Dunedin Capital Partners Limited

Report and Accounts

28 February 2009

Registered No. SC82727

Directors

Simon Miller (Chairman)
Dougal Bennett
Giles Derry
Nicol Fraser
John Hudson
Mark Ligerwtood
Ross Marshall
Shaun Middleton
Graeme Murray
Brian Scouler
Jim Strang

Secretary

Graeme Murray

Auditors

Ernst & Young LLP
Ten George Street
Edinburgh
EH2 2DZ

Bankers

Bank of Scotland
One Castle Terrace
Edinburgh
EH1 2DP

Registered Office

10 George Street
Edinburgh
EH2 2DW

Directors' Report

The directors present their annual report and financial statements for the year ended 28 February 2009.

Results and dividends

The profit for the year, after taxation, is £1,351,127 (2008: £1,540,793). The directors recommend a final ordinary dividend of £nil (2007: £nil) per ordinary share making a total ordinary dividend of £776,900 (2008: £1,013,830).

Principal activity and review of the business

The principal activity of the company is the provision of private equity investment management services. The company does not envisage any change in activities for the foreseeable future.

The company is regulated by the Financial Service Authority. This provides authorisation under the Financial Services and Markets Act 2000 for the group's operations.

Fixed assets

The changes in fixed assets during the period are summarised in note 7.

Directors

The directors of the company are as follows:-

Simon Miller
Dougal Bennett
Giles Derry
Nicol Fraser
John Hudson
Mark Ligertwood
Duncan Macrae (resigned 3 April 2009)
Ross Marshall
Shaun Middleton
Graeme Murray
Brian Scouler
Jim Strang (appointed 29 July 2008)

In accordance with the Articles of Association none of the directors retires by rotation.

Directors' interests

No director has any direct interest in the share capital of the company.

Charitable donations

During the year the company made various charitable donations totalling £3,100 (2008: £3,130).

Financial Instruments

The Company is not directly exposed to significant risks arising from financial instruments.

Disclosure of information to auditors

The directors confirm that so far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Report

Auditors
A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board

Graeme Murray

Secretary

4 June 2009

Statement of Directors' Responsibilities in Respect of The Accounts

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 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.

Independent auditors' report

to the members of Dunedin Capital Partners Limited

We have audited the company's financial statements for the year ended 28 February 2009 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Policies) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements.

In addition we report to you, if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:-

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practices, of the state of affairs of the company as at 28 February 2009 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Ernst · Young LLP

Ernst & Young LLP
Registered Auditor
Edinburgh

5 June 2009

Profit and loss account

for the year ended 28 February 2009

	Notes	*2009*	*2008*
		£	£
Turnover	1	8,770,426	9,179,846
Less: Administrative expenses		6,957,159	6,990,896
Operating profit	2	1,813,267	2,188,950
Interest receivable		138,488	132,555
Profit on ordinary activities before taxation		1,951,755	2,321,505
Tax on profit on ordinary activities	5	600,628	780,712
Profit for the financial year		1,351,127	1,540,793

All gains and losses arising during the year have been recognised in the profit and loss account and derive from continuing operations of the company.

Balance sheet

at 28 February 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	113,265	114,147
Current assets			
Debtors	8	1,350,143	2,448,243
Cash at bank and in hand		4,082,654	3,630,984
		5,432,797	6,079,227
Creditors: amounts falling due within one year	9	3,271,807	4,493,346
Current assets less current liabilities		2,160,990	1,585,881
Total assets less total liabilities		2,274,255	1,700,028
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		2,274,155	1,699,928
Equity shareholders' funds	12	2,274,255	1,700,028

Ross Marshall

Ross Marshall
Director

Graeme Murray

Graeme Murray
Director

4 June 2009

Notes to the accounts

at 28 February 2009

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cashflow statement

In accordance with accounting standard FRS1 (Revised) the Company has not prepared a cashflow statement as the ultimate holding company has included a group cashflow statement in its financial statements.

Turnover

Turnover represents fee income for investment management services which fall within the company's ordinary activities, stated net of valued added tax, all of which derive from continuing operations arising in the United Kingdom. Fees are credited to income when they are earned and the fee has been agreed.

Taxation

The charge for taxation takes into account the timing differences in the accounting and taxation treatment of certain items to the extent that they are expected to reverse in the future. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax in future. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Turnover

Turnover represents fee income for investment management services, exclusive of VAT, all of which derives from continuing operations arising in the United Kingdom.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life as follows:

Leasehold improvements	-	over 10 years
Fixtures and fittings	-	over 5 years
Computer equipment	-	over 2 years

Pensions

The company makes contributions to employees' private pension arrangements, all of which are with defined contribution schemes. Contributions are charged in the profit and loss account as they fall due.

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Notes to the accounts
at 28 February 2009

1. Accounting policies
(continued)

Provisions for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle an obligation.

