

**ATEP 2008 GP LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**PARTNERSHIP  
ACCOUNTS**

TUESDAY



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COMPANIES HOUSE

**ATEP 2008 GP LIMITED**

**COMPANY INFORMATION**

**DIRECTOR** Ramsay Urquhart (appointed 26 October 2015)

**COMPANY SECRETARY** Donald McPherson

**REGISTERED NUMBER** SC353442

**REGISTERED OFFICE** 8 West Marketgait  
Dundee  
DD1 1QN

**AUDITOR** Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Hill House  
1 Little New Street  
London  
EC4A 3TR

**BANKERS** Royal Bank of Scotland  
3 High Street  
Dundee  
DD1 9LY

**SOLICITORS** Dickson Minto WS  
16 Charlotte Street  
Edinburgh  
EH2 4DF

**ATEP 2008 GP LIMITED**

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## **ATEP 2008 GP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **PRINCIPAL ACTIVITY**

The Company is the General Partner to the following limited partnerships:

ATEP 2008 Funds LP ("ATEP08Funds") – a private equity fund registered as a Limited Partnership in Scotland on 1 July 2009 subject to a Partnership Agreement dated 29 June 2009 and as amended on 20 July 2009; and

ATEP 2008 (CIV) LP ("ATEP08CIV") – a carried interest vehicle registered as a Limited Partnership in Scotland on 27 May 2009 and subject to a Partnership Agreement dated 21 May 2009 and as amended on 29 June 2009 and 21 August 2009.

### **BUSINESS REVIEW**

Under the terms of the Partnership Agreements, the Company, as General Partner, is responsible for carrying on the day to day management of the business activities of the respective partnerships referred to above unless it appoints a separate manager to manage the Partnerships to its exclusion.

During 2015 the Alliance Trust group has undergone a restructuring as a result of which the Company is now a wholly owned direct subsidiary of Alliance Trust PLC.

## **ATEP 2008 GP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £NIL (2014 - £NIL).

A dividend of £6,000 (2014 - £NIL) was paid in the year.

#### **DIRECTORS**

The Directors who served during the year were:

Katherine Garrett-Cox (resigned 14 February 2016)

Alan Trotter (resigned 30 September 2015)

Ramsay Urquhart (appointed 26 October 2015)

#### **FUTURE DEVELOPMENTS**

The company will continue to manage its legacy private equity investments to exit in an orderly manner with a focus on maximising shareholder returns.

#### **GOING CONCERN**

The Company participates in Alliance Trust PLC's ("the Group's") centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements. The Directors of the parent undertaking, Alliance Trust PLC, have announced an orderly wind down of the private equity activities of the Group. Management therefore expect that private equity investments will continue to be held by the Group for the foreseeable future through the wind down period.

On the basis of their assessment of the Company's financial position and that of the parent Company, Alliance Trust PLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of these accounts albeit the Directors are effecting an orderly exit strategy from its principal activity. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

**ATEP 2008 GP LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015  
AUDITORS**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to be 'DM', is written over a horizontal dotted line.

**Donald McPherson**  
Secretary

Date: 3 March 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEP 2008 GP LIMITED**

We have audited the financial statements of ATEP 2008 GP Limited for the year ended 31 December 2015 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Cash Flow Statement and related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**ATEP 2008 GP LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEP 2008 GP LIMITED**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Calum Thomson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
**Chartered Accountants and Statutory Auditor**  
London  
United Kingdom

3 March 2016



**ATEP 2008 GP LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover		269,182	272,669
Administrative expenses		(269,182)	(272,669)
<b>Operating profit on ordinary activities before taxation</b>		-	-
Taxation on profit on ordinary activities		-	-
<b>Profit on ordinary activities after taxation</b>		-	-
Retained earnings at the beginning of the year		6,672	6,672
Profit for the year		-	-
Dividends declared and paid	5	(6,000)	-
<b>Retained earnings at the end of the year</b>		672	6,672

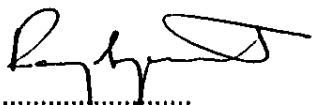
All amounts relate to continuing operations.

ATEP 2008 GP LIMITED  
REGISTERED NUMBER: SC353442

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Current assets</b>			
Cash at bank and in hand		1,029	6,999
Creditors: amounts falling due within one year	6	(356)	(326)
<b>Net current assets</b>		<u>673</u>	<u>6,673</u>
<b>Net assets</b>		<u>673</u>	<u>6,673</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account		<u>672</u>	<u>6,672</u>
<b>Shareholders' funds</b>		<u>673</u>	<u>6,673</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**Ramsay Urquhart**  
Director

Date: 3 March 2016

The notes on pages 9 to 12 form part of these financial statements.

**ATEP 2008 GP LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	-	-
<b>Adjustments for:</b>		
Increase/(decrease) in creditors	30	(30)
	<u>30</u>	<u>(30)</u>
<b>Net cash flows from operating activities</b>		
<b>Cash flows from financing activities</b>		
Dividends paid	(6,000)	-
	<u>(6,000)</u>	<u>-</u>
<b>Net cash used in financing activities</b>		
	<u>(5,970)</u>	<u>(30)</u>
<b>Net decrease in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of year	6,999	7,029
	<u>1,029</u>	<u>6,999</u>
<b>Cash and cash equivalents at the end of year</b>		
Cash at bank and in hand	<u>1,029</u>	<u>6,999</u>

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

**1. ACCOUNTING POLICIES**

**GENERAL INFORMATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

ATEP 2008 GP Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is provided within the Company Information page. The nature of the company's operations and its principal activities are set in the Directors' Report on pages 1 - 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The functional currency of ATEP 2008 GP Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

**GOING CONCERN**

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

The Directors of the parent undertaking, Alliance Trust PLC, have announced an orderly wind down of the private equity activities of the Group. Management therefore expect that private equity investments will continue to be held by the Group for the foreseeable future through the wind down period.

On the basis of their assessment of the Company's financial position and that of the parent Company, Alliance Trust PLC, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of these accounts albeit the Directors are effecting an orderly exit strategy from its principal activity. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**DIVIDENDS**

Equity dividends are recognised when they become legally payable.

**TAXATION**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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

**1. ACCOUNTING POLICIES (continued)**

**TURNOVER**

Turnover during the year comprised the Company's share of the profits from underlying funds ATEP 2008 Funds LP and ATEP 2008 (CIV) LP.

**FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties or related parties.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

In the application of the company's accounting policies, which are described in note 1, it has not been necessary for the directors to make any significant judgements, estimates or assumptions.

**3. OPERATING PROFIT**

Audit fees of £1,750 (2014: £1,650) are borne by Alliance Trust Equity Partners Limited, a fellow subsidiary company. No non-audit fees (2014: £Nil) were payable to Deloitte LLP in respect of services provided to the Company.

**4. EMPLOYEES**

The Company has no employees other than the Directors, who did not receive any remuneration (2014 - £NIL).

**5. DIVIDENDS**

	2015 £	2014 £
Ordinary		
Equity dividends paid	6,000	-

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

**6. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Amounts owed to group owned limited partnerships	<u>356</u>	<u>326</u>

**7. FINANCIAL INSTRUMENTS**

	2015 £	2014 £
<b>Financial assets</b>		
Measured at undiscounted amount receivable - Cash at bank and in hand	<u>1,029</u>	6,999
	<u>1,029</u>	<u>6,999</u>
<b>Financial liabilities</b>		
Measured at undiscounted amount payable - Amounts owed to group owned limited partnerships	<u>(355)</u>	(326)
	<u>(355)</u>	<u>(326)</u>

**8. RESERVES**

**Profit and loss account**

The profit and loss account comprises aggregate profits or losses of the Company.

**9. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

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

**10. RELATED PARTY TRANSACTIONS**

As a wholly owned subsidiary of Alliance Trust PLC the Company is exempt from the requirements of s.33 FRS 102 to disclose transactions with other members of the group.

**11. CONTROLLING PARTY**

During the year the Alliance Trust Group underwent a period of restructuring and as a result the immediate parent undertaking and controlling party is now Alliance Trust PLC, whose Report and Accounts, may be obtained from its registered office at 8 West Marketgait, Dundee, DD1 1QN or online at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk).

**12. FIRST TIME ADOPTION OF FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on the opening equity position or the equity or profit or loss in the current or prior year.

