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COMPANIES HOUSE

SLCP (General Partner ESP CAL) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Partnership Accounts

Company Information

Directors I Harris
 S Hay
 P McKellar
 R Pim

Company secretary H S Kidd

Registered office 1 George Street
 Edinburgh
 EH2 2LL

Independent Auditor KPMG LLP
 Chartered Accountants and Statutory Auditors
 Saltire Court
 20 Castle Terrace
 Edinburgh
 United Kingdom
 EH1 2EG

Directors' Report

for the year ended 31 December 2018

The Directors present their annual report together with the audited financial statements of SLCP (General Partner ESP CAL) Limited ("the Company") for the year ended 31 December 2018.

Directors

The names of the current Directors of the Company are shown on page 1.

The Company's ultimate parent company, Standard Life Aberdeen plc, maintains Directors' and Officers' liability insurance on behalf of its Directors and Officers.

Company Secretary

Company Secretaries of the Company during the period were as follows:

H S Kidd (appointed as Company secretary 22 October 2018)

D R Thomson (resigned as Company secretary 22 October 2018)

Result for the year

The result for the year ended 31 December 2018 is a profit after tax of £nil (2017: £nil). The Directors consider this result to be satisfactory.

Future outlook

The Directors are confident that the Company will maintain its financial position in the future.

Dividends

The Directors did not recommend payment of a dividend in 2018 (2017: £nil).

Annual general meeting

There was no annual general meeting held in the year, as permitted by the Companies Act 2006.

Independent Auditor

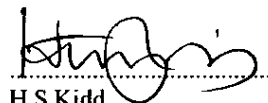
The Independent Auditor, KPMG LLP, have indicated their willingness to continue in office.

Disclosure of information to the Auditor

So far as each Director is aware, there is no relevant audit information (that is, information needed by the Company's Independent Auditor in connection with preparing their report) of which the Company's Independent Auditor is unaware.

Each of the Directors has 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 Auditor is aware of that information.

Approved by the Board on 23 September 2019 and signed on its behalf by:



H S Kidd
Company secretary

Strategic Report

for the year ended 31 December 2018

Review of the Company's business

The principal activity of the Company is to act as a General Partner of a Limited Partnership (ESP Golden Bear General Partner Limited Partnership), which is the General Partner, of a Limited Partnership (ESP Golden Bear Europe Fund) ("the Fund"), whose activity is to make private equity investments, primarily in Europe.

Key performance indicators ("KPIs")

The Company uses a number of KPIs to monitor the performance of the business throughout the year. These KPIs are shown below:

	2018	2017
	£	£
Turnover	387,063	379,591

Turnover has remained comparable with the prior year.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The Standard Life Aberdeen Group (SLA Group), of which the Company is a part, has established a governance framework for monitoring and overseeing strategy, conduct of business standards and operations of the business across the SLA Group that includes a clearly stated corporate organisational structure, appropriately delegated authorities and independent internal audit and risk management functions. Risk management for the Company operates within this governance framework.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the merged group under Standard Life Aberdeen plc (SLA plc) and are therefore not managed separately. Accordingly, the principal risks and uncertainties of SLA Group, which include those of the Company, are discussed fully in the SLA plc Annual Report and Accounts which does not form part of this report.

The list below does however provide a summary of the key risks facing both SLA plc and the Company. Further details on each of the risks, together with how they link to our new strategy, how they have evolved over the year and how they are managed can be found in the SLA Group accounts.

The principal risks to which the Company is most specifically exposed can be categorised as follows:

Brexit: The Company continues to monitor the ongoing political debate to identify if any existing risk exposures have altered or new risks emerge. The wider SLA plc Group business remains well positioned to benefit from the trends which are shaping the investment landscape although there remains unavoidable uncertainty due to Brexit. Exposure to Brexit not only has the potential to create volatility for our customers' and clients' investments but also the SLA Group's asset management distribution capability to European clients. The Group has established a new Dublin based entity to mitigate the ongoing risks but political risks in the UK and Europe could threaten the operation of services for the SLA Group, as they could for many other industries and companies.

Active regulatory engagement and close monitoring of ongoing political debates are in place. Aside from the impact on the Fund, which affects the income recognised by the Company, there is no significant expected impact on the Company from Brexit.

Strategic Report

for the year ended 31 December 2018 (continued)

Strategic risks: Notably investment performance; distribution and client management; and ensuring we meet the evolving needs of our clients and customers. Political change also continues to be a key strategic risk with the new laws and regulations having the potential to impact both client behaviours and our global operating model.

Operational risk: IT failure and security including cyber risk; third party oversight; and process execution failure.

Conduct risk: Specifically the risk that our behaviours, strategies, decisions and actions deliver unfair outcomes to our customers and clients and/or poor market conduct. We have no appetite for either of these.

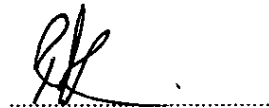
Regulatory and legal risk: We operate in a highly regulated industry and our global footprint exposes us to an increasing number of regulatory regimes which have the potential to expose the Company to risks.

Financial market risk: Notably market risk; liquidity risk and counterparty failure.

Environmental matters

The Company follows the environmental strategy of the Standard Life Aberdeen Group which is disclosed within the Standard Life Aberdeen plc accounts.

Approved by the Board on 23 September 2019 and signed on its behalf by:



R Pim
Director

Statement of Directors' Responsibilities
for the year ended 31 December 2018

The Directors are responsible for preparing the Strategic Report, 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), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Profit and Loss Account
for the year ended 31 December 2018

	2018	2017
	£	£
Turnover		
Investment management income	<u>387,063</u>	<u>379,591</u>
Total turnover	<u>387,063</u>	<u>379,591</u>
Operating expenses		
Administrative expenses	<u>(387,063)</u>	<u>(379,591)</u>
Total operating expenses	<u>(387,063)</u>	<u>(379,591)</u>
Result for the year attributable to equity holders of the Company	<u>-</u>	<u>-</u>

The notes on pages 9 to 13 form part of these financial statements.

The Company has not recorded any other comprehensive income during the years to 31 December 2018 and 31 December 2017 and has therefore not disclosed a separate statement of comprehensive income.

Balance Sheet
as at 31 December 2018

	Note	2018 £	2017 £
Assets			
Current assets			
Trade and other receivables	4	100	100
Total assets		100	100
Equity and liabilities			
Equity			
Share capital	5	100	100
Total attributable to equity holders of the Company		100	100
Total equity and liabilities		100	100

The notes on pages 9 to 13 form part of these financial statements

The financial statements and accompanying notes on pages 9 to 13 were approved on behalf of the Board of Directors on 23 September 2019 and signed on its behalf by the following Director:



.....
R Pim
Director

Statement of Changes in Equity
for the year ended 31 December 2018

The Company has not recognised any changes in equity during the years ended 31 December 2018 and 31 December 2017.

The notes on pages 9 to 13 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2018

1 Accounting policies

The Company's significant accounting policies are included at the beginning of the relevant note. This section outlines the basis of preparation, significant accounting policies which apply to the financial statements as a whole, and a summary of the Company's critical accounting estimates and judgements in applying accounting policies.

(a) Basis of preparation

(i) Statement of compliance

The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for period ended 31 December 2018 have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued by the Financial Reporting Council, as well as the Companies Act 2006

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statements and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in relation to the effects of new but not yet effective IFRSs;

As the consolidated financial statements of Standard Life Aberdeen plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

The Company is a wholly owned subsidiary of Standard Life Aberdeen plc and is therefore exempt from the requirement to prepare consolidated accounts by virtue of section 401 of the Companies Act 2006.

