

Registration number: SC 206489

**BRIDGEPOINT CAPITAL  
SCOTTISH GP II LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2003**



## Report of the directors

The directors present their annual report together with the audited financial statements of the Company for the period to 31 December 2003.

### Results and dividends

The result for the year is shown on page 4. The directors have recommended the payment of an interim dividend of £125,000 (2002: £650,000).

### Directors

The directors who held office during the year were as follows:

W N Jackson  
M J Harford  
D R Shaw

### Directors' interests

None of the directors at 31 December 2003 held any interest in the share capital of the Company.

Directors' interests in the ordinary share capital of the ultimate parent company, Bridgepoint Capital Group Limited, at 31 December 2003 are disclosed in the financial statements of the following companies:

W N Jackson	Bridgepoint Capital Group Limited	Ultimate parent company
D R Shaw	Bridgepoint Capital Group Limited	Ultimate parent company

No other Director had any interest in any group company at the year end.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year in accordance with generally accepted accounting practice in the United Kingdom, which 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## Report of the directors (continued)

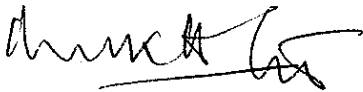
### Auditor

KPMG Audit Plc has been appointed Auditor to the company. The company has passed an Elective Resolution to dispense with the future annual appointment of its Auditor; accordingly KPMG Audit Plc remains in office.

### Annual General Meeting

The company has passed a special resolution and is no longer required to hold, and lay accounts, before an Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'M Harford', with a horizontal line drawn underneath it.

M Harford  
Director

2 April 2004

# Independent auditors' report

## TO THE MEMBERS OF BRIDGEPOINT CAPITAL SCOTTISH GP II LIMITED

We have audited the financial statements on pages 4 to 8.

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 are responsible for preparing the directors' report and, as described on pages 1 and 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as the independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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, if 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 transactions with the Company is not disclosed.

### Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the Company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

2 April 2004

## Profit and Loss Account

For the year ended 31 December 2003

	Notes	2003 £'000	2002 £'000
Income from limited partnerships			
- Annual share		1,647	2,344
- Capital distribution		117	782
		<u>1,764</u>	<u>3,126</u>
Management fees payable		(1,647)	(2,344)
Profit on ordinary activities before interest and taxation		<u>117</u>	<u>782</u>
Interest receivable		12	6
Profit on ordinary activities before taxation	2	<u>129</u>	<u>788</u>
Taxation on ordinary activities	3	-	(184)
Profit on ordinary activities after taxation		<u>129</u>	<u>604</u>
Dividends		(125)	(650)
Retained profit/(loss) for the year	10	<u>4</u>	<u>(46)</u>

The results above relate to continuing operations.

The Company has no recognised gains or losses other than those included in the profit and loss account. Therefore, no statement of recognised gains or losses is included.

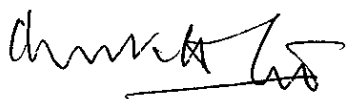
The notes on pages 6 to 8 form part of these financial statements

# Balance Sheet

As at 31 December 2003

	Notes	2003 £'000	2002 £'000
<b>Fixed assets</b>			
Investments in subsidiary undertakings	6	-	-
<b>Current assets</b>			
Debtors	7	374	916
Cash at Bank		183	1,507
		<u>557</u>	<u>2,423</u>
<b>Current liabilities</b>			
Creditors: Amounts payable within one year	8	<u>(548)</u>	<u>(2,418)</u>
<b>Net current assets</b>		9	5
<b>Net assets</b>		<u>9</u>	<u>5</u>
<b>Capital and reserves</b>			
Called-up Share Capital	9	-	-
Profit & Loss Account	10	9	5
Equity shareholder's funds	10	<u>9</u>	<u>5</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 2 April 2004 and were signed on its behalf by:



M J Harford  
Director

2 April 2004

The notes on pages 6 to 8 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2003

## 1 Accounting policies

### *(a) Accounting Convention*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### *(b) Cash flow Statement*

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a Cash Flow Statement on the grounds that more than 90% of the voting rights are controlled within the Group and a consolidated cash flow is included in the ultimate parent undertakings financial statements.