**Registration No. SL007183**



**ATEP 2008 Funds LP**

**Audited Financial Statements**

**for the year ended 31 December 2015**



## **ATEP 2008 Funds LP**

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## **ATEP 2008 Funds LP**

### **MANAGEMENT AND ADMINISTRATION**

#### **Registered address:**

8 West Marketgait  
Dundee  
DD1 1QN

#### **General Partner:**

ATEP 2008 GP Limited  
8 West Marketgait  
Dundee  
DD1 1QN

#### **Directors of the General Partner:**

Alan Trotter (resigned 30 September 2015)  
Katherine Garrett-Cox (resigned 14 February 2016)  
Ramsay Urquhart (appointed 26 October 2015)

#### **Investment Adviser:**

Alliance Trust Equity Partners Ltd  
8 West Marketgait  
Dundee  
DD1 1QN

#### **Legal Adviser:**

Dickson Minto WS  
16 Charlotte Square  
Edinburgh  
EH2 4DF

#### **Independent Auditor:**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Hill House  
1 Little New Street  
London  
EC4A 3TR

#### **Administrator:**

Augentius (UK) Ltd  
Two London Bridge  
London  
SE1 9RA

## **ATEP 2008 Funds LP**

### **FUND SUMMARY**

First Closing Date	1 July 2009
Vintage Year	2008
Term	The partnership will terminate 180 days following the disposal of the last investment.
Total Partners' Commitment	£118,800,013
Legal Form	Scottish Limited Partnership
Investment Focus	European Private Equity Fund Investments

## **ATEP 2008 Funds LP**

### **STRATEGIC REPORT**

The directors of ATEP 2008 GP Limited (the "General Partner") present the strategic report of ATEP 2008 Funds LP (the "Partnership" or the "Fund") for the year ended 31 December 2015.

#### **OVERVIEW**

The Fund is a Limited Partnership, established in Scotland, United Kingdom on 1 July 2009 with total initial commitments of £118.8m. The only investor in the Partnership with Loan Commitment is Alliance Trust PLC (the "Trust").

The Partnership shall continue until its termination in accordance with clause 12 of the Limited Partnership Agreement (the "LPA"). The life of the Partnership may be extended by the agreement of the General Partner and the Investors by an Investors' Ordinary Consent.

The General Partner has prepared these financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the provisions of the Partnerships (Accounts) Regulations 2008.

Fixed asset investments are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines issued in December 2015.

Unlisted investments are stated at fair value. The General Partner will generally rely on the fund investment managers' fair value at the last reported period rolled forward for any cashflows, unless the General Partner believes this does not reflect the fair value. For further detail on valuation of fixed asset investments, see note 5.

#### **RISKS AND UNCERTAINTIES**

The General Partner is responsible for determining the level of risk acceptable to the Fund. This is subject to regular review.

The principal risks facing the Partnership are liquidity risk, credit risk, currency risk and market risk as disclosed in note 11.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Partnership is investing in European private equity investments.

The Trust transferred seven assets into the Partnership on 8 September 2009. The assets were commitments to funds of The Alcuin 2007 and 2008 Fund Limited Partnerships of £4.95m each, August Equity Partners II A of £14.85m; ECI 9 A LP of £19.8m; Pentech Fund II LLP of £9.9m; Polaris Private Equity III K/S of DKK222.75m and Silverfleet Capital Partners LP of €39.6m. The total drawn at the time of transfer was £25.41m.

On 11 March 2011, the ultimate controlling party, the Trust, made the strategic decision to close its private equity business. Since then, the directors of the Trust effected an orderly exit strategy focused on maximising value to its shareholders and ensuring that assets sold attract a competitive price at or around Net Asset Value whilst releasing undrawn commitments.

Following the strategic decision of the Trust, there were a number of sales of the investments held by the Partnership. As a result of a secondary process, it sold its commitment in the Alcuin 2007/2008 Funds; August Equity Partners II A and €10,000,000 of its Silverfleet Capital Partners commitment to various parties. At the end of December 2011, ATEP 2008 Co-invest LP assigned its assets to the Partnership. This took the commitments for the four remaining funds to ECI 9 A LP to £20m, Pentech Fund II LP £10m, Polaris Private Equity III K/S DKK225m and Silverfleet Capital Partners LP to €30m.

The total commitments to the Partnership at 31 December 2015 are £118.8m with £87.2m drawn down.

#### **BUSINESS REVIEW**

In the current financial year, the Partnership has been considered a qualifying partnership.

During the year, the Partnership has continued to invest in European private equity fund investments, contributing £3.0m (2014: £10.4m).

During the year, the private equity fund investments distributed a total of £22.9m (2014: £19.9m) representing a return of cost of £6.2m (2014: £7.6m) and realised gains of £16.7m (2014: £12.3m). The Partnership also received investment income of £0.2m (2014: £2.0m).

**STRATEGIC REPORT (continued)**

**BUSINESS REVIEW (continued)**

The Partnership recorded unrealised depreciation of £4.6m in the year ending 31 December 2015 (2014: unrealised depreciation of £3.3m), based on the valuations provided by the fund investment managers.

The Partnership has outstanding commitments to its fund investments of £28.6m as at 31 December 2015 (2014: £21.7m). The outstanding commitments have been revalued at the year end exchange rate from the local values.

The Partnership's net assets as at 31 December 2015 are £58.5m (2014: £70.8m). The Fund distributed £23.9m to the Trust during the year (2014: £9.6m) as there was excess cash available from the investment distributions received. The Fund received £nil (2014: £nil) in drawdowns from the Limited Partner during the year.

**KEY PERFORMANCE INDICATORS**

Profit for the year was £11,658,925 (2014: £10,439,250). Further detail is provided in the Statement of Comprehensive Income on page 10.

As set out in the Statement of Financial Position on page 11, the Partnership's net assets were £58,543,995 at 31 December 2015 (2014: £70,782,090).

**GOING CONCERN**

The Partnership participates in Alliance Trust PLC's (the "Group") centralised treasury arrangements and so shares in banking arrangements with its parent and fellow subsidiaries. The directors of the General Partner have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Partnership's financial position and that of the ultimate parent Company, Alliance Trust PLC, the directors of the General Partner have a reasonable expectation that the Partnership will be able to continue in operational existence for the foreseeable future, albeit the directors of the General Partner are effecting an orderly exit strategy from its principal activity. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**FUTURE DEVELOPMENTS**

The Partnership continues to hold and invest in European private equity fund investments.

The assets and liabilities continue to be managed with the overall objective of achieving long-term capital growth for the Partners.

Details of significant events since the Statement of Financial Position date are contained in note 13 to the financial statements.

For and on behalf of ATEP 2008 GP Limited



Ramsay Urquhart  
Director  
ATEP 2008 GP Limited  
15 June 2016

## **ATEP 2008 Funds LP**

### **GENERAL PARTNER'S REPORT**

#### **INTRODUCTION**

The directors of the General Partner present the financial statements of ATEP 2008 Funds LP (the "Partnership" or the "Fund") for the year ended 31 December 2015. The General Partner has prepared these financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and updated in the Companies and Partnership (Accounts and Audit) Regulations 2013.

#### **ESTABLISHMENT AND PRINCIPAL ACTIVITY**

The establishment and principal activity of the Fund is detailed in the Overview section of the Strategic Report on page 3.

#### **RESULTS FOR THE YEAR**

The Partnership's profit for the year was £11,658,925 (2014: £10,439,250) after making provision for the management profit share to which the General Partner is entitled. The profit has been transferred to the Income and Capital account.

#### **STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors of the General Partner are responsible for preparing the General Partner's report and the financial statements.

The financial statements for each financial year are prepared under the provisions of the Partnerships (Accounts) Regulations 2008 and the provisions of the Companies Act 2006 applicable to qualifying partnerships. The directors of the General Partner have elected to prepare the financial statements in accordance with the UK Accounting Standards, including FRS 102, and applicable law (UK Generally Accepted Accounting Practice).

The directors of 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 its profit or loss for that period. In preparing these financial statements, the directors of the General Partner are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The directors of the General Partner are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership. They 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.

#### **ACCOUNTABILITY AND AUDIT**

Each director of the General Partner confirms that, so far as they are aware, there is no relevant audit information of which the Partnership's auditor is unaware, and they have taken all the steps that they ought to have taken as a director of the General Partner in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

**ATEP 2008 Funds LP**

**GENERAL PARTNER'S REPORT (continued)**

**AUDITOR**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with the Companies Act 2006.

For and on behalf of ATEP 2008 GP Limited



Ramsay Urquhart  
Director  
ATEP 2008 GP Limited  
15 June 2016

# ATEP 2008 Funds LP

## FUND PERFORMANCE SUMMARY

	Year ended 31 Dec 2015	From inception to 31 Dec 2015
<b>RECONCILIATION OF PARTNERS' CAPITAL AT RISK</b>	<b>£</b>	<b>£</b>
Total commitments	118,800,013	118,800,013
Amount not yet drawn	(31,627,946)	(31,627,946)
Cummulative contributions	87,172,067	87,172,067
Cummulative distributions	(64,147,732)	(64,147,732)
<b>CAPITAL AT RISK</b>	<b>23,024,335</b>	<b>23,024,335</b>
<b>RECONCILIATION OF NET ASSET VALUE</b>		
<b>NET ASSET VALUE AT START OF THE YEAR / PERIOD</b>	<b>70,782,090</b>	<b>-</b>
Amounts contributed	-	87,172,067
Distribution to Partners	(23,897,020)	(64,147,732)
Interest income	225,418	3,147,105
Other income	-	29,859
Net foreign exchange losses	(1,988,587)	(4,759,338)
Administration and other expenses	(43,296)	(229,413)
Unrealised (loss) / gain on revaluation of investments	(3,473,749)	3,544,812
Realised gain on revaluation of investments	17,208,321	35,510,511
General Partner's Share	(269,182)	(1,723,876)
<b>NET ASSET VALUE PER STATEMENT OF FINANCIAL POSITION</b>	<b>58,543,995</b>	<b>58,543,995</b>