For the transition to FRS 101 (which has occurred during the current-year), the Company has applied IAS 1 whilst ensuring its assets and liabilities are measured in compliance with FRS 101, effective from 1 January 2017, the beginning of the comparative period. This transition has had no significant impact on the Company's financial position, performance, equity or total comprehensive income for either the year-ended 31 December 2018 or the comparative period ended 31 December 2017, and has resulted in no impairment losses as at 31 December 2017. The most recent financial statements prepared under International Financial Reports Standards were for the year to 31 December 2017.

(ii) New interpretations and amendments to existing standard that have been adopted by the Company

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 has replaced IAS 18 'Revenue' and related interpretations. IFRS 15 provides a new five-step revenue recognition model for determining recognition and measurement of revenue from contracts with customers. A detailed impact assessment was completed for all major revenue streams, reviewing contracts and analysing the revenue recognised. No significant impacts to profit or net assets were identified for the Company.

IFRS 9 'Financial Instruments'

IFRS 9 has replaced IAS 39 'Financial Instruments: Recognition and Measurement'. There has been no material impact on the Company's financial performance or position and no comparative numbers have been adjusted following the adoption of IFRS 9.

Notes to the Financial Statements
for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

(b) Revenue recognition

Investment management income

All fees and costs associated with the provision of investment management services are recognised, subject to recoverability, as the services are provided.

(c) Expense recognition

Administrative expenses are recognised on an accruals basis.

(d) Foreign currency

Foreign currency transactions and fair values are translated using the exchange rates applying to the functional currency, which is Sterling, prevailing at the dates of the transactions or at the date the fair value was determined, with related foreign currency exchange gains or losses reflected in the income statement.

(e) Financial assets – designation

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. The Company's loans and receivables comprise 'Trade and other receivables' in the statement of financial position.

Payables

Payables are transactions with another Standard Life Aberdeen Group company or the Fund. There are no maturities greater than 12 months after the statement of financial position date and so are classified as current liabilities. The Company's payables comprise 'Trade and other payables' in the statement of financial position.

2 Key estimates and judgements

The preparation of financial statements, in conformity with IFRS, may require the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. In the process of applying the Company's accounting policies, management has made no key estimates or judgements.

3 Result before tax

The Company has no employees (2017: nil) and is managed by SL Capital Partners LLP. Certain expenses, including auditors' remuneration for audit services amounting to £3,000 (2017: £2,000), are met by SL Capital Partners LLP. All other expenses are in relation to management fees charged by SL Capital Partners LLP.

4 Trade and other receivables

Accounting policy

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost.

Notes to the Financial Statements
for the year ended 31 December 2018 (continued)

4 Trade and other receivables (continued)

	2018 £	2017 £
Amounts due from Standard Life Aberdeen Group undertakings	100	100
Total trade and other receivables	100	100

All 'Trade and other receivables' are current and have no contractual maturity date. All of the financial assets above are non-interest bearing.

5 Share capital

Accounting policy

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity on terms that may be unfavourable.

Allotted, called up and fully paid shares

	2018 No.	£	2017 No.	£
Ordinary shares of £1 each	100	100	100	100

In 2018 there was 1,000,000 authorised shares of £1 each (2017: 1,000,000 of £1 each).

6 Related party transactions

(a) Parent and ultimate controlling party

The Company's parent undertaking is SLCP (Holdings) Limited (registered office 1 George Street, Edinburgh, EH2, 2LL), whilst its ultimate controlling party is Standard Life Aberdeen plc (registered office 1 George Street, Edinburgh, EH2, 2LL).

The ultimate parent is Standard Life Aberdeen plc.

Copies of the Annual Report and Accounts of Standard Life Aberdeen plc are available to download from the website www.standardlifeaberndeen.com.

(b) Transactions between and balances with related parties

In the normal course of business, the Company enters into transactions with related parties in respect of its investment management business. Such related party transactions are unsecured.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

The following are details of significant transactions with not wholly owned related parties during the year and the year end balances arising from such transactions:

Notes to the Financial Statements
for the year ended 31 December 2018 (continued)

6 Related party transactions (continued)

(b) Transactions between and balances with related parties (continued)

	2018	
	Revenue £	Expenses £
Standard Life Aberdeen Group undertakings	-	387,063
Other	387,063	-
	387,063	387,063
	2017	
	Revenue £	Expenses £
Standard Life Aberdeen Group undertakings	-	379,591
Other	379,591	-
	379,591	379,591

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received in the year or prior year. No expense for bad and doubtful debts has been recognised in the current year, or prior year, in respect of the amounts owed by related parties.

(c) Compensation of key management personnel

No amounts are payable to the Directors in respect of their services to the Company as at 31 December 2018 (2017: £nil).

7 Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Company's related undertakings. The Company has no disclosures in related undertakings.

8 Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Company has assessed whether the funds it manages are structured entities, through review of the above factors, including the rights to remove the Group as fund manager or other key management role. The Company considers the Fund to be an unconsolidated structured entity.

Assets under management in the unconsolidated structured entity total £224,771,610 (2017: £291,887,470). Revenue recognised by the Company from the unconsolidated structured entity during the year was £387,063 (2017: £379,591).

Notes to the Financial Statements
for the year ended 31 December 2018 (continued)

9 Investment holdings

The indirect holding of the Fund is listed below.

Name of undertaking: ESP Golden Bear General Partner Limited Partnership.

Country of registration: United Kingdom

Registered office: 1 George Street, Edinburgh, EH2 2LL.

In line with Companies Act requirements, the Company considers the Fund to be a subsidiary entity.

10 Events after the statement of financial position date

There have been no significant events after the reporting period.

Independent Auditor's Report to the Members of SLCP (General Partner ESP CAL) Limited

Opinion

We have audited the financial statements of SLCP (General Partner ESP CAL) Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and the Notes to the Financial Statements, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, including related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Independent Auditor's Report to the Members of SLCP (General Partner ESP CAL) Limited
(continued)**

Strategic report and directors' report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception text

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

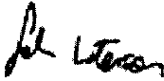
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**Independent Auditor's Report to the Members of SLCP (General Partner ESP CAL) Limited
(continued)**

The purpose of our audit work and to whom we owe our responsibilities

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.



.....
John Waterson (Senior Statutory Auditor)
For and on behalf of KPMG LLP

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
United Kingdom
EH1 2EG

23 September 2019

ESP Golden Bear General Partner Limited Partnership
Financial Statements for the year ended 31 December 2018

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Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report.

Manager, General Partner and Advisor

Registered Address

1 George Street
Edinburgh, EH2 2LL
U.K.

**Manager and Principal
Place of Business**

SL Capital Partners LLP
1 George Street
Edinburgh, EH2 2LL
U.K.

General Partner

SLCP (General Partner ESP Cal) Limited
1 George Street
Edinburgh, EH2 2LL
U.K.

Legal Advisor

Goodwin Procter (UK) LLP
100 Cheapside
London, EC2V 6DY
U.K.

Independent Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh, EH1 2EG
U.K.

Administrator

IQ EQ Administration Services (UK) Ltd
(formerly: Augentius (UK) Ltd)
Two London Bridge
London, SE1 9RA
U.K.

Report of the General Partner

The General Partner, SLCP (General Partner ESP Cal) Limited, presents the audited financial statements for ESP Golden Bear General Partner Limited Partnership ("the Partnership") for the year ended 31 December 2018.

Structure of the Partnership

The Partnership was formed on 29 August 2007 and is registered in Scotland, United Kingdom ("U.K.").

