006 as applied to limited liability partnerships. The parent partnership's loss before members' remuneration and loss shares was £7,208 (2015: £5,789).

#### ***Reduced disclosures***

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

- 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.

The financial statements of the Company are consolidated in the financial statements of Milestone Capital Partners LLP. The consolidated financial statements of Milestone Capital Partners LLP are available from Companies House, 4 Abbey Orchard Street, Westminster, London SW1P 2HT.

#### ***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, those entities would cease trading and the remaining entities 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 group's and parent limited liability partnership'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 Partnership was unable to continue as a going concern.

#### ***Investments in Limited Partnerships***

The group share of the investments in the Limited Partnerships, the share of net income or expenses incurred by the Limited Partnerships and the share of any current assets or liabilities held by the Limited Partnerships have been proportionately consolidated in these accounts. The investments are stated at cost of the underlying investments less any provision for permanent impairment in value of those investments.

#### ***Turnover***

Turnover comprises management fees, director's fees, and transaction fees. These are recognised on an earned basis to the extent that the LLP has earned the right to consideration exchange for services rendered, excluding VAT.

#### ***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### Accounting policies (continued)

#### *Retirement benefits*

The LLP makes contributions to certain employees' personal pension plans; these are charged against profits as incurred.

#### *Abort costs*

Deal fees are capitalised and subsequently recharged to investee companies when the particular deal completes. If the deal is unsuccessful, the related deal costs which are capitalised are subsequently written off to the profit and loss account in the period the deal is deemed unsuccessful.

#### *Foreign currencies*

#### **Group and LLP**

The results of overseas subsidiary undertakings are translated into Sterling at the weighted average rates of exchange during the year, and the balance sheets are translated at the rates ruling at the balance sheet date. Exchange differences arising from the translation of the results and net assets of overseas subsidiary undertakings are charged or credited to reserves.

The exchange rates used for translation of Euro and Swiss Franc transactions and balances in these financial statements are as follows:

	<b>2016 Euro Rate</b>	<b>2016 SFr Rate</b>
Profit and loss account (average rate)	1.2233	1.3337
Balance sheet (year end rate)	1.1651	1.2522

Other exchange differences arising from foreign currency transactions are included in profits before taxation. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

#### *Investments in subsidiary undertakings (in the parent LLP)*

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

#### *Basis for impairment*

Investments are reviewed periodically to compare investment cost with estimated market values taking into account all relevant market and trading data known at the time. Where a market valuation below cost is perceived as long term, an impairment against the investment is recognised.

Where the reasons for impairment have ceased to apply, the impairment is written back to the extent it is no longer necessary.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### **Accounting policies (continued)**

#### ***Financial instruments***

The LLP 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 assets and financial liabilities are recognised when the LLP becomes party to the contractual provisions of the instrument and are offset only when the LLP currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### ***Financial assets***

Basic financial assets which are receivable within one year and which do not constitute a financing transaction include trade and other receivables, amounts due from inter-companies and cash and bank balances. These are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method less any amounts settled and any impairment losses.

When the arrangement constitutes a financing transaction, the transaction is measured at the present value of the future receipts discounted at a market rate of interest

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'.

Financial assets are assessed for indicators of impairment at each reporting end date. These assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

#### ***Financial liabilities and equity***

Financial instruments are classified as liabilities and equity instruments 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 LLP after deducting all of its liabilities.

Basic financial liabilities which are payable within one year and which do not constitute a financing transaction include trade and other payables and accruals. These are initially measured at transaction price, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

#### ***Derecognition of financial assets and financial liabilities***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### **Accounting policies (continued)**

#### ***Leases***

The LLP has not entered into any finance leases. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight-line basis over the life of the lease.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense, and are recognised on a straight line basis.

#### ***Taxation***

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

The taxation payable on the partnership profits is solely the personal liability of the individual members. Consequently neither partnership taxation nor deferred taxation arising in respect of the partnership are accounted for in these financial statements.

#### ***Deferred taxation***

Deferred tax is recognised on all timing differences where the transactions or events that give the group companies 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.

#### ***Members' participation rights***

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members.

Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

Losses are automatically divided as they arise giving the LLP the right to seek payment from members, therefore they are presented within members' remuneration charged as an expense.

The LLP cannot demand additional contributions from members, and as a result does not have an unconditional right to demand further payments from members for losses. Therefore, to the extent that losses exceed the balance on capital and current accounts, they are not recognised as a recoverable asset and so remain within equity until such time as they are deemed to be recoverable.