2. Operating profit

This is stated after charging:-		*2009*	*2008*
		£	£
Auditors' remuneration	- audit services	22,000	20,000
	- non audit services	34,700	37,444
Depreciation of fixed assets and investments		50,772	57,046
Operating lease rentals	- plant and machinery	12,453	8,893
	- land and buildings	226,478	226,474

3. Staff costs

	2009	*2008*
	£	£
Wages and salaries	3,182,016	3,413,190
Social security costs	450,645	442,679
Other pension costs	477,446	378,912
	4,110,107	4,234,781

The average monthly number of employees during the period was made up as follows:

	2009	*2008*
	£	£
Administration	23	22

4. Directors' emoluments

	2009	*2008*
	£	£
Emoluments	2,460,983	2,856,672
Company contributions paid to money purchase pension schemes	378,205	302,950

	2009	*2008*
	No	*No*
Members of money purchase pension schemes	12	11

Notes to the accounts

at 28 February 2009

4. Directors' emoluments

(continued)

The amounts in respect of the highest paid director are as follows:

	2009	*2008*
	£	£
Emoluments	278,176	330,272
Company contributions paid to money purchase pension schemes	32,351	42,255

5. Tax on profit on ordinary activities

a) The taxation charge is made up as follows:

	2009	*2008*
	£	£
Based on the profit for year:		
Corporation tax - current year	547,789	-
- prior year	2,161	(336,183)
Group relief – current year	45,068	775,540
Group relief – prior year	(8)	340,653
Total current tax charge	595,010	780,010
Deferred taxation (note 10)	5,618	702
	600,628	780,712

b) Factors affecting the tax charge for the period:

The tax assessed for the year is higher than the standard rate of corporation tax. The differences are explained below:

	2009	*2008*
	£	£
Profit on ordinary activities before tax	1,951,755	2,321,505
Corporation tax at standard rate of 28.17% (2008: 30%)	549,809	696,452
Effects of:		
Disallowed expenses and non taxable income	48,702	79,271
Depreciation in excess of capital allowances	(5,618)	4,470
Adjustments in respects of previous periods	2,153	-
Other timing differences	(36)	(183)
Total current tax charge	595,010	780,010

6. Dividend

	2009	*2008*
	£	£
Ordinary interim dividend paid of £7,769 (2008: £10,138) per share	776,900	1,013,830

Notes to the accounts

at 28 February 2009

7. Tangible Fixed Assets

	Leasehold improvements	*Fixtures and fittings*	*Computer equipment*	*Total*
	£	*£*	*£*	*£*
Cost or valuation:				
At 1 March 2008	182,172	109,013	111,837	403,022
Additions	-	2,059	47,831	49,890
Disposals	-	-	-	-
At 28 February 2009	182,172	111,072	159,668	452,912
Depreciation:				
At 1 March 2008	101,390	93,753	93,732	288,875
Provided during the year	17,945	5,127	27,700	50,772
Disposals	-	-	-	-
At 28 February 2009	119,335	98,880	121,432	339,647
Net book value at:				
28 February 2009	62,837	12,192	38,236	113,265
29 February 2008	80,782	15,260	18,105	114,147

8. Debtors

	2009	*2008*
	£	*£*
Trade debtors	41,741	31,792
Due from ultimate parent undertaking	32,107	32,107
Due from parent undertaking	140,224	140,224
Prepayments and accrued income	1,055,992	1,412,149
Corporation Tax	78,426	824,700
Deferred taxation (note 10)	1,653	7,271
	1,350,143	2,448,243

Included within prepayments and accrued income is £844,916 (2008: £1,218,922) which relates to a fee paid to JP Morgan Cazenove in relation to the raising of Dunedin Buyout Fund II LP. The fee payable to JP Morgan Cazenove is being amortised over five years.

Notes to the accounts

at 28 February 2009

9. Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	31,189	128,270
Group relief	1,161,253	1,116,193
Other taxes and social security costs	149,383	559,412
Accruals & deferred income	1,807,026	2,566,515
Amount owed to group company	122,956	122,956
	3,271,807	4,493,346

10. Deferred Taxation

The movement in deferred taxation during the current and previous year is as follows:

	2009	2008
	£	£
At 1 March 2008	(7,271)	(7,973)
Released during the year	5,618	702
At 28 February 2009	(1,653)	(7,271)

Deferred taxation provided in the accounts is as follows:

	2009	2008
	£	£
Capital allowances in advance of depreciation	(1,653)	(1,848)
Other timing differences	-	(5,423)
At 28 February 2009	(1,653)	(7,271)

11. Called up share capital

	2009	2008
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

Notes to the accounts

at 28 February 2009

12. Reconciliation of movements on shareholders' funds

	2009	*2008*
	£	£
At 1 March 2008	1,700,028	1,173,065
Profit for the year	1,351,127	1,540,793
Dividends	(776,900)	(1,013,830)
At 28 February 2009	2,274,255	1,700,028

13. Other financial commitments

At 28 February the company had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings 2009	*Other 2009*	*Land and Buildings 2008*	*Other 2008*
	£	£	£	£
Operating leases which expire:				
within one year	5,500	-	5,500	-
in two to five years	220,978	12,145	220,978	10,307
	226,478	12,145	226,478	10,307

14. Parent undertakings

The ultimate parent undertaking in whose accounts the company is consolidated is Dunedin Capital Group Limited, registered in Scotland. Copies of Dunedin Capital Group Limited's accounts can be obtained from 10 George Street, Edinburgh, EH2 2DW.

15. Related party transactions

The company has taken advantage of the exemption in paragraph 3(e) of FRS8 from disclosing transactions with its parent undertaking, which is also its controlling party.