Unrealised carried interest as at 31 December 2015 amounts to £3,551,979 (31 December 2014: £535,535). This is explained in further detail in note 10.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEP 2008 FUNDS LP**

We have audited the financial statements of ATEP 2008 Funds LP for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets attributable to the Partners, the Statement of Cash Flows, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

**Respective responsibilities of general partner and auditor**

As explained more fully in the General Partner's Responsibilities Statement, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Qualifying Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the general partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

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

In our opinion the information given in the Strategic Report and the General Partner's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

## **ATEP 2008 Funds LP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEP 2008 FUNDS LP (continued)**

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the general partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Calum Thomson (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
15 June 2016

# ATEP 2008 Funds LP

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Year ended 31 Dec 2015 £	Year ended 31 Dec 2014 £
<b>INCOME</b>		
Interest income	225,418	1,953,895
Unrealised loss on revaluations of investments	(3,473,749)	(1,592,114)
Unrealised foreign exchange loss on revaluation of investments	(1,141,406)	(1,694,447)
Realised gain on disposal of investments	17,208,321	12,769,893
Realised foreign exchange loss on disposal of investments	(505,659)	(455,908)
Net unrealised foreign exchange loss on cash and cash equivalents	(341,522)	(232,159)
<b>TOTAL INCOME</b>	<b>11,971,403</b>	<b>10,749,160</b>
<b>EXPENSES</b>		
Management Profit Share	(269,182)	(272,669)
Administration expenses	(36,947)	(36,364)
Bank charges	(769)	(877)
Other expenses	(5,580)	-
<b>TOTAL EXPENSES</b>	<b>(312,478)</b>	<b>(309,910)</b>
<b>PROFIT FOR THE YEAR</b>	<b>11,658,925</b>	<b>10,439,250</b>
Other Comprehensive Income	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS</b>	<b>11,658,925</b>	<b>10,439,250</b>

All activities relate to continuing operations.

The Limited Partnership had no items of Other Comprehensive Income in the financial year other than those dealt with in the Statement of Comprehensive Income above.

The accompanying notes to the financial statements on pages 14 to 27 are an integral part of the financial statements.

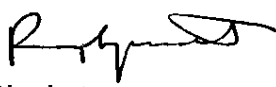
# ATEP 2008 Funds LP

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Notes	As at 31 Dec 2015 £	As at 31 Dec 2014 £
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Financial assets held at fair value through profit or loss	5	<u>55,680,737</u>	<u>63,523,739</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<u>2,871,700</u>	<u>7,261,243</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,871,700</u>	<u>7,261,243</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	6	<u>(8,442)</u>	<u>(2,892)</u>
<b>NET CURRENT ASSETS</b>		<u>2,863,258</u>	<u>7,258,351</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>58,543,995</u>	<u>70,782,090</u>
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS</b>		<u>58,543,995</u>	<u>70,782,090</u>
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS REPRESENTED BY:</b>			
Capital contribution account	7	132	132
Loan contribution account	8	23,024,203	46,921,223
Income and capital account	9	35,519,660	23,860,735
		<u>58,543,995</u>	<u>70,782,090</u>

The accompanying notes to the financial statements on pages 14 to 27 are an integral part of the financial statements.

The financial statements of ATEP 2008 Funds LP (Registration No. SL007183) were approved by the General Partner and signed on its behalf by:

  
Ramsay Urquhart  
Director  
ATEP 2008 GP Limited  
15 June 2016

# ATEP 2008 Funds LP

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS AS AT 31 DECEMBER 2015

	Limited Partner £	General Partner £	Carried Interest Partner £	Total £
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 1 JANUARY 2014</b>	69,957,464	-	13	69,957,477
Capital contributions during the year	-	-	-	-
Distributions during the year	(9,614,637)	-	-	(9,614,637)
Increase in net assets attributable to the Partners	10,439,250	-	-	10,439,250
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 31 DECEMBER 2014</b>	<u>70,782,077</u>	<u>-</u>	<u>13</u>	<u>70,782,090</u>
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 1 JANUARY 2015</b>	70,782,077	-	13	70,782,090
Capital contributions during the year	-	-	-	-
Distributions during the year	(23,897,020)	-	-	(23,897,020)
Increase in net assets attributable to the Partners	11,658,925	-	-	11,658,925
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 31 DECEMBER 2015</b>	<u>58,543,982</u>	<u>-</u>	<u>13</u>	<u>58,543,995</u>

The accompanying notes to the financial statements on pages 14 to 27 are an integral part of the financial statements.

# ATEP 2008 Funds LP

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31 Dec 2015 £	Year ended 31 Dec 2014 £
<b>Cash flow from operating activities</b>			
Increase in net assets attributable to the Partners		11,658,925	10,439,250
Unrealised loss on revaluation of investments		3,473,749	1,592,114
Unrealised foreign exchange loss on revaluation of investments		1,141,406	1,694,447
Realised gain on disposal of investments		(17,208,321)	(12,769,893)
Realised foreign exchange loss on disposal of investments		505,659	455,908
		<u>(428,582)</u>	<u>1,411,826</u>
Working capital movements:			
Increase in creditors		5,550	31
<b>Net cash (used in) / generated from operating activities</b>		<u><b>(423,032)</b></u>	<u><b>1,411,857</b></u>
<b>Cash flow from investing activities</b>			
Purchase of investments	5	(2,988,826)	(10,414,284)
Sale of investments	5	22,919,335	19,961,807
<b>Net cash generated from investing activities</b>		<u><b>19,930,509</b></u>	<u><b>9,547,523</b></u>
<b>Cash flow from financing activities</b>			
Distribution to Partners	8	(23,897,020)	(9,614,637)
<b>Net cash used in financing activities</b>		<u><b>(23,897,020)</b></u>	<u><b>(9,614,637)</b></u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(4,389,543)</b>	<b>1,344,743</b>
Cash and cash equivalents at the beginning of the year		<u>7,261,243</u>	<u>5,916,500</u>
<b>Cash and cash equivalents at the end of the year</b>		<u><b>2,871,700</b></u>	<u><b>7,261,243</b></u>

The accompanying notes to the financial statements on pages 14 to 27 are an integral part of the financial statements.

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

**1. GENERAL INFORMATION**

ATEP 2008 Funds L.P. (the "Partnership") was formed on 1 July 2009 (the "Inception Date") as a Limited Partnership under the Limited Partnership Act 1907, and a first closing was held on 1 July 2009. The purpose of the Partnership is to make private equity investments in European funds.

The Partnership shall continue until its termination in accordance with clause 12 of the Limited Partnership Agreement (the "LPA"). The life of the Partnership may be extended by the agreement of the General Partner and the Investors by an Investors' Ordinary Consent.

The Partnership's registered address is 8 West Marketgait, Dundee, DD1 1QN.

The General Partner has responsibility for day-to-day management and achievement of the Partnership's objectives. The General Partner has appointed Alliance Trust Equity Partners Ltd to act as Investment Adviser to the Partnership.

**Going concern**

The General Partner has made an assessment of the Partnership's ability to continue as going concern and is satisfied that the Partnership has the resources to continue in business for the foreseeable future, albeit the directors of the General Partner are effecting an orderly exit strategy from its principal activity. Furthermore, 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.

**2. STATEMENT OF COMPLIANCE**

The financial statements of ATEP 2008 Funds L.P. have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and as amended by The Companies and Partnerships (Accounts and Audit) Regulations 2013.

**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. The Partnership has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 14.

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

**3.1 Basis of preparation**

The financial statements have been prepared on a going concern basis.

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 Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 (a).

**3.2 Foreign currency**

*(i) Functional and presentation currency*

The Partnership's functional and presentation currency is the Pound Sterling ("GBP", "£").

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.2 Foreign currency (continued)**

*(ii) Transactions and balances (continued)*

At each period end foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income.

**3.3 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of value added taxes.

The Partnership recognises revenue when the amounts of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Partnership.

*i) Interest income*

Interest income on debt investments held as financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within interest income using the effective interest rate method.

**3.4 Management Profit Share**

The General Partner is entitled to receive a priority profit share ("Management Profit Share") from the Partnership. The amount is as agreed by the General Partner and offset by 50% of underwriting fees, transaction fees and aborts fees.

