Dunedin Capital Partners Limited

SC327727.

Report and Accounts

28 February 2010

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 2010.

Results and dividends

The profit for the year, after taxation, is £701,924 (2009: £1,351,127). The directors recommend a final ordinary dividend of £nil (2009: £nil) per ordinary share making a total ordinary dividend of £941,111 (2009: £776,900).

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

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 £100 (2009: £3,100).

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

G D MURRAY

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 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 its 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 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 proper accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 Auditor's Report

to the members of Dunedin Capital Partners Limited

for the year ended 28 February 2010

We have audited the financial statements of Dunedin Capital Partners Limited for the year ended 28 February 2010 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in the 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion

In our opinion the financial statements:-

- give a true and fair view of the state of affairs of the company as at 28 February 2010 and of its profit 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.

Ernst & Young LLP

Gordon Coull (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

14 June 2010

Profit and Loss Account

for the year ended 28 February 2010

	Notes	2010	2009
		£	£
Turnover	1	7,373,788	8,770,426
Less: Administrative expenses		6,402,797	6,957,159
Operating profit	2	970,991	1,813,267
Interest receivable		32,329	138,488
Profit on ordinary activities before taxation		1,003,320	1,951,755
Tax on profit on ordinary activities	5	301,396	600,628
Profit for the financial year		701,924	1,351,127

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 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	7	83,659	113,265
Current assets			
Debtors	8	1,034,235	1,350,143
Cash at bank and in hand		3,180,406	4,082,654
		4,214,641	5,432,797
Creditors: amounts falling due within one year	9	2,263,232	3,271,807
Current assets less current liabilities		1,951,409	2,160,990
Total assets less total liabilities		2,035,068	2,274,255
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		2,034,968	2,274,155
Equity shareholders' funds	12	2,035,068	2,274,255

Ross Marshall

Director

Graeme Murray

Director

14 June 2010

Date

Company Registration No SC82727

Notes to the accounts

at 28 February 2010

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 2010

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:-

			2010	*2009*
			£	£
Auditors' remuneration	-	audit services	21,000	22,000
	-	taxation services	28,700	34,700
	-	other advisory services	62,503	-
Depreciation of fixed assets and investments			56,929	50,772
Operating lease rentals	-	plant and machinery	12,145	12,453
	-	land and buildings	226,478	226,478

3. Staff costs

	2010	*2009*
	£	£
Wages and salaries	3,287,452	3,182,016
Social security costs	442,154	450,645
Other pension costs	447,403	477,446
	4,177,009	4,110,107

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

	2010	*2009*
Administration	22	23

4. Directors' emoluments

	2010	*2009*
	£	£
Emoluments	2,614,703	2,530,046
Company contributions paid to money purchase pension schemes	341,429	357,167

	2010	*2009*
	No	*No*
Members of money purchase pension schemes	11	11

Notes to the accounts

at 28 February 2010

4. Directors' emoluments
(continued)

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

	2010	*2009*
	£	£
Emoluments	329,459	295,315
Company contributions paid to money purchase pension schemes	42,412	32,351

5. Tax on profit on ordinary activities

a) The taxation charge is made up as follows:

	2010	*2009*
	£	£
Based on the profit for year:		
Corporation tax - current year	-	547,789
- prior year	(76,171)	2,161
Group relief – current year	304,070	45,068
Group relief – prior year	76,171	(8)
Total current tax charge	304,070	595,010
Deferred taxation (note 10)	(2,674)	5,618
	301,396	600,628

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:

	2010	*2009*
	£	£
Profit on ordinary activities before tax	1,003,320	1,951,755
Corporation tax at standard rate of 28.0% (2009: 28.17%)	280,930	549,809
Effects of:		
Disallowed expenses and non taxable income	20,466	48,702
Depreciation in excess of capital allowances	2,674	(5,618)
Adjustments in respects of previous periods	-	2,153
Other timing differences	-	(36)
Total current tax charge	304,070	595,010

6. Dividend

	2010	*2009*
	£	£
Ordinary interim dividend paid of £9,411 (2009: £7,769) per share	941,111	776,900

Notes to the accounts

at 28 February 2010

7. Tangible Fixed Assets

	Leasehold improvements	*Fixtures and fittings*	*Computer equipment*	*Total*
	£	*£*	*£*	*£*
Cost or valuation:				
At 1 March 2009	182,172	111,072	159,668	452,912
Additions	-	-	27,323	27,323
Disposals	-	-	-	-
At 28 February 2010	182,172	111,072	186,991	480,235
Depreciation:				
At 1 March 2009	119,335	98,880	121,432	339,647
Provided during the year	17,288	5,126	34,515	56,929
Disposals	-	-	-	-
At 28 February 2010	136,623	104,006	155,947	396,576
Net book value at:				
28 February 2010	45,549	7,066	31,044	83,659
28 February 2009	62,738	12,192	38,236	113,265

8. Debtors

	2010	*2009*
	£	*£*
Trade debtors	34,050	41,741
Due from ultimate parent undertaking	37,558	32,107
Due from parent undertaking	53,419	140,224
Prepayments and accrued income	797,881	1,055,992
Corporation Tax	107,000	78,426
Deferred taxation (note 10)	4,327	1,653
	1,034,235	1,350,143

Included within prepayments and accrued income is £470,916 (2009: £844,916) 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 2010

9. Creditors: amounts falling due within one year

	2010	*2009*
	£	£
Trade creditors	119,772	31,189
Group relief	396,859	1,161,253
Other taxes and social security costs	120,450	149,383
Accruals & deferred income	1,317,266	1,807,026
Amount owed to group company	308,885	122,956
	2,263,232	3,271,807

10. Deferred Taxation

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

	2010	*2009*
	£	£
At 1 March 2009	(1,653)	(7,271)
(Provided)/Released during the year	(2,674)	5,618
At 28 February 2010	(4,327)	(1,653)

Deferred taxation provided in the accounts is as follows:

	2010	*2009*
	£	£
Capital allowances in advance of depreciation	(4,327)	(1,653)
Other timing differences	-	-
At 28 February 2010	(4,327)	(1,653)

11. Called up share capital

	2010	*2009*
	£	£
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 2010

12. Reconciliation of movements on shareholders' funds

	2010	*2009*
	£	£
At 1 March 2009	2,274,255	1,700,028
Profit for the year	701,924	1,351,127
Dividends	(941,111)	(776,900)
At 28 February 2010	2,035,068	2,274,255

13. Other financial commitments

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

	Land and Buildings 2010	*Other 2010*	*Land and Buildings 2009*	*Other 2009*
	£	£	£	£
Operating leases which expire:				
within one year	98,190	-	5,500	-
in two to five years	128,288	12,145	220,978	12,145
	226,478	12,145	226,478	12,145

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.