Directors of the General Partner

There have been no changes to the Directors of the General Partner during the year. Please refer to the financial statements of SLCP (General Partner ESP Cal) Limited for the names of the Directors.

Distributions

Distributions of €437,750 (2017: €437,750) were made during the year.

Events after the reporting date

The General Partner has identified no significant events after the reporting date.

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 7. A description of the principal activity of the Partnership is provided in note 1 to the financial statements.

The purpose of the Partnership is to act as General Partner to ESP Golden Bear Europe Fund ("ESP Golden Bear").

Going concern basis

The Partnership's net assets amounted to €5,061,974 at 31 December 2018. Notwithstanding net current liabilities €43,512 at 31 December 2018, the Partnership along with the ongoing financial support of Standard Life Investments Limited, a related party to the Manager, will continue to be in a position to meet liabilities as they fall due and as such the General Partner deems it appropriate to prepare the financial statements of the Partnership on the going concern basis. The General Partner acknowledges that there can be no certainty that this support will continue, although, as at the date of approval of these financial statements, has no reason to believe that it will not do so.

Disclosure of information to auditor

At the date of this report, the General Partner confirms that:

- As far as the General Partner is aware, there is no relevant information of which the Partnership's auditor is unaware; and
- The General Partner has taken all the steps that it ought to have taken as a General Partner in order to make it aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Independent auditor

The General Partner has appointed KPMG LLP as auditor to the Partnership.

Data protection

SL Capital Partners LLP ("the Manager") has implemented measures that it believes are necessary in order to comply with the General Data Protection Regulation.

Strategic report

The Partnership is considered as "small" under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and it is therefore exempt from preparing a strategic report.

Signed on behalf of the General Partner



Ian Harris
Director, SLCP (General Partner ESP Cal) Limited
21 August 2019

Statement of General Partner's Responsibilities in respect of the Report of the General Partner and the financial statements

The General Partner is responsible for preparing the Report of the General Partner and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the General Partner 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 Partnership and of the profit or loss of the Partnership for that period.

In preparing the financial statements, the General Partner is 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 financial statements;
- assess the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

The General Partner is responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Partners of ESP Golden Bear General Partner Limited Partnership

Opinion

We have audited the financial statements of ESP Golden Bear General Partner Limited Partnership ("the Qualifying Partnership") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Qualifying Partnership in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Other matter

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the General Partner such as the valuation of the unquoted investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Qualifying Partnership's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Qualifying Partnership's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The General Partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the Qualifying Partnership or to cease its operations, and they have concluded that the Qualifying Partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the General Partner's conclusions, we considered the inherent risks to the Qualifying Partnership's business model, including the impact of Brexit, and analysed how those risks might affect the Qualifying Partnership's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Qualifying Partnership will continue in operation.

General Partner's report

The General Partner is responsible for the General Partner's report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Independent Auditor's Report to the Partners of ESP Golden Bear General Partnership (continued)

General Partner's report (continued)

Our responsibility is to read the General Partner's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in that report;
- in our opinion the information given in the General Partner's report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, as applied to qualifying partnerships we are required 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies exemption, as applied to qualifying partnerships, from the requirement to prepare a strategic report.

We have nothing to report in these respects.

General Partner's responsibilities

As explained more fully in their statement set out on page 3, the General Partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Qualifying Partnership's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Qualifying Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Partners of ESP Golden Bear General Partner Limited Partnership (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Qualifying Partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Qualifying Partnership's partners 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 Qualifying Partnership and its partners, as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
21 August 2019

Independent Auditor's Report to the Partners of ESP Golden Bear General Partner Limited Partnership (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Qualifying Partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Qualifying Partnership's partners 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 Qualifying Partnership and its partners, as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
21 August 2019

ESP Golden Bear General Partner Limited Partnership

Statement of Comprehensive Income

	Year ended 31 December 2018		Year ended 31 December 2017	
	Carried Interest Partners	General Partner	Carried Interest Partners	General Partner
	€	€	€	€
Turnover				
Income	-	437,750	-	437,750
Unrealised movement on investments in ESP Golden Bear	5,105,429	-	-	-
	<u>5,105,429</u>	<u>437,750</u>	<u>-</u>	<u>437,750</u>
				<u>437,750</u>
Expenditure				
Administration and other expenses	(7,331)	-	(7,316)	-
	<u>(7,331)</u>		<u>(7,316)</u>	<u>(7,316)</u>
Total profit / (loss) for the year attributable to Partners	<u>5,098,098</u>	<u>437,750</u>	<u>(7,316)</u>	<u>430,434</u>

*The total column provides the required figures under FRS 102 Section 1A.

All results shown in the Statement of Comprehensive Income are from continuing operations. The Partnership has no components of other comprehensive income in the current and comparative year.

The notes 1 to 12 form an integral part of these financial statements.

ESP Golden Bear General Partner Limited Partnership

Statement of Financial Position

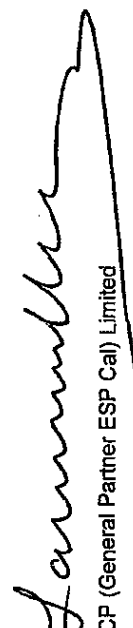
	Notes	At 31 December 2018		At 31 December 2017		Total*	Carried Interest Partners	General Partner	Total*	Carried Interest Partners	General Partner	Total*
		€	€	€	€							
Fixed assets												
Financial assets at fair value through profit or loss	5,9	5,105,486	-	5,105,486	57	-	-	-	-	-	-	57
Current assets												
Cash and cash equivalents		(4)	12	8	(4)	12						8
Current liabilities												
Creditors due within one year	6	(43,508)	(12)	(43,520)	(36,177)	(12)						(36,189)
Net current liabilities												
		(43,512)	-	(43,512)	(36,181)	-						(36,181)
Net assets / (liabilities) attributable to Partners												
		5,061,974	-	5,061,974	(36,124)	-						(36,124)
Represented by:												
Partners' capital account		57	-	57	57	-						57
Partners' loan account		-	(18,080,457)	(18,080,457)	-	(17,642,707)						(17,642,707)
Partners' current account		(43,512)	18,080,457	18,036,945	(36,181)	17,642,707						17,606,526
Investment revaluation reserve		5,105,429	-	5,105,429	-	-						-
Net assets / (liabilities) attributable to Partners												
		5,061,974	-	5,061,974	(36,124)	-						(36,124)

*The total column provides the required figures under FRS 102 Section 1A.

These financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A – small entities.

The notes 1 to 12 form an integral part of these financial statements.

The financial statements set out on pages 7 to 15 were approved by the General Partner on 21 August 2019 and were signed on its behalf by:


 Ian Harris
 Director, SLCP (General Partner ESP Cal) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2018			Year ended 31 December 2017		
	Carried Interest Partners	General Partner	Total*	Carried Interest Partners	General Partner	Total*
	€	€	€	€	€	€
Net liabilities attributable to Partners at the start of the year	(36,124)	-	(36,124)	(28,808)	-	(28,808)
Distributions to Partners	-	(437,750)	(437,750)	-	(437,750)	(437,750)
Total distributed	-	(437,750)	(437,750)	-	(437,750)	(437,750)
Total profit / (loss) for the year attributable to Partners	5,098,098	437,750	5,535,848	(7,316)	437,750	430,434
Net assets / (liabilities) attributable to Partners at the end of the year	5,061,974	-	5,061,974	(36,124)	-	(36,124)

*The total column provides the required figures under FRS 102 Section 1A.

The notes 1 to 12 form an integral part of these financial statements.

