

**SEP II GP Limited**

**Directors' report and financial  
statements**

**Registered number SC212590**

**30 June 2012**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2012. 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

Turnover comprises the General Partner's Share arising from SEP II LP and SEP II B LP. A net loss of £499 (2011: loss £2,402) has been transferred to reserves.

### Proposed dividend

The directors do not recommend the payment of a dividend (2011: 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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board



C Paterson  
Director

17 Blythswood Square  
Glasgow  
G2 4AD

17 October 2012

## **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.

## **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 2012 set out on pages 4 to 9. 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 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 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, 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.

### **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/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 2012 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.

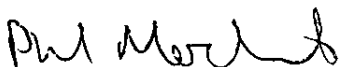
### **Opinion on other matter prescribed by the Companies Act 2006**

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.



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

17 October 2012

**Profit and loss account**  
*for the year ended 30 June 2012*

|  | <i>Note</i> | <b>2012</b><br><b>£</b> | <b>2011</b><br><b>£</b> |
|--|-------------|-------------------------|-------------------------|
| <b>Turnover</b>                                    |             | <b>508,757</b>          | 1,142,982               |
| Operating expenses                                 |             | <b>(510,918)</b>        | (1,144,938)             |
| <b>Operating loss</b>                              |             | <b>(2,161)</b>          | (1,956)                 |
| <b>Loss on ordinary activities before taxation</b> |             | <b>(2,161)</b>          | (1,956)                 |
| Tax on loss on ordinary activities                 | 4           | <b>1,662</b>            | (446)                   |
| <b>Retained loss for the year</b>                  |             | <b>(499)</b>            | (2,402)                 |

The notes on pages 7 to 9 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 2012*

|   | <i>Note</i> | <b>2012</b><br><b>£</b> | <b>2011</b><br><b>£</b> |
|---|-------------|-------------------------|-------------------------|
| <b>Current assets</b>                                       |             |                         |                         |
| Debtors   | 5           | 1,646,645               | 2,492,326               |
| Cash  |             | 41,165                  | 43,326                  |
|   |             | <hr/>                   | <hr/>                   |
|   |             | <b>1,687,810</b>        | <b>2,535,652</b>        |
| <b>Creditors: amounts falling due within one year</b>       | 6           | <b>(1,442,473)</b>      | <b>(2,289,816)</b>      |
|   |             | <hr/>                   | <hr/>                   |
|   |             | <b>245,337</b>          | <b>245,836</b>          |
|   |             | <hr/>                   | <hr/>                   |
| <b>Net assets</b>   |             | <b>245,337</b>          | <b>245,836</b>          |
|   |             | <hr/>                   | <hr/>                   |
| <b>Capital and reserves</b>                                 |             |                         |                         |
| Called up share capital                                     | 7           | 1                       | 1                       |
| Profit and loss account                                     | 8           | 245,336                 | 245,835                 |
|   |             | <hr/>                   | <hr/>                   |
| <b>Shareholders' funds attributable to equity interests</b> |             | <b>245,337</b>          | <b>245,836</b>          |
|   |             | <hr/>                   | <hr/>                   |

The notes on pages 7 to 9 form part of these financial statements.

These financial statements were approved by the board of directors on 17 October 2012 and were signed on its behalf by:



**Calum Paterson**  
*Director*

**Reconciliation of movements in shareholders' funds**  
*for the year ended 30 June 2012*

|                                      | 2012<br>£ | 2011<br>£ |
|--------------------------------------|-----------|-----------|
| Loss for the financial year          | (499)     | (2,402)   |
| Net reduction to shareholders' funds | (499)     | (2,402)   |
| Opening shareholders' funds          | 245,836   | 248,238   |
| Closing shareholders' funds          | 245,337   | 245,836   |



## **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 UK GAAP under the historic cost convention and in accordance with Companies Act 2006 and applicable accounting standards.

The company has taken advantage of the exemptions of FRS 1 (Revised 1996): Cash Flow Statements and has elected not to prepare its own cash flow statement as it is included within the Consolidated Statement of Cash Flows in the financial statements of Scottish Equity Partners LLP, its ultimate parent undertaking.

#### ***Turnover***

Turnover represents the amounts derived for the management and operation of SEP II LP and SEP II B LP. 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.

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

FRS 8 'Related Party Disclosures' requires disclosure of the details of material transactions between the reporting entity and related parties. The company has taken advantage of the exemptions in FRS 8 not to disclose transactions between group entities which eliminate on consolidation.

### **2 Auditor's remuneration**

The remuneration of the auditors in respect of the statutory audit was £720 and was paid by the ultimate 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

|   | 2012<br>£    | 2011<br>£   |
|---|--------------|-------------|
| Current tax on income for the year                | -            | -           |
| Movement in deferred tax:                         |              |             |
| Origination of timing differences                 | 1,662        | 501         |
| Origination of timing differences – previous year | -            | (55)        |
|   | <u>1,662</u> | <u>446</u>  |
| Factors affecting tax charge for the period:      |              |             |
|   | £            | £           |
| Loss on ordinary activities before tax            | 2,161        | (1,956)     |
| Corporation tax at 25.5% (2011: 27.5%)            | (551)        | (538)       |
| Effects of:                                       |              |             |
| Chargeable gains                                  | 79,647       | 1,376,471   |
| Utilised/unutilised losses                        | (48,885)     | (1,061,597) |
| Income not subject to tax in current period       | (30,211)     | (314,336)   |
|   | <u>-</u>     | <u>-</u>    |

### 5 Debtors

|                          | 2012<br>£        | 2011<br>£        |
|--------------------------|------------------|------------------|
| Group relief recoverable | 564,735          | 680,137          |
| Trade debtor             | 1,080,248        | 1,812,189        |
| Deferred tax asset       | 1,662            | -                |
|                          | <u>1,646,645</u> | <u>2,492,326</u> |

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

|                                 | 2012<br>£        | 2011<br>£        |
|---------------------------------|------------------|------------------|
| Group relief payable            | 362,225          | 477,627          |
| Amount due to group undertaking | 1,080,248        | 1,812,189        |
|                                 | <u>1,442,473</u> | <u>2,289,816</u> |

**Notes (continued)**

**7 Called up share capital**

|  | 2012<br>£    | 2011<br>£    |
|--|--------------|--------------|
| <i>Authorised</i><br>Equity: 1,000 ordinary shares of £1 each                    | <u>1,000</u> | <u>1,000</u> |
| <i>Allotted, called up and fully paid</i><br>Equity: 1 ordinary share of £1 each | <u>1</u>     | <u>1</u>     |

**8 Profit and loss account**

|                            | 2012<br>£      | 2011<br>£      |
|----------------------------|----------------|----------------|
| At beginning of year       | 245,835        | 248,237        |
| Retained loss for the year | (499)          | (2,402)        |
| At end of year             | <u>245,336</u> | <u>245,835</u> |

**9 Ultimate parent company**

The company's ultimate parent undertaking is Scottish Equity Partners LLP.

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

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