The Management Profit Share ranks as a first charge on Net Income of the Partnership in any accounting period and is charged in the Statement of Comprehensive Income. Where the Net Income of the Partnership exceeds the amount to be allocated to the General Partner, the General Partner may elect which items of Net Income form part of the amount taken.

If there is insufficient Net Income and Capital Gains less Capital Losses in any one accounting period, the General Partner may take an interest-free loan in respect of the balance of the Management Profit Share entitlement. In no circumstances shall such interest-free loans be repaid by the General Partner other than by set-off of allocations of Capital Gains and Net Income.

**3.5 Allocation of remaining profits and losses between Partners**

Allocations are made to each Partner in proportion to their Commitments until Outstanding Loans and the Preferred Return have been distributed to Investors. Thereafter, allocations will be made in proportion to Capital Contributions (i.e. 90% to Investors and 10% to ATEP 2008 (CIV) LP (the "Founder Partner" or "CIV")).

**3.6 Distributions of Income Proceeds and Capital Proceeds between Partners**

As set out in the Limited Partnership Agreement, after payment of the expenses and liabilities of the Partnership, distributions of income proceeds and capital proceeds will be made in the following order of priority:

- first, in payment of the General Partner's Share;



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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.6 Distributions of Income Proceeds and Capital Proceeds between Partners (continued)**

- second, to Investors (pro rata to their respective Commitments) until they have received an amount equal to the aggregate of their Outstanding Commitments;
- third, to Investors (pro rata to their respective Commitments) in payment of an amount equal to the Preferred Return;
- fourth, to the CIV, until (after taking account of any distributions to it pursuant to the second and third points above) it has received an amount equal to 11% of the Preferred Return (in order to give the CIV an amount equal to 10% of the cumulative distributions of Income Proceeds and Capital Proceeds in excess of amounts distributed under the first and second points above);
- fifth, 90% to Investors (pro rata to their respective Commitments) and 10% to the CIV; and
- finally, at the end of the life of the Partnership, any balance remaining after the payments referred to above, in repayment of Capital Contributions.

Distributions to investors are applied first in settlement of any outstanding loan balances. The Limited Partnership Agreement provides restrictions on the level and timing of payments to the General Partner.

**3.7 Carried interest**

The amounts distributable to the CIV under 3.6 above will be recognised once it is probable that a payment will be made to the CIV and that the amount can be reliably measured.

**3.8 Taxation**

The Partnership is treated as being tax transparent. The Partnership is not therefore separately taxable, as all income, expenses, gains and losses of the Partnership flow through each Partner individually.

**3.9 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**3.10 Financial instruments**

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

*i) Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and investments in non-convertible preference shares, 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 basic financial assets such as loan notes and are measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss), and subsequently measured at amortised cost.

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.10 Financial instruments (continued)**

*i) Financial assets (continued)*

At the end of each reporting period, financial assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Partnership interests in private equity funds and shares of investments companies ("portfolio investments") are initially measured at fair value, which is normally the transaction price. These are measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income.

Portfolio investments are currently stated at the Net Asset Value per share, established by the respective partnerships or investment companies at the period end. In accordance with the Limited Partnership Agreement, the General Partner will provide valuations of each investment on a quarterly basis in accordance with the International Private Equity and Venture Capital Valuation Guidelines (the "IPEV guidelines").

Notwithstanding the bases of valuation stated above, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

Distributions from underlying funds are allocated between income and realised capital gains on the basis of the nature of the underlying transactions generating the distribution.

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.

*ii) Financial liabilities*

Basic financial liabilities, including trade and other payables, and bank loans 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.

Fees paid on the establishment of bank loan facilities are recognised as transaction costs of the loan and are charged in the Statement of Comprehensive Income during the period that such transaction costs were incurred.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors: amounts falling due within one year if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at transaction price and subsequently measured 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.

*iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.11 Related party transactions**

The Partnership discloses transactions with related parties. Please see Note 10 for further details.

**3.12 Net assets attributable to Partners**

Net assets attributable to the Partners are classified as a financial liability, due to the finite life and contractual payment positions to each of the Partners within the LPA.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The Partnership makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Fair value of investments not quoted in an active market**

The Partnership holds portfolio investments that are not quoted in active markets. Fair values of such investments are determined using valuations techniques common in the Fund of Private Equity Funds environment. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by the General Partner.

The Partnership's accounting policy on fair value measurements is outlined in note 3 and further details on fair value methodology is discussed in note 5.

**Functional currency**

The Partnership considers the Pound Sterling to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Pound Sterling is the currency in which the Partnership measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors. This determination also considers the competitive environment in which the Partnership is compared to other European private equity fund managers.

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

**5. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS**

	Amount £
Balance at 1 January 2014	64,043,838
Additions during the year	10,414,284
Disposals during the year	(19,961,807)
Fair value adjustments	9,027,424
<b>Balance at 31 December 2014</b>	<b><u>63,523,739</u></b>
Balance at 1 January 2015	63,523,739
Additions during the year	2,988,826
Disposals during the year	(22,919,335)
Fair value adjustments	12,087,507
<b>Balance at 31 December 2015</b>	<b><u>55,680,737</u></b>

The Partnership uses the following hierarchy to estimate the fair value of its financial instruments which are measured at fair value through profit or loss:

- (a) The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

The Partnership has no financial instruments as at 31 December 2015 and 31 December 2014 under this category.

- (b) When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value, that price is adjusted.

The Partnership has no financial instruments as at 31 December 2015 and 31 December 2014 under this category.

- (c) If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

The Partnership's investments as at 31 December 2015 and 31 December 2014 were all categorised under this category.

Investments classified within (c) as aforementioned have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these securities, the Partnership has used valuation techniques to derive the fair value.

The valuations of the Partnership's investments are based on the Net Asset Value of the underlying funds ascertained from capital account statements and audited financial statements provided by the managers of those funds. Such valuations are necessarily dependent upon the reasonableness of the valuations by the managers of the underlying funds.

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

**5. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

Investments at 31 December 2014	*Commitments	*Funded Commitments	*Outstanding Commitments	Bookcost (Historic FX)	Valuation
	£	£	£	£	£
ECI 9 A, L.P.	20,000,000	7,670,211	12,329,789	15,473,182	19,442,074
Pentech Fund II, L.P.	10,000,000	8,938,424	1,061,576	7,086,283	8,350,320
Polaris Private Equity III K/S	23,474,913	17,443,045	6,031,868	16,324,722	15,938,318
Silverfleet Capital Partners, L.P.	23,310,023	21,055,102	2,254,921	19,649,036	19,793,027
	<u>76,784,936</u>	<u>55,106,782</u>	<u>21,678,154</u>	<u>58,533,223</u>	<u>63,523,739</u>

Investments at 31 December 2015	*Commitments	*Funded Commitments	*Outstanding Commitments	Bookcost (Historic FX)	Valuation
	£	£	£	£	£
ECI 9 A, L.P.	20,000,000	(1,250,964)	21,250,964	13,424,425	12,943,757
Pentech Fund II, L.P.	10,000,000	9,265,469	734,531	6,453,881	12,316,193
Polaris Private Equity III K/S	22,216,298	16,797,407	5,418,891	15,976,547	14,980,894
Silverfleet Capital Partners, L.P.	22,117,370	20,899,752	1,217,618	19,450,524	15,439,893
	<u>74,333,668</u>	<u>45,711,664</u>	<u>28,622,004</u>	<u>55,305,377</u>	<u>55,680,737</u>

\* Commitment, funded and outstanding commitment are revalued at the year end exchange rate from the local values.

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 Dec 2015	31 Dec 2014
	£	£
Due to Alliance Trust PLC	2,862	2,892
Accruals	5,580	-
<b>Total creditors</b>	<u><b>8,442</b></u>	<u><b>2,892</b></u>

There were no creditor balances falling due after more than one year for the years ended 31 December 2015 and 31 December 2014.