All amounts due from members that are classified as debtors and are presented within 'amounts due from members' within members' interests. Where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### **Accounting policies (continued)**

#### ***Related party transactions***

Details of the principal subsidiary companies are shown in note 10. In accordance with FRS 102, Section 33, transactions or balances between Group entities that have been eliminated on consolidation are not reported as all subsidiaries are wholly owned by the Group. Transactions and balances with limited partnerships which have been proportionately consolidated are disclosed in note 16.

### **1. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### ***Critical accounting estimates and assumptions***

The LLP makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### ***Impairment of assets***

Financial and non-financial assets 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 and estimates of future performance.

#### ***Leases***

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee, or the lessee, where the LLP is a lessor.

### **2. Turnover**

The Group's turnover is derived from its principal activity, being the provision of management and advisory services in connection with private equity investments in management buy-outs, buy-ins and other venture capital investments. All turnover is derived from the United Kingdom.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 3. Provisions for liabilities

	2016 Group £	2016 LLP £	2015 Group £	2015 LLP £
Provision for rationalisation costs:				
At the beginning of the year	-	-	195,500	-
Reversal of provision	-	-	(48,084)	-
Utilised in the year	-	-	(147,416)	-
	-	-	-	-

### 4. Operating profit

	2016 £	2015 £
<i>Operating profit is stated after charging:</i>		
Current auditor's remuneration for:		
Audit services:		
- Audit of the current parent undertaking financial statements pursuant to legislation	10,000	10,000
- Audit of consolidated financial statements pursuant to legislation	10,600	10,750
Other services:		
- Audit of subsidiaries' financial statements pursuant to legislation	20,740	18,423
Taxation services:		
- Other services relating to taxation	18,540	20,430
Accounting services:		
FRS 102 conversion project relating to all entities in the group	-	20,000
Outsourcing	82,123	85,179
Accountancy preparation of the group	32,425	28,450
Depreciation on tangible fixed assets	-	2,145
Loss on disposal of tangible fixed assets	-	4,291
Operating lease rentals – buildings	-	34,657
Operating lease rentals – other	-	1,934
Foreign exchange gain	(30,795)	(17,532)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5. Staff numbers and costs

The average number of persons employed by the group (excluding executive members) was nil (2015: 3). All employees of the group were made redundant on 30 June 2015. The aggregate payroll costs of these people were as follows:

	2016 £	2015 £
Wages and salaries	-	99,826
Social security costs	102	13,502
Other pension costs	-	16,317
	<u>102</u>	<u>129,645</u>

### 6. Interest income

	2016 £	2015 £
<i>Interest income receivable comprises:</i>		
Other interest receivable	<u>479</u>	<u>579</u>
	<u>479</u>	<u>579</u>

### 7. Interest payable

	2016 £	2015 £
<i>Interest payable comprises:</i>		
Other interest payable	<u>-</u>	<u>159</u>
	<u>-</u>	<u>159</u>

### 8. Taxation

	2016 £	2015 £
<i>Analysis of credit in the year</i>		
Current tax:		
UK corporation tax on profits of the year	-	114,384
Adjustment to corporation tax in respect of prior years	<u>5,971</u>	<u>169</u>
<b>Total current tax</b>	<u>5,971</u>	<u>114,553</u>
Deferred tax:		
Current year movement to deferred tax	-	(92,919)
Adjustment to deferred tax in respect of prior years	<u>-</u>	<u>-</u>
<b>Total deferred tax</b>	<u>-</u>	<u>(92,919)</u>
<b>Tax on profit on ordinary activities</b>	<u>5,971</u>	<u>21,634</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8. Taxation (continued)

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	<u>(16,405)</u>	<u>215,801</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK 20% (2015: 20.25%)	(3,281)	43,700
<i>Effects of:</i>		
Income not deductible for tax purposes	(45,299)	(17,555)
Small profits relief	-	(82)
Differences in tax rates	-	3,826
Adjustments in respect of prior years	5,971	169
Adjustments to brought forward values	47,809	41,915
Holiday pay accrual	-	10,839
Chargeable gains	13,043	-
Group tax relief surrendered	-	254
Deferred tax adjustments	<u>(12,272)</u>	<u>(61,432)</u>
<b>Total tax charge for the year</b>	<b>5,971</b>	<b>21,634</b>
<i>Group deferred tax provision at 20% (2015: 20.25%)</i>	<b>2016 £</b>	<b>2015 £</b>
At beginning of the year	-	92,919
Current year movement	-	(92,919)
<b>Deferred tax provision at the end of the year</b>	<b>-</b>	<b>-</b>

The corporation tax in these financial statements arises through the consolidation of subsidiary undertakings.

There is a tax loss of £264,520 available (2015: £268,699), capital loss of £7,204 (2015: £nil) and depreciation in excess of capital allowances at the end of year of £3,793 (2015: £4,897). A deferred tax asset has not been provided for as the group is unlikely to make profits in the foreseeable future.

