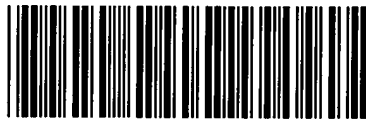


Company Registration No. SC214870 (Scotland)

EAC (SCOTLAND) (XL3) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

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COMPANIES HOUSE

EAC (SCOTLAND) (XL3) LIMITED

COMPANY INFORMATION

Directors	C W Robinson E R M Rinner
Secretary	DM Company Services Limited
Company number	SC214870
Registered office	16 Charlotte Square Edinburgh EH2 4DF
Auditors	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London United Kingdom EC4A 4AB

EAC (SCOTLAND) (XL3) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The company's principal activity is to act as the General Partner of the EAC Fund III (Scotland) Limited Partnership ("the Limited Partnership"), a limited partnership established for the purposes of making private equity investments in the United Kingdom and Western Europe.

The risks and uncertainties faced by the Company are those inherent within the private equity industry and are outlined further, along with the other risks and uncertainties faced by the Milestone group, in the Member's Report prepared by Milestone Capital Partners LLP, the Company's ultimate parent undertaking. Consolidated financial statements can be obtained from the address on page 14.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C W Robinson
E R M Rinner

The members who served Milestone Capital Partners LLP, the ultimate parent undertaking, throughout the period were as follows:

C.W. Robinson
E.R.M. Rinner
P.R. Conboy

Results and dividends

The company was not trading during the year. The company's overall performance is measured on profitability and the loss before tax for the year was £13 (2014: £218,285). Details of the results for the year are set out on page 4.

The Directors do not propose to pay a dividend for the year (2014: £nil).

Post reporting date events

No important events affecting the Company have occurred since the end of the financial year.

Auditor

RSM UK Audit LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

EAC (SCOTLAND) (XL3) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 judgements and accounting 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;
- 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 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.

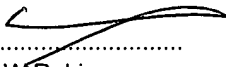
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

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.....
C W Robinson
Director
.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAC (SCOTLAND) (XL3) LIMITED

We have audited the financial statements on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 more fully explained in the Directors' Responsibilities Statement set out on , 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 31 December 2015 and of its loss 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.

RSM UK Audit LLP 30/1/2016

David Fenton (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
United Kingdom
EC4A 4AB
.....

EAC (SCOTLAND) (XL3) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	Notes	£	£
Turnover		-	6,274
Administrative expenses		(13)	(224,713)
Operating loss	3	(13)	(218,439)
Interest receivable and similar income	6	-	154
Loss on ordinary activities before taxation		(13)	(218,285)
Taxation	7	(2,786)	5,224
Loss for the financial year		(2,799)	(213,061)
Total comprehensive income for the year		(2,799)	(213,061)

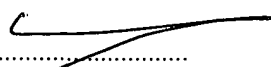
The income statement has been prepared on the basis that all operations are continuing operations.

EAC (SCOTLAND) (XL3) LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Investments	8		1		1
Current assets					
Debtors	9	60,709		87,859	
Creditors: amounts falling due within one year	10	(37,196)		(4,700)	
Net current assets			23,513		83,159
Total assets less current liabilities			23,514		83,160
Provisions for liabilities	12		-		(56,847)
Net assets			23,514		26,313
Capital and reserves					
Called up share capital	14		1		1
Profit and loss reserves			23,513		26,312
Total equity			23,514		26,313

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 22/19/16 and are signed on its behalf by:

 22/19/16
C W Robinson
Director

EAC (SCOTLAND) (XL3) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		1	239,373	239,374
<hr/>				
Period ended 31 December 2014:				
Loss and total comprehensive income for the year		-	(213,061)	(213,061)
<hr/>				
Balance at 31 December 2014		1	26,312	26,313
<hr/>				
Period ended 31 December 2015:				
Loss and total comprehensive income for the year		-	(2,799)	(2,799)
<hr/>				
Balance at 31 December 2015		1	23,513	23,514
<hr/>				

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

EAC (Scotland) (XL3) Limited is a company limited by shares incorporated in Scotland. The registered office is 16 Charlotte Square, Edinburgh, EH2 4DF.

The company's principal activities are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. Endif} The principal accounting policies adopted are set out below.

First time adoption of FRS 102

These financial statements are the first financial statements of EAC (Scotland) (XL3) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of EAC (Scotland) (XL3) Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustment made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. There were no material adjustment made due to transition to FRS 102.

Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Investments

The investments in the Limited Partnerships are stated at cost less any provision for permanent impairment.