Notes to the Financial Statements

1. Partnership background

The Partnership was formed for the purpose of acting as the General Partner of ESP Golden Bear. The Partnership is registered in Scotland, U.K. and was established on 29 August 2007 with combined commitments of €100 from its Carried Interest Partners. The combined commitments of the Carried Interest Partners were adjusted to €57 following the final close of ESP Golden Bear. The Manager of the Partnership is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K.

The Partnership shall continue until the expiry of 90 days after the termination of ESP Golden Bear. The Partnership has no employees.

2. Statement of compliance

The financial statements of the Partnership have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102 Section 1A, the Companies Act 2006 and the Regulations. The Statement of Cash Flows is not included as this is exempt under FRS 102 Section 1A.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are presented in Euro (€), which is also the Partnership's functional currency. The preparation of financial statements in conformity with FRS 102 Section 1A requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 4.

3.2 Going concern

The General Partner has made an assessment of the Partnership's ability to continue as a going concern and is satisfied that the Partnership, along with the ongoing financial support of Standard Life Investments Limited, a related party to the Manager, has the resources to continue in business for the foreseeable future. The General Partner is not aware of any material uncertainties that may cast significant doubt upon the Partnership's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

As with any entity placing reliance on other group entities for financial support, the General Partner acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, has no reason to believe that it will not do so.

3.3 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses, are accounted for on an accruals basis in the Statement of Comprehensive Income. This includes amounts arising in ESP Golden Bear which have been allocated to the Partnership's account in ESP Golden Bear.

Management profit share is received from ESP Golden Bear as the first charge on net income and net realised gains in any accounting period whether or not there are sufficient net income and net realised gains in that accounting period. The full management profit share received by the Partnership from ESP Golden Bear is included in the Statement of Comprehensive Income.

3.4 Financial Instruments

a) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost, using the effective interest method.

Other financial assets, such as Investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.4 Financial Instruments (continued)

b) Financial liabilities
Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

These financial liabilities are subsequently carried at amortised cost, using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.5 Functional currency

The General Partner considers the Euro as the Partnership's functional and presentational currency as it most faithfully represents the economic effects of the underlying transactions, events and conditions.

Non-Euro denominated assets and liabilities are translated at the exchange rate at the Statement of Financial Position date. Non-Euro income and expense transactions are translated at the exchange rate prevailing on the date of the transaction.

Exchange rates at 31 December 2018:

€1=	
Sterling	£0.8976
U.S. Dollar	\$1.1432

Exchange rates at 31 December 2017:

€1=	
Sterling	£0.8877
U.S. Dollar	\$1.2008

3.6 Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. At 31 December 2018 and 31 December 2017, there were no cash equivalents.

3.7 Taxation

No provision has been made in the financial statements for taxation of the Partners. All Partners are individually responsible for reporting their share of the Partnership's income, gains and losses for taxation purposes.

4. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Partnership based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Partnership. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of investments not quoted in an active market

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Partnership values its investment in ESP Golden Bear (the "Investment") using discounted cash flow analysis.

The fair valuation process involves estimates that are unobservable (for which market data is unavailable). As the valuation outcomes may differ from the fair value estimates a sensitivity analysis of discounted cash flow methodology is provided in note 9.

Notwithstanding this basis of valuation, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

Notes to the Financial Statements (continued)

7. Allocation of the Partnership's net income, gains and losses

The Partnership's net income, gains and losses are allocated in accordance with the distribution provisions of the Limited Partnership Agreement. Amounts received by the Partnership in respect of management profit share from ESP Golden Bear are allocated to the General Partner. Amounts received in respect of the Partnership's capital commitment to ESP Golden Bear are allocated to the Carried Interest Partners in proportion to their capital contributions. At 31 December 2018, no amounts in respect of carried interest had been received (2017: €Nil).

8. Related party transactions

The Limited Partnership Agreement provides that SLCP (General Partner ESP Cal) Limited shall act as General Partner and be entitled to distributions equal to amounts received by the Partnership from ESP Golden Bear in respect of management profit share. During the year to 31 December 2018, €437,750 (2017: €437,750) was received by the Partnership from ESP Golden Bear in relation to management profit share and €437,750 (2017: €437,750) was paid to the General Partner in relation to management profit share. SLCP (General Partner ESP Cal) Limited is a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered address of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

The Manager of the Partnership receives a management fee, equal to the management profit share allocated to the General Partner, in relation to its activity as the Manager of ESP Golden Bear.

Certain members and employees of the Manager are Carried Interest Partners in the Partnership and are entitled to participate in the profits as disclosed in note 7.

At 31 December 2018, the Partnership owed €43 (2017: €43) to the Carried Interest Partners in respect of capital contribution. At 31 December 2018, the Partnership owed €12 (2017: €12) to the General Partner in respect of initial capital contribution.

During the year to 31 December 2018, €7,268 (2017: €7,437) was paid by ESP Golden Bear on behalf of the Partnership in respect of expenses. At 31 December 2018, the Partnership owed €40,526 (2017: €33,258) to ESP Golden Bear in respect of expenses paid on its behalf.

9. Financial assets at fair value through profit or loss

FRS 102 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:

Level 1 - The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 - Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety should be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The categorisation of the Partnership's investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the General Partner's perceived risk of the investment. The investment is classified within Level 3 as it has unobservable inputs and trades infrequently or not at all.

The determination of what constitutes "observable" requires significant judgement by the General Partner. The General Partner considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by multiple, independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Partnership's investment measured at fair value:

At 31 December 2018

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets held at fair value through profit or loss:	-	-	5,105,486	5,105,486

Notes to the Financial Statements (continued)

9. Financial assets at fair value through profit or loss (continued)

At 31 December 2017	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets held at fair value through profit or loss:	-	-	57	57

Determining the value of the Partnership's level 3 Investment requires judgement and considers factors specific to the Investment. The valuation policies applied by the General Partner are detailed in note 4.1.

Valuation technique and processes

The Partnership's Investment is carried at fair value. The fair valuation of the Partnership's Investment is influenced by the estimates and judgements outlined in note 4.1. At each reporting date, the Investment's value is adjusted for any unrealised appreciation or depreciation. The valuation of the Investment is based on the expected amount and timing of carried interest which will be paid to the Partnership which is derived from the fair value of ESP Golden Bear's investments. The value of the allocation of carried interest is then subjected to a sensitivity analysis by adjusting the discount rate and timing of receipt.

The following tables summarise the sensitivity analysis which has been performed on the investment in ESP Golden Bear at 31 December 2018 and 31 December 2017:

- Discount Rate:

The discounted cash flow valuation methodology has been used for the investment, therefore the valuation is sensitive to the discount rate which has been applied.

	Fair Value at 31 December 2018	+/-10% Change in Variable	Variable
Investment	€	€	€
ESP Golden Bear	5,105,486	(1.1 million) / 1.5 million	Discount rate

Investment	Fair Value at 31 December 2017	+/-10% Change in Variable	Variable
	€	€	€
ESP Golden Bear	57	-	Discount rate

- Disposal timings:

Due to the nature of the investments in ESP Golden Bear, the timing of their disposal may significantly affect the value of the Partnership's allocation of carried interest.