### 9. Members' remuneration charged as an expense

	2016 £	2015 £
Average number of executive members during the year	3	3
Average number of members during the year	4	4

No member was remunerated as an expense during the year, nor were they in the prior year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. Investments

#### *Investments in subsidiary undertakings*

#### LLP

The LLP's cost of investment in subsidiaries is £397,544 (2015: £397,544). The LLP's direct and intermediary subsidiaries, all of which are included within the group consolidation, are as follows:

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

Milestone Capital Partners LLP owns 100% of the Ordinary Share Capital of Milestone Capital Holdings Limited and is the ultimate controlling party of the group. Milestone Capital Holdings Limited owns 100% of the Ordinary Share Capital of all other subsidiaries.

<sup>(1)</sup> General Partner of Milestone Parallel 2010 Limited Partnership and Milestone 2012 Limited Partnership

<sup>(2)</sup> General Partner of Milestone Carried Interest Limited Partnership

<sup>(3)</sup> General Partner of EAC Fund III Limited Partnership and the Managing Limited Partner of EAC Fund III GmbH & Co. Beteiligungs KG

<sup>(4)</sup> General Partner of EAC Fund III (Scotland) Limited Partnership

<sup>(5)</sup> 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. Investments (continued)**

***Investments in subsidiary undertakings (continued)***

<b>LLP</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cost</b>		
At 1 January	<b>397,544</b>	397,544
<b>At 31 December</b>	<b>397,544</b>	397,544
<b>Provision</b>		
At 1 January	-	-
<b>At 31 December</b>	-	-
<b>Net Book Value at 31 December</b>	<b>397,544</b>	397,544
<b>Group's proportion of investments held by the Limited Partnerships</b>	<b>2016 Group £</b>	<b>2015 Group £</b>
<b>Historical cost</b>		
At 1 January	<b>183</b>	118,824
Additions	-	-
Disposals	<b>(1)</b>	(118,641)
<b>At 31 December</b>	<b>182</b>	183
<b>Provision</b>		
At 1 January	-	101,154
Released	-	(101,154)
<b>At 31 December</b>	-	-
<b>Net Book Value at 31 December</b>	<b>182</b>	183

All of the investments listed above relate to unlisted private equity investments in Limited Partnerships which are managed by the LLP. Investments are shown at the lower of cost or market value, where a provision has been made for any permanent diminution in value. At 31 December 2016, the above investments had a market value of £182 (2015: £183). No (2015: £nil) additional corporation tax charge would arise on realisation of the above investments at market value on 31 December 2016.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 10. Investments (continued)

### Limited Partnerships Disposals

#### Group

#### Net profit on realised and unrealised investments in Limited Partnerships

	2016 Group £	2015 Group £
Proceeds from sale of investments	12,611	249,565
Cost of investments sold	-	(58,173)
Profit on sale of investments	-	191,392
Release of permanent impairment of value	-	40,686
<b>Net profit on realised investments and unrealised in Limited Partnerships</b>	<b>12,611</b>	<b>232,078</b>

## 11. Debtors

	2016 Group £	2016 LLP £	2015 Group £	2015 LLP £
Amounts due from limited partnerships (note 16)	15,995	11,886	28,752	28,751
Amounts due from portfolio companies (note 16)	-	-	58,870	58,870
Amounts due from members	-	40,304	-	412
Prepayments and accrued income	29,293	13,793	15,220	15,220
Other debtors including taxation and social security	3,034	2,928	12,550	2,889
	<b>48,322</b>	<b>68,911</b>	<b>115,392</b>	<b>106,143</b>

## 12. Creditors: amounts falling due within one year

	2016 Group £	2016 LLP £	2015 Group £	2015 LLP £
Trade creditors	5,061	1,270	27,585	27,585
Accruals and deferred income	159,034	38,625	150,307	79,714
Taxation and social security	4,857	-	109,925	-
	<b>168,952</b>	<b>39,895</b>	<b>287,817</b>	<b>107,299</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 13. Financial Instruments

The carrying amounts of the Group's financial instruments at 31 December 2016 were:

	2016 £	2015 £
Financial assets:		
Debt instruments measured at amortised cost:		
Amounts due from limited partnerships (note 16)	15,995	28,752
Amounts due from portfolio companies (note 16)	-	58,870
Debtors-other	-	6,347
	<u>15,995</u>	<u>93,969</u>
Financial liabilities:		
Measured at amortised cost:		
Trade creditors	5,061	27,585
Accruals and deferred income	159,034	150,307
	<u>164,095</u>	<u>177,892</u>

### 14. Defined contribution pension scheme

The group makes contributions to certain employees' personal pension plans. The pension cost for the year was £nil (2015: £16,317). Contributions of £nil (2015: £nil) were outstanding at the year end.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15. Reconciliation of operating profit to net cash inflow from operating activities