**7. RECONCILIATION OF PARTNERS' CAPITAL CONTRIBUTION ACCOUNT**

	Limited Partner	General Partner	Carried Interest Partner	Total
Balance as at 1 January 2014	119	-	13	132
Capital contribution during the year	-	-	-	-
<b>Balance as at 31 December 2014</b>	<u><b>119</b></u>	<u><b>-</b></u>	<u><b>13</b></u>	<u><b>132</b></u>
Balance as at 1 January 2015	119	-	13	132
Capital contribution during the year	-	-	-	-
<b>Balance as at 31 December 2015</b>	<u><b>119</b></u>	<u><b>-</b></u>	<u><b>13</b></u>	<u><b>132</b></u>

# ATEP 2008 Funds LP

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

### 8. RECONCILIATION OF PARTNERS' LOAN ACCOUNT

	Limited Partner	General Partner	Carried Interest Partner	Total
Balance as at 1 January 2014	56,535,860	-	-	56,535,860
Loan distributions made to Partners during the year	(9,614,637)	-	-	(9,614,637)
<b>Balance as at 31 December 2014</b>	<b>46,921,223</b>	<b>-</b>	<b>-</b>	<b>46,921,223</b>
Balance as at 1 January 2015	46,921,223	-	-	46,921,223
Loan distributions made to Partners during the year	(23,897,020)	-	-	(23,897,020)
<b>Balance as at 31 December 2015</b>	<b>23,024,203</b>	<b>-</b>	<b>-</b>	<b>23,024,203</b>

### 9. RECONCILIATION OF PARTNERS' INCOME AND CAPITAL ACCOUNT

	Limited Partner	General Partner	Carried Interest Partner	Total
Balance as at 1 January 2014	13,421,485	-	-	13,421,485
Increase in net assets attributable to the Partners	10,439,250	-	-	10,439,250
<b>Balance as at 31 December 2014</b>	<b>23,860,735</b>	<b>-</b>	<b>-</b>	<b>23,860,735</b>
Balance as at 1 January 2015	23,860,735	-	-	23,860,735
Increase in net assets attributable to the Partners	11,658,925	-	-	11,658,925
<b>Balance as at 31 December 2015</b>	<b>35,519,660</b>	<b>-</b>	<b>-</b>	<b>35,519,660</b>

### 10. RELATED PARTY TRANSACTIONS AND CARRIED INTEREST

The immediate and ultimate controlling party of the Partnership is ATEP 2008 GP Limited.

ATEP 2008 GP Limited, as General Partner is a related party to the Partnership. Transactions between the Partnership and the General Partner are regulated by the terms of the Limited Partnership Agreement, as described in clause 5.1. During the year, the General Partner's Share charged to the Statement of Comprehensive income amounted to £269,182 (period ended 31 December 2014: £272,669). As at 31 December 2015, an outstanding payable amount of £Nil (2014: £Nil) was due to the General Partner in relation to General Partner's Share.

ATEP 2008 (CIV) LP (the "Founder Partner" or "CIV") has subscribed a capital contribution as a means of giving it carried interest. CIV will be entitled to a total of 10% of any realisations of capital and income remaining, after all the other limited partners of the Partnership have been fully repaid, as set out in the LPA.

If the investment portfolio was to be fully realised at the values included in the Financial Statements at 31 December 2015, there would be a reallocation of Net Income between CIV and those of the other limited partners. This would reallocate Net Income of £3,551,979 (31 December 2014: £535,535) to CIV in accordance with the terms of the LPA.

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

**11. FINANCIAL RISK MANAGEMENT**

The objective of the Partnership is to achieve medium to long-term capital growth through investing in European private equity investments. The General Partner is ultimately responsible for the overall risk management of the Partnership.

**11.1 Market Risk**

**(a) Price risk**

The Partnership's portfolio investments are susceptible to market price risk arising from uncertainties about future values of the portfolio investments. To manage the market price risk, the General Partner reviews the performance of the portfolio investments, held by the Partnership, on a quarterly basis and is in regular contact with the management of the portfolio investments for business and operational matters. Results of these reviews are reported to the General Partner regularly.

For the Partnership's investments valued using valuations provided by the fund investment managers, if the valuations were increased / decreased by 10%, this would have resulted in an increase / decrease in value of £5,568,073 (2014: £6,352,374).

**(b) Foreign exchange risk**

The Partnership hold assets (both monetary and non-monetary) denominated in currencies other than the functional currency (the Pound sterling). It is therefore exposed to currency risk, as the value of the financial instruments denominated in other currencies will fluctuate due to the changes in exchange rates.

In accordance with the Partnership's policy, the Investment Adviser monitors the Partnership's currency position, including monetary and non-monetary items, on a monthly basis; the General Partner reviews it on a quarterly basis.

Foreign currency risk arises as the value of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

The following table presents the foreign exchange rates applied at the respective reporting dates:

	As at 31 December 2015	As at 31 December 2014
Euro	1.3564	1.287
Danish Krone	10.1277	9.5847

The Partnership's functional currency is GBP, cash and portfolio investments are held in EUR and DKK as detailed in the table below:

	As at 31 December 2015 EUR	As at 31 December 2015 DKK
Financial assets held at fair value through profit or loss	20,942,671	151,722,000
Cash and cash equivalents	856,784	14,674,522
<b>Total financial assets</b>	<b>21,799,455</b>	<b>166,396,522</b>

	As at 31 December 2014 EUR	As at 31 December 2014 DKK
Financial assets held at fair value through profit or loss	25,473,625	152,764,000
Cash and cash equivalents	6,774,446	1,441,221
<b>Total financial assets</b>	<b>32,248,071</b>	<b>154,205,221</b>

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

**11. FINANCIAL RISK MANAGEMENT (continued)**

**11.1 Market Risk (continued)**

**(b) Foreign exchange risk (continued)**

The following tables demonstrate the foreign exchange sensitivity analysis on investments and cash and cash equivalents:

**At 31 December 2015**

	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Financial assets held at fair value through profit or loss	EUR	5%	1.4242	15,439,893	(771,995)
Financial assets held at fair value through profit or loss	EUR	(5%)	1.2886	15,439,893	771,995
Financial assets held at fair value through profit or loss	DKK	5%	10.6341	14,980,894	(749,045)
Financial assets held at fair value through profit or loss	DKK	(5%)	9.6213	14,980,894	749,045

**At 31 December 2014**

	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Financial assets held at fair value through profit or loss	EUR	5%	1.3514	19,793,026	(989,651)
Financial assets held at fair value through profit or loss	EUR	(5%)	1.2227	19,793,026	989,651
Financial assets held at fair value through profit or loss	DKK	5%	10.0639	15,938,318	(796,916)
Financial assets held at fair value through profit or loss	DKK	(5%)	9.1055	15,938,318	796,916

**At 31 December 2015**

	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Cash and cash equivalents	EUR	5%	1.4242	631,661	(31,583)
Cash and cash equivalents	EUR	(5%)	1.2886	631,661	31,583
Cash and cash equivalents	DKK	5%	10.6341	1,448,949	(72,447)
Cash and cash equivalents	DKK	(5%)	9.6213	1,448,949	72,447

**At 31 December 2014**

	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Cash and cash equivalents	EUR	5%	1.3514	5,263,750	(263,188)
Cash and cash equivalents	EUR	(5%)	1.2227	5,263,750	263,188
Cash and cash equivalents	DKK	5%	10.0639	150,367	(7,518)
Cash and cash equivalents	DKK	(5%)	9.1055	150,367	7,518



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

**11. FINANCIAL RISK MANAGEMENT (continued)**

**11.1 Market Risk (continued)**

**(c) Interest rate risk**

Interest rate risk is the risk that changes in interest rates will affect future cash flows and hence the fair value of the Partnership's portfolio investments.

The majority of the Partnership's financial assets and liabilities are non-interest bearing and any interest bearing financial liabilities typically mature within twelve months. As a result, the Partnership is subject to limited direct exposure to interest rate risk.

The table below summarises the Partnership's exposure to interest rate risks. It includes the Partnership's assets and liabilities at fair values categorised by the earlier of contractual re-pricing or maturity dates.

**At 31 December 2015**

	Up to 1 month £	1 to 12 months £	More than 1 year £	Non-interest bearing £	Total £
<b>Assets</b>					
Financial assets held at fair value through profit or loss	-	-	-	55,680,737	55,680,737
Cash and cash equivalents	2,871,700	-	-	-	2,871,700
<b>Total Assets</b>	<b>2,871,700</b>	<b>-</b>	<b>-</b>	<b>55,680,737</b>	<b>58,552,437</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	-	-	-	8,442	8,442
Net assets attributable to the Partners	-	-	-	58,543,995	58,543,995
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,552,437</b>	<b>58,552,437</b>

**At 31 December 2014**

	Up to 1 month £	1 to 12 months £	More than 1 year £	Non-interest bearing £	Total £
<b>Assets</b>					
Financial assets held at fair value through profit or loss	-	-	-	63,523,739	63,523,739
Cash and cash equivalents	7,261,243	-	-	-	7,261,243
<b>Total Assets</b>	<b>7,261,243</b>	<b>-</b>	<b>-</b>	<b>63,523,739</b>	<b>70,784,982</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	-	-	-	2,892	2,892
Net assets attributable to the Partners	-	-	-	70,782,090	70,782,090
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,784,982</b>	<b>70,784,982</b>

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

### 11. FINANCIAL RISK MANAGEMENT (continued)

#### 11.2 Credit Risk

Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash upon the acquisition or disposal of an investment or to repay deposits upon demand. The Partnership places its cash with its bank and is potentially at risk from the failure of any such institution. All of the Partnership's cash was held by Royal Bank of Scotland PLC at the year end which was rated "BBB+" by Standard & Poors. The Manager monitors the credit quality of the bank and tries to minimise the cash balances held by the Partnership. There is normally a risk in private equity fund structures of limited partners defaulting. Partnership structures usually try to negate the risk of investors deciding to default by various clauses in the LPA to penalise them if they do. As the largest investor in this Partnership is Alliance Trust PLC, we do not see this risk as significant in this Partnership.