Investment	Fair Value at 31 December 2018	+/- 1 Year	Variable
	€	€	€
ESP Golden Bear	5,105,486	(2.0 million) / 1.5 million	Disposal timings

Investment	Fair Value at 31 December 2017	+/- 1 Year	Variable
	€	€	€
ESP Golden Bear	57	-	Disposal timings

Notes to the Financial Statements (continued)

9. Financial assets at fair value through profit or loss (continued)

The changes in the investment measured at fair value for which the Partnership has used Level 3 inputs to determine fair value are as follows:

	31 December 2018	31 December 2017
	€	€
Balance at the start of the year	57	57
Unrealised gain	5,105,429	-
Balance at the end of the year	<u>5,105,486</u>	<u>57</u>
Unrealised movement included in profit and loss related to investment still held at the reporting date	<u>5,105,429</u>	<u>-</u>

10. Commitments and contingencies

The Partnership has committed an aggregate of €57 (2017: €57) to ESP Golden Bear as a carried interest partner.

There are no contingent assets or liabilities that require disclosure in the financial statements at the year end.

11. Related undertakings

The Companies Act 2006 requires disclosure of certain information about the Partnership's related undertakings. The Partnership has no subsidiaries, associates or other significant holdings and therefore has no disclosures in related undertakings.

12. Events after the reporting date

Subsequent events have been evaluated up to 21 August 2019. There are no significant events identified after the reporting date.

ESP Golden Bear Europe Fund

Financial Statements for the year ended 31 December 2018

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Important Note

The contents of this report do not constitute advice and no person should make any investment decisions in reliance on the contents of this report.

Manager, General Partner and Advisors

Registered Address	1 George Street Edinburgh, EH2 2LL U.K.
Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner (and Founder Partner)	ESP Golden Bear General Partner Limited Partnership 1 George Street Edinburgh, EH2 2LL U.K.
U.K. Legal Advisor	Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
U.S. Legal Advisor	Ropes & Gray LLP Prudential Tower 800 Boylston Street Boston, MA 02199-3600 U.S.A.
Tax Advisor	Ernst & Young LLP 25 Churchill Place Canary Wharf London, E14 5EY U.K.
Independent Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh, EH1 2EG U.K.
Administrator	IQ EQ Administration Services (UK) Ltd (formerly: Augentius (UK) Ltd) Two London Bridge London, SE1 9RA U.K.

Report of the General Partner

The General Partner, ESP Golden Bear General Partner Limited Partnership, presents the audited financial statements for ESP Golden Bear Europe Fund ("the Fund") for the year ended 31 December 2018.

Structure of the Fund

The Fund is a Limited Partnership, established in Scotland, United Kingdom ("U.K."). The Fund held its first and final close on 29 August 2007, admitting two Limited Partners with aggregate commitments of €515 million. Following a Limited Partner transfer on 30 September 2016, the Fund now has 5 Limited Partners. The structure of the Fund is detailed further in note 1 to the financial statements.

Directors of the General Partner

There have been no changes to the Directors of the General Partner during the year. Please refer to the financial statements of SLCP (General Partner ESP Cal) Limited for the names of the Directors.

Distributions

Distributions of €115,698,235 (2017: €91,021,778) were made during the year of which €300,000 (2017: €1,032,739) was temporary return of capital, which is recallable.

Events after the reporting date

The General Partner has identified no significant events after the reporting date.

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 8. A description of the principal activity of the Fund is provided in note 1 to the financial statements.

The Manager's Report for the Fund, which is issued separately, contains detailed analysis of each of the Fund's investments, together with commentary on the economic climate and how this impacts the private equity market.

Disclosure of information to auditor

At the date of this report, the General Partner confirms that:

- As far as the General Partner is aware, there is no relevant information of which the Fund's auditor is unaware; and
- The General Partner has taken all the steps that it ought to have taken as a General Partner in order to make it aware of any relevant audit information and to establish that the Fund's auditor is aware of that information.

Independent auditor

The General Partner has appointed KPMG LLP as auditor to the Fund.

Data protection

SL Capital Partners LLP ("the Manager") has implemented measures that it believes are necessary in order to comply with the General Data Protection Regulation.

Report of the General Partner (continued)

Strategic report

The Fund is considered as "small" under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and it is therefore exempt from preparing a strategic report.

Signed on behalf of the General Partner

A handwritten signature in black ink, appearing to read 'Ian Harris', with a long horizontal flourish extending to the right.

Ian Harris
Director, SLCP (General Partner ESP Cal) Limited
2 May 2019

Statement of General Partner's Responsibilities In respect of the Report of the General Partner and the financial statements

The General Partner is responsible for preparing the Report of the General Partner and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 15 of the Companies Act 2006. Under that law the General Partner has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the General Partner 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 Fund and of the profit or loss of the Fund for that period.

In preparing the financial statements, the General Partner is 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 financial statements;
- assess the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The General Partner is responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Partners of ESP Golden Bear Europe Fund

Opinion

We have audited the financial statements of ESP Golden Bear Europe Fund ("the Qualifying Partnership") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners and the Statement of Cash Flows and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Qualifying Partnership in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Other matter

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the General Partner and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Qualifying Partnership's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Qualifying Partnership's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The General Partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the Qualifying Partnership or to cease its operations, and they have concluded that the Qualifying Partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the General Partner's conclusions, we considered the inherent risks to the Qualifying Partnership's business model, including the impact of Brexit, and analysed how those risks might affect the Qualifying Partnership's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Qualifying Partnership will continue in operation.

Independent Auditor's Report to the Partners of ESP Golden Bear Europe Fund (continued)

General Partner's report

The General Partner is responsible for the General Partner's report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the General Partner's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in that report;
- in our opinion the information given in the General Partner's report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies exemption, as applied to qualifying partnerships, from the requirement to prepare a strategic report.

We have nothing to report in these respects.

General Partner's responsibilities

As explained more fully in their statement set out on page 4, the General Partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Qualifying Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Qualifying Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

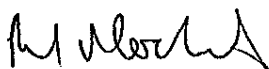
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**Independent Auditor's Report to the Partners of ESP Golden Bear Europe Fund
(continued)**

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Qualifying Partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2006. Our audit work has been undertaken so that we might state to the Qualifying Partnership's partners 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 Qualifying Partnership and its partners, as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
2 May 2019

Statement of Comprehensive Income

		Year ended 31 December 2018	Year ended 31 December 2017
	Notes	€	€
Income			
Investment income	5	10,418,246	6,988,334
Net unrealised movement on Investments		(33,435,723)	20,183,622
Net unrealised foreign exchange movement on Investments		457,150	(1,730,802)
Net realised gain on Investments		60,634,970	25,924,432
Net realised foreign exchange loss on Investments		(506,076)	(1,160,810)
Total net income		37,568,667	50,204,776
Expenses			
Administration and other expenses	6	(136,465)	(145,159)
Net foreign exchange (loss) / gain on non-Investments		(976)	1,027
Total operating expenses		(137,441)	(144,132)
Operating profit		37,431,126	50,060,644
Management profit share	9	(437,750)	(437,750)
Total profit for the year attributable to Partners		36,993,376	49,622,894

All results shown in the Statement of Comprehensive Income are from continuing operations.

The Fund has no components of other comprehensive income in the current and comparative year.


The notes 1 to 14 form an integral part of these financial statements.

Statement of Financial Position

		At 31 December 2018 €	At 31 December 2017 €
	Notes		
Fixed assets			
Financial assets at fair value through profit or loss	12	155,163,281	229,433,326
Current assets			
Debtors	7	40,526	119,320
Cash and cash equivalents		11,780,296	8,484,566
		11,820,822	8,603,886
Current liabilities			
Creditors due within one year	8	(79,892)	(78,142)
Net current assets		11,740,930	8,525,744
Net assets attributable to Partners		166,904,211	237,959,070
Represented by:			
Partners' capital account		572	572
Partners' loan account		(69,454,453)	38,593,782
Partners' current account		236,358,092	199,364,716
Net assets attributable to Partners		166,904,211	237,959,070

The notes 1 to 14 form an integral part of these financial statements.