Financial assets

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss is measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity,

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. The deferred tax balance has not been discounted.

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Operating loss

The company has appointed Milestone Capital Partners LLP, its ultimate parent undertaking, to act as investment manager on behalf of EAC Fund III (Scotland) Limited Partnership. The company was not charged fees during the year (2014: £nil) and fees was not receivable as turnover during the year (2014: £6,274), under the terms of the Investment Management Agreement.

4 Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	-	2,000
For other services		
All other non-audit services	-	2,700

The company is a general partner of EAC Fund III (Scotland) Limited Partnership, EAC Fund III (Scotland) Limited Partnership will pay the audit fee.

5 Directors' remuneration and employees

The directors did not receive any remuneration from the company during the year (2014: £nil). There were no employees during the year (2014: nil).

6 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Other interest income	-	154

7 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	37,196	(912)

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

7 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(34,410)	-
Adjustment in respect of prior periods	-	(4,312)
Total deferred tax	(34,410)	(4,312)
Total tax credit	2,786	(5,224)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2015 £	2014 £
Loss before taxation	(13)	(218,285)
Expected tax charge based on a corporation tax rate of 20.25% (2014:21.49%)	(3)	(46,916)
Tax effect of expenses that are not deductible in determining taxable profit	-	47,285
Effect of change in corporation tax rate	-	68
Other short term timing differences	(57,548)	(5,661)
Adjustments to brought forward values	59,914	-
Marginal relief	(2)	-
Adjust deferred tax to average rate	425	-
Tax expense for the year	2,786	(5,224)

8 Fixed asset investments

	2015 £	2014 £
Unlisted investments	1	1

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Debtors		2015	2014
		£	£
Amounts falling due within one year:			
Amounts due from fellow group undertakings		60,709	65,422
		<u> </u>	<u> </u>
Amounts falling due after one year:			
Deferred tax asset (note 13)		-	22,437
		<u> </u>	<u> </u>
Total debtors		60,709	87,859
		<u> </u>	<u> </u>
10 Creditors: amounts falling due within one year		2015	2014
		£	£
Corporation tax		37,196	-
Accruals and deferred income		-	4,700
		<u> </u>	<u> </u>
		37,196	4,700
		<u> </u>	<u> </u>
11 Financial instruments		2015	2014
		£	£
Carrying amount of financial assets			
Debt instruments measured at amortised cost		60,709	65,422
Equity instruments measured at cost less impairment		1	1
		<u> </u>	<u> </u>
Carrying amount of financial liabilities			
Measured at amortised cost		-	4,700
		<u> </u>	<u> </u>
12 Provisions for liabilities		2015	2014
	Notes	£	£
Deferred tax liabilities	13	-	56,847
		<u> </u>	<u> </u>
		-	56,847
		<u> </u>	<u> </u>

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £	Assets 2015 £	Assets 2014 £
Balances:				
Tax losses	-	-	-	22,437
Other timing difference	-	56,847	-	-
	<u>-</u>	<u>56,847</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>56,847</u>	<u>-</u>	<u>22,437</u>
				2015
Movements in the year:				£
Liability at 1 January 2015				34,410
Credit to profit and loss				(34,410)
				<u>-</u>
Liability at 31 December 2015				<u>-</u>

14 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>
Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

Each ordinary share carries one vote in general meetings, the holder is entitled to participate in dividends should there be sufficient profits and entitles the holder to a return of capital on liquidation or otherwise once liabilities have been discharged. The shares are liable to be redeemed at the option of the company.

15 Reserves

Profit and loss account

Cumulative profit and loss net of distributions to owners.

16 Related party transactions

The company has taken advantage of the exemption under FRS 102 Section 33 Related Parties not to disclose transactions with other wholly owned group companies on the basis that group accounts are prepared.

EAC (SCOTLAND) (XL3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

17 Controlling party

Consolidated accounts

The company acts as the General Partner of the EAC Fund III (Scotland) Limited Partnership, which make investments with the intention of capital appreciation. The company as the General Partner has control over these limited partnerships and as a consequence partially consolidates its portion of the limited partnerships' results and interests, into these financial statements.

Ultimate parent company

The company was a wholly-owned subsidiary of Milestone Capital Holdings Limited, a company incorporated in England and Wales. The ultimate parent undertaking which prepares group financial statements is Milestone Capital Partners LLP, an undertaking incorporated in England and Wales

Copies of these consolidated financial statements can be obtained from Milestone Capital Partners LLP, c/o RSM UK Tax and Accounting Limited, 25 Farringdon Street, London, EC4A 4AB.