	2016 £	2015 £
(Loss)/profit for the year before members' remuneration	(22,376)	194,167
Depreciation charge on tangible fixed assets	-	2,145
Foreign exchange gain on operating translation	(30,797)	(17,532)
Profit on realised and unrealised investments	(12,611)	(232,078)
Loss on disposal of tangible fixed assets	-	4,291
Interest receivable	(479)	(579)
Interest payable	-	159
Taxation	5,971	21,634
<b>Operating cash flows before movements in working capital</b>	<b>(60,292)</b>	<b>(27,793)</b>
Decrease in debtors	97,869	109,722
Decrease in creditors	(13,798)	(283,761)
<b>Net cash from/(used in) operating activities</b>	<b>23,779</b>	<b>(201,832)</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents represent:		
Cash at bank	391,212	465,570

### 16. Related party transactions

The terms of the various limited partnership and co-investment agreements ("the Agreements") state that the Investment Manager is entitled to charge an arrangement fee to a portfolio company, provided that the fee is negotiated on an arm's length basis at normal market rates.

As per the terms of the Agreements with Milestone Parallel 2010 LP and Milestone 2012 LP, the Investment Manager is entitled to charge and retain any transaction, corporate finance and underwriting fees, including transactions which don't complete, plus directors' fees in connection with the appointment of a director or observer to the board of directors of a portfolio company. Retained transaction fees are capped at 2-3% of the overall investment transaction (dependent on the Limited Partnership) in the absence of prior consent by the investors, except for Milestone Link Fund, LP which is not restricted.

Under the terms of the Agreement for EAC Fund III, the priority profit share and investment management fees payable by the Funds in the year following receipt of such fees are reduced by an amount equivalent to the total project fees written off by the Fund, 50% of the arrangement fees received and 100% of directors' fees received.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16. Related party transactions (continued)

At 31 December 2016 the following amounts were due to the Group and LLP from portfolio companies:

	<b>2016 Group £</b>	<b>2016 LLP £</b>	<b>2015 Group £</b>	<b>2015 LLP £</b>
ENS France SAS	-	-	58,870	58,870
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	58,870	58,870
	<hr/>	<hr/>	<hr/>	<hr/>

During the year the Group and LLP also received the following management fees from the limited partnerships it manages, as follows:

	<b>2016 Group £</b>	<b>2016 LLP £</b>	<b>2015 Group £</b>	<b>2015 LLP £</b>
Milestone Parallel 2010 LP	5,088	5,088	131,517	131,517
Milestone 2008 LP	-	-	9,148	9,148
Milestone 2010 LP	-	-	147,260	147,260
Milestone 2012 LP	224,672	224,672	211,160	211,160
Milestone Carried Interest LP	1,000	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
	230,760	230,760	500,085	500,085
	<hr/>	<hr/>	<hr/>	<hr/>

At 31 December 2016 the following amounts were due to the Group and LLP from the limited partnerships as follows:

	<b>2016 Group £</b>	<b>2016 LLP £</b>	<b>2015 Group £</b>	<b>2015 LLP £</b>
EAC Fund III	2,249	-	6,863	6,863
EAC Fund III GmbH	6,469	4,609	1,377	1,377
Milestone Parallel 2010 LP	2,013	2,013	11,197	11,197
Milestone 2008 LP	-	-	1,578	1,578
Milestone 2010 LP	-	-	1,653	1,653
Milestone 2012 LP	5,014	5,014	1,268	1,268
Milestone Link Fund LP	-	-	2,404	2,404
Milestone Carried Interest LP	250	250	2,412	2,411
	<hr/>	<hr/>	<hr/>	<hr/>
	15,995	11,886	28,752	28,751
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16. Related party transactions (continued)

Advisory service expenses of £33,000 (2015: £33,750) were charged by Moksha Advisory Services Limited, a company owned by Erick Rinner. At 31 December 2016 LLP owed £nil (2015: £9,900) to the company.

#### Remuneration of key management personnel

No member of the LLP who is considered to be the key management personnel of the LLP was remunerated in the year, nor were they in the prior year.

### 17. Members' interest

In the event of winding up, members' other reserves rank after unsecured creditors and loans and other debts due to members rank *pari passu* with unsecured creditors.

#### Reserves

The reserves of the LLP represent the following:

##### *Member's capital classified as equity*

Member's contributions per the LLP partnership agreement

##### *Member's other interests*

Cumulative profit and loss available to the members

### 18. Ultimate controlling party

There is no ultimate controlling party of Milestone Capital Partners LLP as the economic interest of the LLP is divided equally between the three executive members such that no one member alone has control.