The financial statements set out on pages 8 to 20 were approved by the General Partner on 2 May 2019 and signed on its behalf by:



Ian Harris
Director, SLCP (General Partner ESP Cal) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2018	Year ended 31 December 2017
	€	€
Net assets attributable to Partners at the start of the year	237,959,070	274,957,954
Partners' loan drawn	7,650,000	4,400,000
Temporary return of capital to Partners	(300,000)	(1,032,739)
Distributions to Partners	(115,398,235)	(89,989,039)
Net distributed	(108,048,235)	(86,621,778)
Total profit for the year attributable to Partners	36,993,376	49,622,894
Net assets attributable to Partners at the end of the year	166,904,211	237,959,070

The notes 1 to 14 form an integral part of these financial statements.

Statement of Cash Flows

		Year ended 31 December 2018	Year ended 31 December 2017
	Notes	€	€
Cash flows from operating activities			
Operating profit		37,431,126	50,060,644
Increase in debtors	7	(7,268)	(7,437)
Increase in creditors due within one year	8	1,750	24,936
Net unrealised movement on Investments		33,435,723	(20,183,622)
Net unrealised foreign exchange movement on Investments		(457,150)	1,730,802
Net realised gain on Investments		(80,634,970)	(25,924,432)
Net realised foreign exchange loss on Investments		505,076	1,160,810
Contributions to Fund Investments		(7,302,627)	(3,775,498)
Distributions from Fund Investments		97,126,357	88,679,731
Sale of Co-Investments		11,682,698	5,662
Net cash inflow from operating activities		111,781,715	81,771,595
Management profit share		(437,750)	(437,750)
Cash flows from financing activities			
Partners' loan drawn		7,650,000	4,400,000
Temporary return of capital to Partners		(300,000)	(1,032,739)
Distributions to Partners		(115,398,235)	(89,989,039)
Net cash outflow from financing activities		(108,048,235)	(86,621,778)
Net Increase in cash and cash equivalents		3,295,730	4,712,067
Cash and cash equivalents at the start of the year		8,484,566	3,772,499
Cash and cash equivalents at the end of the year		11,780,296	8,484,566

The notes 1 to 14 form an integral part of these financial statements.

Notes to the Financial Statements

1. Fund background

The Fund is a Limited Partnership registered in Scotland, U.K. and was established on 29 August 2007 (the "Effective Date"). The Fund held a first and final closing on 29 August 2007 with total commitments of €515,000,057 from two Limited Partners and the General Partner. The Limited Partners' capital contributions equal 0.0001% of their total commitment. Following a Limited Partner transfer on 30 September 2016, the Fund has 5 Limited Partners. Commitments to Fund Investments can be drawn at any time and the Fund is required to draw down loan commitments from Limited Partners in order to cover these.

ESP Golden Bear General Partner Limited Partnership is the General and Founder Partner of the Fund and has contributed €57 to the Fund as a carried interest partner. The Manager of the Fund is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. The Fund has no employees.

The Fund was formed for the purpose of investing in Fund Investments and Co-investments, together "Investments". For investment purposes, total commitments are treated separately as 'A' and 'B' commitments as follows:

'A' commitments comprise €412 million of total commitments. The Manager intends to invest at least 80% of the 'A' commitments in Large Fund Investments with a fund size of between €350 million and €2.5 billion and up to 20% in Co-investments.

'B' commitments comprise €103 million of total commitments. The Manager intends to invest the 'B' commitments in Small Fund Investments with a fund size of €350 million or less.

The Fund is established for a term of ten years from the end of the Investment Period, subject to two one year extensions. The Investment period for Fund Investments and Co-Investments was five years from the Effective Date and has now expired.

The structure of the Fund at 31 December 2018 was as follows:

	At 31 December 2018 €
Commitments	515,000,057
Partners' capital drawn	572
Partners' loan drawn	448,826,949
Temporary return of capital to Partners	(17,341,304)
Funded	431,486,217
% of Commitments	83.8%
Distributions to Partners:	
Paid to Limited Partners	500,940,098
Paid to General Partner	-
Total distributed	500,940,098
Limited Partners' % distributed of Funded Commitments	116.1%
Net distributed to all Partners	(69,453,881)

2. Statement of compliance

The financial statements of the Fund have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102, the Companies Act 2006 and the Regulations.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are presented in Euro ("€"), which is also the Fund's functional currency. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 4.

3.2 Going concern

The General Partner has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. The General Partner is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

3.3 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses, are accounted for on an accruals basis in the Statement of Comprehensive Income.

Net income, gains and losses of the Fund are allocated under the terms of the Limited Partnership Agreement. Details are set out in note 3.9.

3.4 Financial instruments

The Fund has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

a) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost, using the effective interest method.

Other financial assets, such as Fund Investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised 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.

These financial liabilities are subsequently carried at amortised cost, using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3.5 Functional currency

The General Partner considers the Euro as the Fund's functional and presentational currency as it most faithfully represents the economic effects of the underlying transactions, events and conditions.

Unrealised foreign currency exchange gains and losses on non-Euro denominated investments arising from changes in foreign currency exchange rates and realised foreign exchange gains and losses on income and expenses are included in the Statement of Comprehensive Income. Non-Euro denominated assets and liabilities are translated at the exchange rate at the Statement of Financial Position date. Non-Euro income and expense transactions are translated at the exchange rate prevailing on the date of the transaction.

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.5 Functional currency (continued)

Exchange rates at 31 December 2018:

€1=	
Sterling	£0.8976
Norwegian Kroner	Kr 9.8987
U.S. Dollar	\$1.1432

Exchange rates at 31 December 2017:

€1=	
Sterling	£0.8877
Norwegian Kroner	Kr 9.8218
U.S. Dollar	\$1.2008

3.6 Cash and cash equivalents

Cash includes cash in hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value. At 31 December 2018 and 31 December 2017, there were no cash equivalents.

3.7 Taxation

No provision has been made in the financial statements for taxation of the General Partner and the Limited Partners. All Partners are individually responsible for reporting their share of the Fund's income, gains and losses for taxation purposes.

3.8 Net assets attributable to Partners

The Fund's contributed capital consists of capital and loan contributions. Net assets attributable to Partners is classified as a financial liability, due to the Fund's finite life and contractual payment provisions to each of the Partners.

3.9 Distribution of income proceeds and capital proceeds between Partners

The Fund's net income, gains and losses are allocated in accordance with the distribution provisions of the Limited Partnership Agreement.

Distributions are allocated pro rata in accordance with each Partner's capital contributions until the Limited Partners have received distributions equalling the sum of:

- (a) Repayment of investors' outstanding loans pro rata to their respective capital contributions; and
- (b) Preferred Return (as defined in the Limited Partnership Agreement) of 8% per annum, compounded annually on 31 December.

In general, subsequent distributions will be allocated 100% to the Founder Partner until the Founder Partner has received aggregate distributions equalling 5% of net profits from Fund Investments and 10% of net profits from Co-Investments where applicable.

In the event that the net profits from Fund Investments are positive and net profits from Co-Investments are not positive, the amount allocated to the Founder Partner as the catch up amount will equal 5% of the sum of the aggregate net profit.

In the event that net profits from Co-Investments are positive and net profits from Fund Investments are not positive, the amount allocated to the Founder Partner as the catch up amount will equal 10% of the aggregate net profit.