The Partnership assesses all counterparties, including its Partners, for credit risk before contracting with them. The Partnership's maximum exposure to credit risk is detailed in the table below. The Partnership does not include any collateral or other credit risk enhancers, which may reduce the Partnership's exposure.

The maximum exposure to credit risk at 31 December is the carrying amount of the financial assets set out below.

	As at 31 December 2015 £	As at 31 December 2014 £	Change%
Financial assets held at fair value through profit or loss	55,680,737	63,523,739	-12.35%
Cash and cash equivalents	2,871,700	7,261,243	-60.45%
<b>Total financial assets</b>	<b>58,552,437</b>	<b>70,784,982</b>	<b>-17.28%</b>

As at 31 December 2015, the financial assets held by the Partnership are not past due or impaired (31 December 2014: £nil).

In accordance with the Partnership's policy, the Investment Adviser monitors the Partnership's credit position on a monthly basis; the General Partner reviews it on a quarterly basis.

#### 11.3 Liquidity Risk

Liquidity risk is the risk that the Partnership may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Partnership's investments are subject to liquidity risk in the normal course of business. The General Partner manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short term liquidity needs, as and when they fall due.

The General Partner, as outlined in the LPA, is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from the Limited Partner. As at 31 December 2015, the Partnership has undrawn commitments of £31,627,946 (31 December 2014: £31,627,946) which is callable by the General Partner in accordance with the terms set out in the LPA.

The following table analyses the Partnership's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date. The amounts in the tables are the contractual undiscounted cash flows.

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

**11. FINANCIAL RISK MANAGEMENT (continued)**

**11.3 Liquidity Risk (continued)**

**At 31 December 2015**

	On demand	Less than one year	Between 1 and 5 years	More than 5 years	Total
	£	£	£	£	£
Due to General Partner	-	2,862	-	-	2,862
Accruals	-	5,580	-	-	5,580
Net assets attributable to the Partners	-	-	-	58,543,995	58,543,995
<b>Total liabilities</b>	<b>-</b>	<b>8,442</b>	<b>-</b>	<b>58,543,995</b>	<b>58,552,437</b>

**At 31 December 2014**

	On demand	Less than one year	Between 1 and 5 years	More than 5 years	Total
	£	£	£	£	£
Due to General Partner	-	2,892	-	-	2,892
Accruals	-	-	-	-	-
Net assets attributable to the Partners	-	-	-	70,782,090	70,782,090
<b>Total liabilities</b>	<b>-</b>	<b>2,892</b>	<b>-</b>	<b>70,782,090</b>	<b>70,784,982</b>

**11.4 Capital risk management**

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

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

**12. CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets and liabilities that require disclosure in the financial statements.

**13. EVENTS AFTER THE END OF THE REPORTING PERIOD**

On 12 January 2016, a distribution in the amount of DKK 34,509,393 was received from Polaris Private Equity III K/S.

On 3 February 2016, the Partnership paid distributions to Alliance Trust PLC in the amount of £4,500,000.

On 12 February 2016, a capital call in the amount of DKK 1,537,393 was paid to Polaris Private Equity III K/S.

On 15 March 2016, a distribution in the amount of €5,988,290 was received from ECI 9 A, L.P.

On 24 March 2016, a capital call in the amount of £221,034 was paid to Pentech Fund II, L.P.

# **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 DECEMBER 2015**

## **14. TRANSITION TO FRS 102**

This is the first year that the Partnership has presented its results under FRS 102. The last financial statements under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

### **Reconciliation of net assets attributable to Partners for the year ended 1 January 2014**

	£
Net assets attributable to the Partners as at 1 January 2014 under previous UK GAAP	69,957,477
Adjustment to retained earnings due to reclassification of revaluation reserve	8,277,077
Reversal of movements in revaluation reserve	<u>(8,277,077)</u>
<b>Net assets attributable to the Partners as at 1 January 2014 under FRS 102</b>	<b><u>69,957,477</u></b>

### **Reconciliation of net assets attributable to Partners for the year ended 31 December 2014**

	£
Net assets attributable to the Partners as at 31 December 2014 under previous UK GAAP	70,782,090
Adjustment to retained earnings due to reclassification of revaluation reserve	4,990,516
Reversal of movements in revaluation reserve	<u>(4,990,516)</u>
<b>Net assets attributable to the Partners as at 31 December 2014 under FRS 102</b>	<b><u>70,782,090</u></b>

The following adjustments have arisen which have had no effect on net equity or profit and loss account but which have affected the presentation of these items on the Statement of Financial Position. The main items are:

#### *Unrealised gain on revaluation of investments/ Reversal of movements in revaluation reserve*

FRS 102 requires these investments to be recognised at fair value with movements in fair value to be charged to the Statement of Comprehensive Income. Previously, the Partnership already recognised the movements in revaluation of investments in the Profit and Loss Account. However, these movements in revaluation of investments were still presented as a revaluation reserve on the Statement of Financial Position. All the previously accumulated revaluation reserves as at 1 January 2014 and 31 December 2014 were now reversed and adjusted in the income and capital account:

#### *Statement of Cash Flows*

The Partnership's Statement of Cash Flows reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1 (Revised 1996), 'Cash Flow Statements' ('FRS 1'). In addition, the Statement of Cash Flows reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value' whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS 1 definition is more restrictive.

#### *Statement of changes in net assets attributable to the Partners*

The Statement of Changes in Net Assets Attributable to the Partners is a new requirement under FRS 102. The Partnership is required to present the changes in net assets attributable to the Partners brought by the profit or loss for the period, other comprehensive income, the amounts of investments, and distributions to partners, showing separately partner capital contributions, distributions, and other distributions to partners.

**Registration No. SL007137**



**ATEP 2008 (CIV) LP**

**Audited Financial Statements**

**for the year ended 31 December 2015**

## **ATEP 2008 (CIV) LP**

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## **ATEP 2008 (CIV) LP**

### **MANAGEMENT AND ADMINISTRATION**

#### **Registered address:**

8 West Marketgait  
Dundee  
DD1 1QN

#### **General Partner:**

ATEP 2008 GP Limited  
8 West Marketgait  
Dundee  
DD1 1QN

#### **Directors of the General Partner:**

Alan Trotter (resigned 30 September 2015)  
Katherine Garrett-Cox (resigned 14 February 2016)  
Ramsay Urquhart (appointed 26 October 2015)

#### **Investment Adviser:**

Alliance Trust Equity Partners Ltd  
8 West Marketgait  
Dundee  
DD1 1QN

#### **Legal Adviser:**

Dickson Minto WS  
16 Charlotte Square  
Edinburgh  
EH2 4DF

#### **Independent Auditor:**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Hill House  
1 Little New Street  
London  
EC4A 3TR

#### **Administrator:**

Augentius (UK) Ltd  
Two London Bridge  
London  
SE1 9RA

## **ATEP 2008 (CIV) LP**

### **FUND SUMMARY**

First Closing Date	27 May 2009
Term	The Partnership will terminate 90 days following the termination of the Fund Partnerships.
Total Partners' Commitment	£100
Legal Form	Scottish Limited Partnership
Investment Focus	Carried interest vehicle



## **ATEP 2008 (CIV) LP**

### **STRATEGIC REPORT**

The directors of ATEP 2008 GP Limited (the "General Partner") present the strategic report of ATEP 2008 (CIV) LP (the "Partnership") for the year ended 31 December 2015.

#### **OVERVIEW**

The Partnership is a Limited Partnership, established in Scotland, United Kingdom on 27 May 2009 with total commitments of £100. The only investor in the Partnership with Loan Commitment is Alliance Trust PLC (the "Trust").

The Partnership shall continue until its termination in accordance with clause 12 of the Limited Partnership Agreement (the "LPA"). The life of the Partnership may be extended by the agreement of the General Partner and the Investors by an Investors' Ordinary Consent.

The General Partner has prepared these financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the provisions of the Companies Act 2006 applicable to qualifying partnerships.

#### **RISK AND UNCERTAINTIES**

The General Partner is responsible for determining the level of risk acceptable to the Partnership. This is subject to regular review.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Partnership is to act as a carried interest vehicle. The purpose of the Partnership is to receive carried interest from ATEP 2008 Funds LP (the "Fund") when appropriate.

The Partnership was the founder partner in ATEP 2008 Funds LP and ATEP 2008 Direct Holdings LP. During 2011, ATEP 2008 Direct Holdings LP was dissolved following the change in strategy by the Trust. The Partnership did not get its founding partner capital returned at dissolution.

#### **REVIEW OF DEVELOPMENTS**

No carried interest is due to the Partnership. The Partnership will continue to enable the partners to hold an interest in ATEP 2008 Funds LP.