### *(c) Group Accounts*

The Company manages two venture capital limited partnerships in which it has a participating interest, albeit small, and for which it acts as general partner. These limited partnerships are subsidiary undertakings under the Companies Act 1985.

Group financial statements have not been prepared. The Company is a wholly-owned subsidiary of another company incorporated in Great Britain and is therefore exempt from the requirement to prepare group financial statements by virtue of s228 of the Companies Act 1985. Consolidated financial statements are prepared by the ultimate parent company.

### *(d) Related Party Transactions*

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose related party transactions within the group on the grounds that more than 90% of the voting rights are controlled within the group.

### *(e) Taxation*

Corporation tax is provided on taxable profits at the current rate.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing difference. Deferred tax balances are not discounted.

### *(f) Income and expense recognition*

Income and expenses are recognised in the profit and loss account as they accrue.

## 2 Profit on ordinary activities before taxation

Audit fees are borne by a fellow subsidiary undertaking.

## Notes to the financial statements (continued)

For the year ended 31 December 2003

### 3 Tax on profit on ordinary activities

	2003 £'000	2002 £'000
Current taxation charge	-	-
Prior year adjustment	-	184
	-	184
Profit on ordinary activities before taxation	129	788
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2002 - 30%)	39	236
Effects of:		
Expenses not deductible for tax purposes	12	2
Income not charged to UK Corporation tax	(414)	(804)
Other timing differences	13	-
Tax losses unutilised	350	566
Current tax charge for period	-	-

The Company has not recognised a deferred tax asset of £1,466,000 (2002 - £566,000) due to the inherent uncertainty regarding the timing of future taxable profits.

### 4 Employees

The Company did not employ any personnel during the year or preceding year.

### 5 Directors' remuneration

None of the Directors received any remuneration for their services to the company during the year or preceding year.

### 6 Investments

The company has investments totalling £166 being capital contributions to Bridgepoint Capital General Partner II LP, a limited partnership, incorporated and registered in Scotland, and SPV (VCOC) LP, a limited partnership incorporated and registered in England.

### 7 Debtors

	2003 £'000	2002 £'000
Amounts owed by parent and fellow subsidiary undertakings	132	782
Tax recoverable	239	133
Other debtors	3	1
	374	916



# Notes to the financial statements (continued)

For the year ended 31 December 2003

## 8 Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Amounts owed to parent and fellow subsidiary undertakings	184	-
Dividends payable	125	650
Group relief	-	184
Other creditors	239	1,584
	<u>548</u>	<u>2,418</u>

## 9 Called-up share capital

	2003 Number	2002 Number	2003 £'000	2002 £'000
<i>Authorised:</i>				
Ordinary Shares of £1	<u>100</u>	<u>100</u>	<u>-</u>	<u>-</u>
<i>Allotted, called-up and fully paid:</i>				
Ordinary Shares of £1	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

## 10 Reconciliation of movement in shareholders' funds

	Share Capital £'000	Profit & Loss Account £'000	Share- holders' Funds £'000
Balance at 1 January 2002	-	51	51
Result for the year	-	604	604
Dividends	-	(650)	(650)
Balance at 31 December 2002	<u>-</u>	<u>5</u>	<u>5</u>
Result for the year	-	129	129
Dividends	-	(125)	(125)
Balance at 31 December 2003	<u>-</u>	<u>9</u>	<u>9</u>

## 11 Ultimate parent undertaking

The ultimate parent company is Bridgepoint Capital Group Limited.

The results of the company are consolidated in the group financial statements of Bridgepoint Capital Group Limited. These are the largest and smallest group of undertakings which include the results of the company. Copies of the financial statements of Bridgepoint Capital Group Limited are available at Companies House, Crown Way, Cardiff.