All remaining distributions in excess of the catch up amount, described above, will be allocated:

- (a) 5% to the Founder Partner and 95% to all Limited Partners pro rata in accordance with each partner's capital commitments if net profits from Fund Investments are positive and net profits from Co-Investments are not positive; 95% to all Limited Partners in proportion to their loan commitments.
- (b) 10% to the Founder Partner and 90% to all Limited Partners pro rata in accordance with each partner's capital commitments if net profits from Co-Investments are positive and net profits from Fund Investments are not positive; or
- (c) In all other cases 5% of net profits from Fund Investments to the Founder Partner and 95% to all Limited Partners pro rata in accordance with each partner's capital commitment and 10% of the net profits from Co-Investments to the Founder Partner and 90% to all Limited Partners pro rata in accordance with each partner's capital commitment.

At 31 December 2018, no carried interest allocation had been made to the Founder Partner as the hurdle has not been met (2017: €Nil).

Based on a hypothetical liquidation of the investments held by the Fund at the balance sheet date, the General Partner would become entitled to carried interest from the Partnership of €12.4m (2017: €10.4m). This amount is not guaranteed and has not become payable by the Fund. Consequently, in accordance with the accounting policy and FRS 102 this amount has not been recognised in the financial statements.

Notes to the Financial Statements (continued)

4. Critical accounting estimates and judgements

There are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

4.1 Fair value of investments not quoted in an active market

The investments of the Fund are valued by the General Partner with reference to the 'International Private Equity and Venture Capital Valuation Guidelines' ('the Guidelines').

Fund investments are stated at the General Partner's estimate of fair value and follow the recommendations of the Guidelines. The estimate of fair value is based on the latest valuation placed on a fund by its manager, adjusted, if required, for cash flows between the date of the manager's report and the date of the Fund's Statement of Financial Position.

The General Partner reviews the valuations prepared by the managers of Co-investments and determines whether it is appropriate to apply such valuations to the Fund's Co-investments. Where the General Partner does not consider it appropriate to adopt a manager's valuation, it will make its own estimate of fair value in line with the Guidelines.

The General Partner may rely upon any valuations provided to it by the managers of the Fund investments and Co-investments and apply such valuations to the investments of the Fund, but shall not be bound by these. The managers' valuations are typically in line with the Guidelines. Where the General Partner does not consider it appropriate to adopt a manager's valuation, it will make its own estimate of fair value in line with the Guidelines. The unrealised and realised gains and losses on investments are recorded in the Statement of Comprehensive Income.

Notwithstanding this basis of valuation, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

5. Investment income

	Year ended 31 December 2018	Year ended 31 December 2017
	€	€
Overseas loan stock income	4,919,110	3,802,949
U.K. loan stock income	3,330,964	2,335,964
Overseas dividend income	1,936,644	847,706
U.K. dividend income	231,528	1,716
	<u>10,418,246</u>	<u>6,988,334</u>

6. Administration and other expenses

	Year ended 31 December 2018	Year ended 31 December 2017
	€	€
Administration fees	73,555	56,352
Legal and professional fees	52,863	78,268
Audit fees	8,662	8,588
Bank and custody fees	1,385	1,576
Other expenses	-	395
	<u>136,465</u>	<u>145,169</u>

Notes to the Financial Statements (continued)

7. Debtors

	At 31 December 2018	At 31 December 2017
	€	€
Due from General Partner	40,526	33,258
Investment distribution receivable	-	86,062
	<u>40,526</u>	<u>119,320</u>

There were no debtors falling due after more than one year at 31 December 2018 and 31 December 2017.

8. Creditors due within one year

	At 31 December 2018	At 31 December 2017
	€	€
Legal and professional fee accrual	65,036	63,844
Audit fee accrual	8,565	8,449
Administration fee accrual	6,291	5,849
	<u>79,892</u>	<u>78,142</u>

9. Management profit share

The Fund allocates management profit share to the General Partner in respect of each accounting period calculated on daily balances equal to:

Management profit share in respect of 'A' commitments:

- 0.085% per annum of total 'A' commitments from years 9 until the termination of the Fund.

Management profit share in respect of 'B' commitments:

- 0.085% per annum of total 'B' commitments committed to Small Fund Investments from years 9 until the termination of the Fund.

The management profit share ranks as the first charge on net income and net realised gains in any accounting period and is paid in full by the Fund whether or not there are sufficient net income and net realised gains to cover the amount. Such sums are not recoverable except against future net income and net realised gains of the Fund.

At 31 December 2018 and 31 December 2017, the total amount of net income and net realised gains exceeded the total amount of management profit share since inception and therefore no part has been paid in advance.

10. Related party transactions

The Limited Partnership Agreement provides that ESP Golden Bear General Partner Limited Partnership shall act as General Partner and is entitled to a management profit share as described in note 9. During the year to 31 December 2018, the General Partner was allocated management profit share of €437,760 (2017: €437,760). The General Partner of ESP Golden Bear General Partner Limited Partnership is SLCP (General Partner ESP Cal) Limited, a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered address of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

The Manager of the Fund receives a management fee, equal to the management profit share allocated to the General Partner, in relation to its activity as Manager of the Fund.

Notes to the Financial Statements (continued)

10. Related party transactions (continued)

Standard Life Investments Limited, a related entity sharing the same ultimate parent with the General Partner, has committed €16,000,000 to the Fund as a Limited Partner. During the year, distributions of €3,369,852 (2017: €2,651,120) were made to Standard Life Investments Limited of which €8,738 (2017: €30,080) was temporary return of capital, which is recallable. In addition, €222,816 (2017: €128,166) was contributed by Standard Life Investments Limited to the Fund during the year.

Certain members and employees of the Manager and their families are carried interest partners in ESP Golden Bear General Partner Limited Partnership and are entitled to participate in the profits as disclosed in note 3.8.

SL Capital SOF I LP, SL Capital SOF II LP and Pearl Private Equity LP, related entities with the same ultimate parent as the General Partner, have invested €78,223,800 in total via the secondary market to purchase the Limited Partnership interests in the Fund. As at 31 December 2018, the total effective commitment from the three entities was €151,067,241 (2017: €151,067,241). During the year, distributions totalling €33,938,278 (2017: €26,699,823) were made to these three entities of which €88,000 (2017: €302,938) was temporary return of capital, which is recallable. In addition, €2,244,009 (2017: €1,290,672) was further contributed by these entities to the Fund during the year.

The Fund holds 100% ownership in ESP GB (Funds) S.à r.l. Please see note 13 for full details of the relationship.

At 31 December 2018 €40,528 (2017: €33,258) was due from the General Partner in respect of expenses paid on its behalf.

11. Risk management

The overall strategy for the management of investment risk is driven by the investment policy as set out in the Limited Partnership Agreement. This is reviewed periodically by the Manager. Investments are selected by the Manager to achieve the investment objective of generating attractive returns, subject to prudent diversification. As a matter of policy there are no pre-set sector allocations, however, risk is spread by investing across a range of countries, industrial sectors and vintage years. The Fund's financial assets are predominately unsecured investments in unquoted companies and limited partnerships, in which the maximum risk is considered to be the amount committed.

The Fund's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risks to which the Fund is exposed are market risk (including price risk and currency risk), credit risk and liquidity risk. The risk management policies employed by the Fund are detailed below:

11.1 Market risk

a) Price risk

The Fund is at risk of the economic cycle impacting the quoted markets and hence potentially the pricing of investment deals, the valuation of underlying investments and the price and timing of exits.