#### **BUSINESS REVIEW**

In the current financial year, the Partnership has been considered a qualifying partnership.

The Partnership has no outstanding commitments to its fund investments as at 31 December 2015 (2014: £nil).

There was no income or expenditure during the year (2014: £nil). The Partnership's net assets as at 31 December 2015 are £96 (2014: £96).

#### **GOING CONCERN**

The Partnership participates in Alliance Trust PLC's centralised treasury arrangements and so shares in banking arrangements with its parent and fellow subsidiaries (the "Group"). The directors of the General Partner have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

The directors of the ultimate parent undertaking, Alliance Trust PLC, have announced an orderly wind down of the private equity activities of the Group. Management expect that private equity investments will continue to be held by the Group.

On the basis of their assessment of the Partnership's financial position and that of the ultimate parent undertaking, Alliance Trust PLC, the directors of the General Partner have a reasonable expectation that the Partnership will be able to continue in operational existence for the foreseeable future, albeit the directors of the General Partner are effecting an orderly exit strategy from its principal activity. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

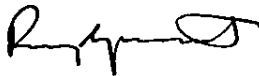
**ATEP 2008 (CIV) LP**

**STRATEGIC REPORT (continued)**

**FUTURE DEVELOPMENTS**

The Partnership continues to act as a carried interest vehicle.

For and on behalf of ATEP 2008 GP Limited



Ramsay Urquhart

Director

ATEP 2008 GP Limited

15 June 2016

## **ATEP 2008 (CIV) LP**

### **GENERAL PARTNER'S REPORT**

#### **INTRODUCTION**

The directors of the General Partner present the financial statements of ATEP 2008 (CIV) LP (the "Partnership") for the year ended 31 December 2015. The General Partner has prepared these financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

#### **ESTABLISHMENT AND PRINCIPAL ACTIVITY**

The establishment and principal activity of the Partnership is detailed in the Overview section of the Strategic Report on page 3.

#### **RESULTS FOR THE YEAR**

There was no income or expenditure during the year (2014: £nil).

#### **STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors of the General Partner are responsible for preparing the General Partner's report and the financial statements.

The financial statements for each financial year are prepared under the provisions of the Partnerships (Accounts) Regulations 2008 and the provisions of the Companies Act 2006 applicable to qualifying partnerships. The directors of the General Partner have elected to prepare the financial statements in accordance with the UK Accounting Standards, including FRS 102, and applicable law (UK Generally Accepted Accounting Practice).

The directors of 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 its profit or loss for that period. In preparing these financial statements, the directors of the General Partner are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The directors of the General Partner are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership. They 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.

#### **ACCOUNTABILITY AND AUDIT**

Each director of the General Partner confirms that, so far as they are aware, there is no relevant audit information of which the Partnership's auditor is unaware, and they have taken all the steps that they ought to have taken as a director of the General Partner in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

**ATEP 2008 (CIV) LP**

**GENERAL PARTNER'S REPORT (continued)**

**AUDITOR**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with the Companies Act 2006.

For and on behalf of ATEP 2008 GP Limited



Ramsay Urquhart  
Director  
ATEP 2008 GP Limited  
15 June 2016

## ATEP 2008 (CIV) LP

### FUND PERFORMANCE SUMMARY

	Year ended 31 Dec 2015	From inception to 31 Dec 2015
<b>RECONCILIATION OF PARTNERS' CAPITAL AT RISK</b>	<b>£</b>	<b>£</b>
Total commitments	100	100
Amount not yet drawn	-	-
Cumulative contributions	<u>100</u>	<u>100</u>
Cumulative distributions	<u>-</u>	<u>-</u>
<b>CAPITAL AT RISK</b>	<b><u>100</u></b>	<b><u>100</u></b>
<b>RECONCILIATION OF NET ASSET VALUE</b>		
<b>NET ASSET VALUE AT START OF THE YEAR / PERIOD</b>	<b><u>96</u></b>	<b><u>-</u></b>
Amounts contributed	-	100
Realised loss on revaluation of investments	-	(4)
<b>NET ASSET VALUE PER STATEMENT OF FINANCIAL POSITION</b>	<b><u>96</u></b>	<b><u>96</u></b>

Unrealised carried interest as at 31 December 2015 amounts to £3,551,979 (31 December 2014: £535,535). This is explained in further detail in note 8.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEP 2008 (CIV) LP**

We have audited the financial statements of ATEP 2008 (CIV) LP for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets attributable to the Partners, Statement of Cash Flows and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

**Respective responsibilities of general partner and auditor**

As explained more fully in the General Partner's Responsibilities Statement, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the general partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**Opinion on financial statements**

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 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

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

In our opinion the information given in the Strategic Report and the General Partner's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

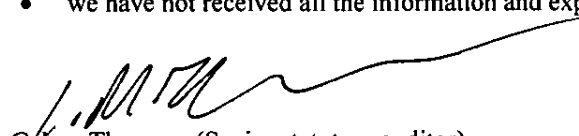
**ATEP 2008 (CIV) LP**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATEP 2008 (CIV) LP  
(continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the general partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Calum Thomson (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
15 June 2016

**ATEP 2008 (CIV) LP**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Year ended 31 Dec 2015 £	Year ended 31 Dec 2014 £
<b>INCOME</b>	-	-
<b>TOTAL INCOME</b>	-	-
<b>EXPENSES</b>	-	-
<b>TOTAL EXPENSES</b>	-	-
<b>PROFIT FOR THE YEAR</b>	-	-
Other Comprehensive Income	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS</b>	-	-

All activities relate to continuing operations.

The Partnership had no items of Other Comprehensive Income in the financial year other than those dealt with in the Statement of Comprehensive Income above.

The accompanying notes to the financial statements on pages 14 to 19 are an integral part of the financial statements.



**ATEP 2008 (CIV) LP**

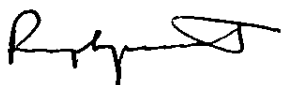
**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	Notes	As at 31 Dec 2015 £	As at 31 Dec 2014 £
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Investments	4	<u>13</u>	<u>13</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<u>83</u>	<u>83</u>
<b>TOTAL CURRENT ASSETS</b>		<u>83</u>	<u>83</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
	5	<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>83</u>	<u>83</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>96</u>	<u>96</u>
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS</b>		<u>96</u>	<u>96</u>
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS REPRESENTED BY:</b>			
Capital contribution account	6	100	100
Income and capital account	7	<u>(4)</u>	<u>(4)</u>
		<u>96</u>	<u>96</u>

The accompanying notes to the financial statements on pages 14 to 19 are an integral part of the financial statements.

The financial statements of ATEP 2008 (CIV) LP (Registration No. SL007137) were approved by the General Partner and signed on its behalf by:

Signed on behalf of the General Partner



Ramsay Urquhart  
Director  
ATEP 2008 GP Limited  
15 June 2016

# ATEP 2008 (CIV) LP

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS AS AT 31 DECEMBER 2015

	ATEP08GP £	RA £	JM £	IC £	RH £	LF £	FS £	VJ £	AT £	Total £
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 1 JANUARY 2014</b>	-	14	11	11	6	-	4	2	48	96
Capital contributions during the year	-	-	-	-	-	-	-	-	-	-
Increase in net assets attributable to the Partners	-	-	-	-	-	-	-	-	-	-
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 31 DECEMBER 2014</b>	-	14	11	11	6	-	4	2	48	96
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 1 JANUARY 2015</b>	-	14	11	11	6	-	4	2	48	96
Capital contributions during the year	-	-	-	-	-	-	-	-	-	-
Increase in net assets attributable to the Partners	-	-	-	-	-	-	-	-	-	-
<b>NET ASSETS ATTRIBUTABLE TO THE PARTNERS AT 31 DECEMBER 2015</b>	-	14	11	11	6	-	4	2	48	96

The accompanying notes to the financial statements on pages 14 to 19 are an integral part of the financial statements.

**ATEP 2008 (CIV) LP**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Year ended 31 Dec 2015 £	Year ended 31 Dec 2014 £
<b>Cash flow from operating activities</b>			
Increase in net assets attributable to the Partners		-	-
Working capital movements:			
Increase in creditors		-	-
<b>Net cash generated from operating activities</b>		-	-
<b>Cash flow from investing activities</b>			
Purchase of investments	4	-	-
Sale of investments	4	-	-
<b>Net cash generated from investing activities</b>		-	-
<b>Cash flow from financing activities</b>			
Proceeds from capital contributions received from the Partners	6	-	-
<b>Net cash used in financing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		-	-
Cash and cash equivalents at the beginning of the year		83	83
<b>Cash and cash equivalents at the end of the year</b>		<u>83</u>	<u>83</u>

The accompanying notes to the financial statements on pages 14 to 19 are an integral part of the financial statements.

