

**SEP II GP Limited**

**Directors' report and financial  
statements**

**Registered number 212590**

**30 June 2011**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2011. The directors who held office during the year were:

Calum Paterson  
Brian Kerr  
Stuart Paterson  
Richard Sparrow

### Principal activities

The company acts as General Partner for SEP II LP and SEP II B LP.

### Business review

Income comprises the General Partner's Share arising from SEP II LP and SEP II B LP. A net loss of £2,402 (2010: loss £932) has been deducted from reserves.

### Proposed dividend

The directors do not recommend the payment of a dividend (2010: Nil).

### Political and charitable contributions

The company made no political or charitable contributions during the year.

### Disclosure of qualifying third party indemnity provisions

At the date of this report, indemnities are in force under which the directors are entitled to be indemnified, to the extent permitted by law and the Company's articles of association, in respect of any losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company.

### Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

The requirement for an Annual General Meeting was dispensed with through an elective resolution on 12 December 2000. KPMG Audit Plc are deemed to be re-appointed in accordance with the elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the board

  
R Sparrow  
Director and Company Secretary

17 Blythwood Square  
Glasgow  
G2 4AD

14 October 2011

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

## **KPMG Audit Plc**

191 West George Street  
Glasgow  
G2 2LJ  
United Kingdom

### **Independent auditor's report to the Directors of SEP II GP Limited**

We have audited the financial statements of SEP II GP Limited for the year ended 30 June 2011 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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.

*Gareth Horner*

**Gareth Horner (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
*Chartered Accountants*  
Glasgow

14 October 2011

**Profit and loss account**  
*for the year ended 30 June 2011*

	<i>Note</i>	<b>2011</b> £	<b>2010</b> £
<b>Turnover</b>		<b>1,142,982</b>	<b>1,338,414</b>
Operating expenses		<b>(1,144,938)</b>	<b>(1,339,709)</b>
<b>Operating loss</b>		<b>(1,956)</b>	<b>(1,295)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(1,956)</b>	<b>(1,295)</b>
Tax on loss on ordinary activities	<i>4</i>	<b>(446)</b>	<b>363</b>
<b>Retained loss for the year</b>		<b>(2,402)</b>	<b>(932)</b>

The notes on pages 8 to 10 form part of these financial statements.

All items in the profit and loss account derive from continuing activities.

The company has no recognised gains and losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet**  
*at 30 June 2011*

	<i>Note</i>	<b>2011</b> £	<b>2010</b> £
<b>Current assets</b>			
Debtors	5	2,492,326	2,852,104
Cash		43,326	45,282
		<hr/>	<hr/>
		2,535,652	2,897,386
<b>Creditors: amounts falling due within one year</b>	6	(2,289,816)	(2,649,148)
		<hr/>	<hr/>
		245,836	248,238
<b>Net assets</b>		<hr/>	<hr/>
		245,836	248,238
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss account	8	245,835	248,237
		<hr/>	<hr/>
<b>Shareholders' funds attributable to equity interests</b>		<hr/>	<hr/>
		245,836	248,238

The notes on pages 8 to 10 form part of these financial statements.

These financial statements were approved by the board of directors on 14 October 2011 and were signed on its behalf by:



**Calum Paterson**  
*Director*



**Reconciliation of movements in shareholders' funds**  
*for the year ended 30 June 2011*

	2011 £	2010 £
Loss for the financial year	(2,402)	(932)
Net reduction to shareholders' funds	(2,402)	(932)
Opening shareholders' funds	248,238	249,170
Closing shareholders' funds	245,836	248,238

## **Notes (forming part of the financial statements)**

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement as a cash flow statement is prepared by the parent company as part of the consolidated financial statements.

#### ***Turnover***

Turnover represents the amounts derived for the management and operation of venture capital funds. Sums advanced as interest-free recourse loans in respect of future entitlement to priority profit share as general partner of venture capital partnerships are treated as income (in accordance with Financial Reporting Standard 5 'Reporting the substance of transactions') and included in turnover.

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all timing differences. Deferred tax assets are only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the timing differences and tax losses can be deducted.

### **2 Auditors' remuneration**

The remuneration of the auditors in respect of the statutory audit was £720 and was paid by the parent company.

### **3 Remuneration of directors**

None of the directors received any emoluments in respect of their services to the company in the year.

The company has no employees.

## Notes (continued)

### 4 Taxation

	2011 £	2010 £
Current tax on income for the year	-	-
Movement in deferred tax:		
Origination of timing differences	501	(363)
Origination of timing differences – previous year	(55)	-
	<u>446</u>	<u>(363)</u>
Factors affecting tax charge for the period:		
	£	£
Loss on ordinary activities before tax	(1,956)	(1,295)
Corporation tax at 27.5% (2010: 28%)	(538)	(363)
Effects of:		
Chargeable gains	1,376,471	-
Utilised/unutilised losses	(1,061,597)	375,119
Income not subject to tax in current period	(314,336)	(374,756)
	<u>-</u>	<u>-</u>

### 5 Debtors

	2011 £	2010 £
Group relief recoverable	680,137	680,137
Trade debtor	1,812,189	2,171,521
Deferred tax asset	-	446
	<u>2,492,326</u>	<u>2,852,104</u>

### 6 Creditors: amounts falling due within one year

	2011 £	2010 £
Group relief payable	477,627	477,627
Amount due to group undertaking	1,812,189	2,171,521
	<u>2,289,816</u>	<u>2,649,148</u>

## Notes (continued)

### 7 Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
Equity: 1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity: 1 ordinary share of £1 each	1	1
	<hr/>	<hr/>

### 8 Profit and loss account

	2011 £	2010 £
Profit brought forward as previously reported	248,237	249,169
Retained loss for the year	(2,402)	(932)
	<hr/>	<hr/>
At end of year	245,835	248,237
	<hr/>	<hr/>

### 9 Ultimate parent company

The company is a subsidiary of Scottish Equity Partners LLP incorporated in Scotland.

A copy of the consolidated financial statements of Scottish Equity Partners LLP is available from:

Scottish Equity Partners LLP, 17 Blythswood Square, Glasgow, G2 4AD.