The valuation methodology employed by the managers of funds may include the application of ratios derived from listed companies with similar characteristics. If any investments become quoted, they will be valued at the appropriate listed price, subject to any discount for marketability restrictions. Therefore, the value of the Fund's portfolio may be indirectly affected by price movements on listed exchanges. Price risk is minimised by the Manager constructing a diversified portfolio of Fund investments and Co-investments. At 31 December 2018, there were 20 Fund investments investing in 116 underlying investee companies and 2 Co-investments. More detail on the sector and geographic analysis is provided in the Manager's Report, which is issued separately.

A 10% increase in the 31 December 2018 valuation of the Fund's investments would have increased net assets attributable to Partners by €15,516,328 (2017: €22,943,333); a 10% change in the opposite direction would have decreased net assets attributable to Partners by an equivalent amount.

b) Currency risk

The Fund makes commitments to Fund investments and Co-investments in currencies other than Euro and accordingly a proportion of its net assets are in currencies other than Euro. As a result, the Fund's Statement of Financial Position is sensitive to movements in foreign exchange rates. The Fund has not hedged its foreign currency exposure, however, any cash received in a currency other than Euro is converted into Euro to minimise the exposure to fluctuations in exchange rates.

Notes to the Financial Statements (continued)

11. Risk management (continued)

11.1 Market risk (continued)

b) Currency risk (continued)

The tables below set out the Fund's exposure to foreign currency at the reporting date.

Net assets

	31 December 2018		31 December 2017	
	Local Currency	Euro Equivalent	Local Currency	Euro Equivalent
Euro	126,249,318	126,249,318	175,318,847	175,318,847
Sterling	14,672,852	16,347,251	31,664,392	35,671,195
U.S. Dollar	9,557,401	8,360,584	10,777,096	8,974,930
Norwegian Kroner	157,854,929	15,947,058	176,733,984	17,994,098
		<u>166,804,211</u>		<u>237,959,070</u>

Outstanding commitments

	31 December 2018		31 December 2017	
	Local Currency	Euro Equivalent	Local Currency	Euro Equivalent
Euro	16,718,798	16,718,798	28,680,792	28,680,792
Sterling	6,978,673	7,775,048	7,055,670	7,948,380
U.S. Dollar	4,490,868	3,928,502	1,908,620	1,587,792
Norwegian Kroner	70,254,728	7,097,379	75,634,973	7,700,745
		<u>35,519,727</u>		<u>45,917,709</u>

If the value of the Euro strengthened by 10% in relation to all currencies, net assets attributable to Partners would have decreased by €3,695,899 at 31 December 2018 (2017: €5,694,566); a 10% change in the opposite direction would have resulted in an increase of €4,517,210 (2017: €6,960,025). These calculations are based on the net assets at the respective Statement of Financial Position dates and are not necessarily representative of the year as a whole.

The Fund has no significant exposure to currency risk on monetary items.

11.2 Credit risk

Credit risk is the exposure to loss arising from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits.

The maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at the period end (in relation to each class of recognised financial assets), is the carrying amount of those assets in the Statement of Financial Position. At the reporting date, the Fund's financial assets exposed to credit risk amounted to the following:

	31 December 2018	31 December 2017
	€	€
Financial assets at fair value through profit or loss	155,163,281	229,433,328
Debtors	40,526	119,320
Cash and cash equivalents	<u>11,780,296</u>	<u>8,484,566</u>
	<u>166,984,103</u>	<u>238,037,212</u>

The Fund places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2018, all of the Fund's cash was held by Societe Generale which was rated "A" by Standard & Poor's at the date of the Report of the General Partner.

At 31 December 2018, the assets held by the Fund are not past due or impaired (2017: €Nil).

Notes to the Financial Statements (continued)

11. Risk management (continued)

11.3 Liquidity risk

The Fund's investments are in unquoted fund investments and companies which are not traded in a regulated public market and are generally illiquid. As a result, the Fund may not be able to quickly liquidate these portfolio investments at an amount equal to their fair value, in order to meet its liquidity requirements. The Manager mitigates this risk by regularly monitoring its cash position to ensure sufficient funds exist to meet liabilities as they fall due.

During the year ended 31 December 2018 the Fund generated an operating profit of €37,431,126 (2017: €50,060,644) and cash resources at the end of the year amounted to €11,780,296 (2017: €8,484,566). The liabilities of the Fund (excluding net assets attributable to Partners) are due on demand. In addition, the Fund had available to it undrawn commitments of €83,513,840 (2017: €90,863,840) from its Limited Partners, which are also due on demand.

11.4 Capital risk management

The capital of the Fund is represented by the net assets attributable to Partners. The Fund's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for Limited Partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund. In order to maintain or adjust the capital structure the General Partner may call unfunded commitments from the Limited Partners or distribute funds to the Limited Partners.

The General Partner monitors capital on the basis of the value of net assets attributable to Partners.

12. Financial assets at fair value through profit or loss

FRS 102 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:

Level 1	The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety should be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The categorisation of a Fund investment or Co-investment within the hierarchy is based upon the pricing transparency of that investment. All of the Fund's investments have been classified within Level 3 as they have unobservable inputs and trade infrequently or not at all.

The determination of what constitutes "observable" requires significant judgement by the General Partner. The General Partner considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by multiple, independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Fund's investments measured at fair value:

At 31 December 2018

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss	-	-	155,163,281	155,163,281

At 31 December 2017

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss	-	-	229,433,328	229,433,328

There were no transfers between levels during the current and comparative year.

Notes to the Financial Statements (continued)

12. Financial assets at fair value through profit or loss (continued)

Determining the fair value of the Fund's investments requires judgement and considers factors specific to the investment. The valuation policies applied by the General Partner are detailed in note 4.1.

The changes in investments measured at fair value for which the Fund has used Level 3 inputs to determine fair value are as follows:

	31 December 2018	31 December 2017
	€	€
Balance at the start of the year	229,433,326	271,212,841
Purchases	7,302,827	3,775,498
Sales	(108,722,993)	(88,771,456)
Realised and unrealised gains	27,160,321	43,216,442
Balance at the end of the year	155,163,281	229,433,326
Unrealised movement included in profit or loss related to investments still held at the reporting date	(27,456,397)	2,519,495

13. Unconsolidated subsidiaries

At 31 December 2018, the Fund holds 100% ownership in ESP GB (Funds) S.à r.l. This subsidiary is incorporated in Luxembourg.

Details of the unconsolidated subsidiary are as follows:

Investment	Country of Domicile	Ownership Interest	Direct/Indirect Holdings	Share Class	Other Financial Instruments
ESP GB (Funds) S.à r.l.	Luxembourg	100%	Direct	Purchase Certificates	-

Investment	Registered Address
ESP GB (Funds) S.à r.l.	6, Rue Gabriel Lippmann, L - 5365 Munsbach, Luxembourg

The Fund has an investment in an unconsolidated subsidiary at fair value through profit or loss. At 31 December 2018 the unconsolidated subsidiary had a carrying value of €10,523,186 (2017: €11,995,065). The unconsolidated subsidiary was formed to act as a holding company for a Fund investment. The carrying value of this investment has been determined based on net asset value techniques.

The Fund has committed €12,500,000 to this investment, through the unconsolidated subsidiary, of which €1,823,750 (2017: €2,116,250) remains outstanding. The Fund makes contributions to the unconsolidated subsidiary on demand and bears 100% of the costs attributable to it.

Movements in the fair value of the subsidiary may expose the Fund to a gain / loss.

14. Events after the reporting date

Subsequent events have been evaluated up to 2 May 2019. There are no significant events identified after the reporting date.