## **ATEP 2008 (CIV) LP**

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

#### **1. ACCOUNTING POLICIES**

ATEP 2008 (CIV) LP (the "Partnership") was formed on 27 May 2009 (the "Inception Date") as a Limited Partnership under the Limited Partnership Act 1907, and a first closing was held on 27 May 2009. The purpose of the Partnership is to act as a carried interest vehicle and to receive carried interest from ATEP 2008 Funds LP (the "Fund").

The Partnership shall continue until its termination in accordance with clause 12 of the Limited Partnership Agreement (the "LPA"). The life of the Partnership may be extended by the agreement of the General Partner and the Investors by an Investors' Ordinary Consent.

The Partnership's registered address is 8 West Marketgait, Dundee, DD1 1QN.

The General Partner has responsibility for day-to-day management and achievement of the Partnership's objectives. The General Partner has appointed Alliance Trust Equity Partners Ltd to act as Investment Adviser to the Partnership.

##### **Going concern**

The General Partner has made an assessment of the Partnership's ability to continue as going concern and is satisfied that the Partnership has the resources to continue in business for the foreseeable future, albeit the directors of the General Partner are effecting an orderly exit strategy from its principal activity. Furthermore, 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.

#### **2. STATEMENT OF COMPLIANCE**

The financial statements of ATEP 2008 (CIV) LP have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008, and as amended by The Companies and Partnerships (Accounts and Audit) Regulations 2013.

#### **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. The Partnership has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 11.

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

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

The financial statements have been prepared on a going concern basis.

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 Partnership's accounting policies.

##### **3.2 Foreign currency**

###### *(i) Functional and presentation currency*

The Partnership's functional and presentation currency is the Pound Sterling ("GBP", "£").

###### *(ii) Transactions and balances*

The Partnership had no transactions in currencies other than GBP in the current or previous years.

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.3 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of value added taxes.

The Partnership recognises revenue when the amounts of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Partnership.

**3.4 Expenses**

No expenses were incurred in the year (2014: £nil). Audit fees of £1,000 (2014: £1,000) have been borne by the Fund. No non-audit fees (2014: £nil) were paid to Deloitte LLP in respect of services provided to the Partnership.

No expenses were incurred by the Partnership on behalf of the General Partner.

**3.5 Allocation of remaining profits and losses between Partners**

Profits are allocated between the Founding Partners in proportion to their respective Relevant Proportions.

**3.6 Distributions of Net Income and Capital Proceeds between Partners**

As set out in the LPA, after payment of the expenses and liabilities of the Partnership, distributions of net income and capital proceeds will be made in the following order of priority:

- first, in payment of the General Partner's Share;
- secondly, all remaining available funds will be paid to Founding Partners (pro rata to their respective Relevant Proportions).

**3.7 Carried interest**

The carried interest amounts receivable (see note 8) will be recognised once it is probable that a payment will be made from the Fund and that the amount can be reliably measured.

**3.8 Clawback Amount**

Under clause 7.8 of the LPA, each of the Founding Partners may be required to repay amounts distributed to them, which are required by the Partnership to satisfy its proportionate share of any Clawback Amount payable to the Fund, less any tax paid or payable by the Founding Partners on the distributed amounts. This Clawback Amount will only be recognised by the Partnership if the clawback conditions are met in the Fund, as set out in the Fund's LPA.

**3.9 Taxation**

The Partnership is treated as being tax transparent. The Partnership is not therefore separately taxable, as all income, expenses, gains and losses of the Partnership flow through each Partner individually.

**3.10 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.11 Financial instruments**

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

*i) 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.

Partnership interests in private equity funds are initially measured at fair value, which is normally the transaction price. These are subsequently measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income except that investments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

The investment in the Fund is currently stated at cost less impairment. The General Partner considers the balance of the Partnerships' capital account in the Fund as being equal to the carrying value of the investment.

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.

*ii) 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.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors: amounts falling due within one year if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at transaction price and subsequently measured 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.

*iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

**3.12 Related party transactions**

The Partnership discloses transactions with related parties. Please see note 8 for further details.

**3.13 Net assets attributable to Partners**

Net assets attributable to the Partners are classified as a financial liability, due to the finite life and contractual payment positions to each of the Partners within the LPA.

# ATEP 2008 (CIV) LP

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

### 4. FIXED ASSET INVESTMENT

	Amount £
Balance at 1 January 2014	13
Additions / disposals during the year	-
<b>Balance at 31 December 2014</b>	<b>13</b>
Balance at 1 January 2015	13
Additions / disposals during the year	-
<b>Balance at 31 December 2015</b>	<b>13</b>

Investments at 31 December 2015	Commitments £	Funded Commitments £	Outstanding Commitments £	Bookcost £	Valuation £
ATEP 2008 Funds LP	13	13	-	13	13
	<u>13</u>	<u>13</u>	<u>-</u>	<u>13</u>	<u>13</u>
Investments at 31 December 2014	Commitments £	Funded Commitments £	Outstanding Commitments £	Bookcost £	Valuation £
ATEP 2008 Funds LP	13	13	-	13	13
	<u>13</u>	<u>13</u>	<u>-</u>	<u>13</u>	<u>13</u>

### 5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

There were no creditors at the year end (2014: £nil).

### 6. RECONCILIATION OF PARTNERS' CAPITAL CONTRIBUTION ACCOUNT

	ATEP08GP £	RA £	JM £	IC £	RH £	LF £	FS £	VJ £	AT £	Total £
Balance at 1 January 2014	-	14	12	12	6	-	4	2	50	100
Capital contribution during the year	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<u>-</u>	<u>14</u>	<u>12</u>	<u>12</u>	<u>6</u>	<u>-</u>	<u>4</u>	<u>2</u>	<u>50</u>	<u>100</u>
Balance at 1 January 2015	-	14	12	12	6	-	4	2	50	100
Capital contribution during the year	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2015</b>	<u>-</u>	<u>14</u>	<u>12</u>	<u>12</u>	<u>6</u>	<u>-</u>	<u>4</u>	<u>2</u>	<u>50</u>	<u>100</u>

## ATEP 2008 (CIV) LP

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

#### 7. RECONCILIATION OF PARTNERS' INCOME AND CAPITAL ACCOUNT

	ATEP08GP	RA	JM	IC	RH	LF	FS	VJ	AT	Total
	£	£	£	£	£	£	£	£	£	£
Balance at 1 January 2014	-	-	(1)	(1)	-	-	-	-	(2)	(4)
Increase in net assets attributable to the Partners	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(4)</u>
As at 1 January 2015	-	-	(1)	(1)	-	-	-	-	(2)	(4)
Increase in net assets attributable to the Partners	-	-	-	-	-	-	-	-	-	-
<b>As at 31 December 2015</b>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(4)</u>

#### 8. RELATED PARTY DISCLOSURES

The General Partner of the Partnership is ATEP 2008 GP Limited and the investment manager is Alliance Trust Equity Partners Limited. The ultimate controlling party of the General Partner and the manager is Alliance Trust PLC.

The Partnership holds an investment in ATEP 2008 Funds LP (the "Fund") (see note 4). This investment is a subsidiary of Alliance Trust PLC.

##### Carried Interest

The Partnership has subscribed a capital contribution to the Fund, which entitles it to carried interest. The Partnership will be entitled to an allocation of the Net Income and Capital Proceeds from the Fund once the obligation to the other Partners of the Fund has been settled. This entitlement only becomes payable as outlined within the Fund's LPA and distributions by the Partnership will only be made when the relevant conditions contained in the Partnership's LPA are satisfied.

The carried interest distribution will vary each year depending on the obligations noted in the Fund's LPA.

If the Fund's investment portfolio was to be fully realised at the values included in its financial statements at 31 December 2015, there would be a distribution to the Partnership totalling £3,551,979 (31 December 2014: £535,535).

##### Clawback

Under clause 9.1.6 of the Fund's LPA, if, on termination of the Fund, Investors have not received sufficient distributions to satisfy their Relevant Outstanding Loans, Preferred Return and 90% of the excess distributions, then the Founder Partner shall return previously distributed carried interest to the Fund to the extent of the Clawback Amount. The Clawback Amount is the amount by which distributions to Investors are less than the Relevant Outstanding Loans, Preferred Return and 90% of the excess of distributions.

#### 9. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities that require disclosure in the financial statements.

#### 10. EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the end of the reporting period.



## **ATEP 2008 (CIV) LP**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **11. TRANSITION TO FRS 102**

This is the first year that the Partnership has presented its results under FRS 102. The last financial statements under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. There has been no change to the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

The following adjustment has arisen which has had no effect on net equity, the Statement of Comprehensive Income or the Statement of Financial Position.

#### *Statement of Changes in Net Assets Attributable to the Partners*

The Statement of Changes in Net Assets Attributable to the Partners is a new requirement under FRS 102. The Partnership is required to present the changes in net assets attributable to the Partners brought by the profit or loss for the period, other comprehensive income, the amounts of investments, and distributions to partners, showing separately partner capital contributions, distributions, and other distributions to Partners.