

GENERATION INVESTMENT MANAGEMENT (SCOTLAND) GP LIMITED

Registered in Scotland, No SC451774
("the Company")

PROFIT AND LOSS ACCOUNT AND BALANCE SHEET

FOR THE PERIOD 6 JUNE 2013 (DATE OF INCORPORATION) TO 31 DECEMBER 2013

PROFIT AND LOSS ACCOUNT

The company has not traded during the period ended 31 December 2013. Accordingly no profit and loss account has therefore been prepared.

BALANCE SHEET

As at 31 December 2013

ASSETS EMPLOYED

CURRENT ASSETS

Debtors	£1
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FUNDS EMPLOYED

SHAREHOLDER'S FUNDS

Share Capital	£1
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Dormant Company Statements

For the period ended 31 December 2013 the Company was entitled to exemption under Section 480 of the Companies Act 2006 ("the Act") relating to dormant companies.

Directors' Responsibilities

Directors have not required the Company to obtain an audit in accordance with section 476 of the Act.

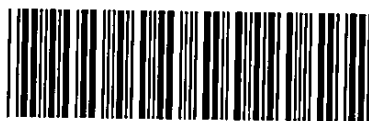
The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

We hereby certify that the company was dormant under the terms of Section 480 of the Act during the period ended 31 December 2013. The Accounts were approved by the board of directors on 29 September 2014.

Principal place of business:

50 Lothian Road
Festival Square
EDINBURGH
EH3 9WJ

MONDAY



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29/09/2014

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COMPANIES HOUSE

M J Ramsay
Director

PARTNERSHIP
ACCOUNTS

generation

GENERATION IM INVESTMENTS (SCOTLAND) L.P.
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 17 JUNE 2013 (DATE OF ESTABLISHMENT)
TO 31 DECEMBER 2013

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

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GENERATION IM INVESTMENTS (SCOTLAND) L.P.

THE GENERAL PARTNER, ADMINISTRATOR AND PROFESSIONAL ADVISORS

Registered address

50 Lothian Road
Festival Square
Edinburgh EH3 9WJ
Scotland

General Partner

Generation Investment Management (Scotland) GP Limited
50 Lothian Road
Festival Square
Edinburgh EH3 9WJ
Scotland

**Directors of the General Partner at date of
approval of the financial statements**

A. Marshall
M. Ramsay

Investment Adviser

Generation Investment Management LLP
20 Air Street
London W1B 5AN
United Kingdom

Administrator, Registrar and Transfer Agent

State Street (Jersey) Limited
Lime Grove House
Green Street
St Helier
Jersey JE1 2ST
Channel Islands

Custodian

State Street Bank Luxembourg S.A.
49, avenue John F. Kennedy
L-1855 Luxembourg

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

REPORT OF THE GENERAL PARTNER

Generation Investment Management (Scotland) GP Limited (the "General Partner"), presents its first report and unaudited financial statements for Generation IM Investments (Scotland) L.P. (the "Partnership") for the period from 17 June 2013 (date of establishment) to 31 December 2013.

The Partnership is established as a limited partnership under the laws of Scotland.

LIMITED PARTNERSHIP

The Partnership was established on 17 June 2013 and is registered as a limited partnership in Scotland under the Limited Partnerships Act 1907, with registration number SL13405.

PRINCIPAL ACTIVITY

The principal activity of the Partnership is to indirectly acquire interests in a portfolio of loans (or economically equivalent financing instruments) made to corporate borrowers, through its direct investments into Generation IM Credit Master Fund FCP-SIF.

FINANCIAL RISK MANAGEMENT

The key risks and uncertainties faced by the Partnership are managed within the framework established by Generation Investment Management LLP (the "Investment Adviser"). Exposures to credit risk, interest rate risk and foreign exchange risk arise in the normal course of the Partnership's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in note 6 to the financial statements.

RESULTS AND REVIEW OF BUSINESS

The decrease in net assets attributable to the Partners from operations for the period to 31 December 2013 was US\$ 38,123.

The General Partner noted that the decrease in net assets had been as a result of the Partnership's liabilities in respect of certain operational expenses and administration fees due and payable by it in the relevant period. The General Partner further noted its expectation that such liabilities would be met in the next accounting period by funding due to the Partnership from its Limited Partner in pursuing its principal activity and further noted the terms of Note 11 to the financial statements, setting out certain subsequent events that the General Partner expected would address the liabilities shown.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

REPORT OF THE GENERAL PARTNER - (CONTINUED)

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

The General Partner is required to prepare financial statements for each financial period in accordance with the Limited Partnership Agreement.

In preparing the financial statements the General Partner is required to:

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

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Partnership. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner confirms it has complied with the above requirements throughout the period and subsequently.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.


STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	<u>Notes</u>	<u>31 December 2013</u> US\$
Assets		
Current assets		
Receivables	9	1
Total assets		<u>1</u>
Liabilities		
Current liabilities		
Accrued expenses	8	18,384
Payable to Investment Adviser	9	20,342
		<u>38,726</u>
Net assets attributable to the Partners (page 7)		<u>(38,725)</u>
Total liabilities		<u>1</u>

The financial statements on pages 5 to 20 were approved and authorised for issue by the Board of Directors of the General Partner on the 29th day of September 2014 and were signed on its behalf by:

Director :



Generation Investment Management (Scotland) GP Limited
General Partner

(The notes on pages 8 to 20 form part of these unaudited financial statements)

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2013

		17 June 2013 (date of establishment) to 31 December 2013
	<u>Notes</u>	<u>US\$</u>
Expenses		
Organisational expenses	2, 9	19,739
Professional and other fees		11,884
Administration fees	3	6,500
Total expenses		<u>38,123</u>
Decrease in net assets attributable to the Partners from operations for the period		<u>(38,123)</u>

(The notes on pages 8 to 20 form part of these unaudited financial statements)

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTNERS
FOR THE PERIOD ENDED 31 DECEMBER 2013**

				17 June 2013 (date of establishment) to 31 December 2013
	<u>Notes</u>	<u>Limited Partner</u> US\$	<u>General Partner</u> US\$	US\$
Opening balance		-	-	-
Capital contributions received		1	-	1
Syndication costs	2, 9	(603)	-	(603)
Decrease in net assets attributable to the Partners from operations for the period		(38,123)	-	(38,123)
Closing balance		<u>(38,725)</u>	<u>-</u>	<u>(38,725)</u>

(The notes on pages 8 to 20 form part of these unaudited financial statements)

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2013

1. Organisation and business purpose

Any capitalised terms used but not defined herein have the meaning assigned to them in the Limited Partnership Agreement ("LPA").

Generation IM Investments (Scotland) L.P. (the "Partnership") was established on 17 June 2013 and is registered as a limited partnership in Scotland under the Limited Partnerships Act 1907. Investment activities were not commenced as at 31 December 2013. The Partnership shall terminate upon an order made by the court, an effective resolution passed for the liquidation, winding up or administration of the the General Partner or if the Limited Partner agree in writing that the Partnership should so terminate.

The principal activity of the Partnership is to indirectly acquire interests in a portfolio of loans (or economically equivalent financing instruments) made to corporate borrowers, through its direct investments into Generation IM Credit Master Fund FCP-SIF (the "Master Fund").

The Partnership has committed to contribute capital of up to US\$ 113,200,000 into the Master Fund.

The Master Fund was launched effective 23 January 2014. It invests directly and indirectly into originated loans for corporate borrowers through GIM Credit Holdings (Luxembourg) S.à r.l. and GIM Credit (Luxembourg) S.à r.l. and into primary and secondary loans and bonds through GIM Credit Holdings US II L.P.

The total commitment of the Limited Partner to the Partnership and related investment vehicles following the initial closing on 18 June 2013, amounted to US\$ 113,200,000.

The initial capital contributions of the Limited Partner was US\$ 1. The General Partner did not make additional call for contributions during the period from 17 June 2013 (date of establishment) to 31 December 2013.

2. 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 throughout the period, unless otherwise stated.

Basis of preparation

These financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

GENERATION IM INVESTMENTS (SCOTLAND) L.P.**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2013****2. Significant accounting policies - (continued)****Basis of preparation - (continued)**

The preparation of financial statements in accordance with IFRS requires the use of accounting estimates and exercise of judgement by the management while applying the Partnership's accounting policies. These estimates are based on the management's best knowledge of the events which existed at the reporting date; however, the actual results may differ from these estimates.

a) New standards and amendments adopted by the Partnership

- IFRS 13, "Fair value measurement": The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The standard is effective for annual periods beginning on or after 1 January 2013. The standard did not have any impact on the Partnership's financial position or performance.
- Amendments to IAS 1, "Presentation of items of other comprehensive income": The revised standard is mandatory for accounting periods commencing on or after 1 July 2012. The main change resulting from these amendments that is relevant to the Partnership is a requirement for entities to group items presented in other comprehensive income ("OCI") on the basis of whether they may potentially be reclassified to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendments also introduced a new terminology for the statement of comprehensive income and income statement. Under the amendments, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit and loss. The amendment did not have any impact on the Partnership's financial position or performance.

b) New standards and amendments issued but not yet effective for the financial year beginning 1 January 2013 and not early adopted by the Partnership

The General Partner's assessment of the impact of these new standards is set out below:

- IAS 27 (Revised), "Separate financial statements": IFRS 10 replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements. The revised standard includes requirements limited to the accounting for investments in subsidiaries, joint ventures and associates in separate financial statements. The standard is effective for annual periods beginning on or after 1 January 2014.
- IAS 28 (Revised), "Associates and joint ventures": The revised standard includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11. The revised standard is effective for annual periods beginning on or after 1 January 2014.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

2. Significant accounting policies - (continued)

b) New standards and amendments issued but not yet effective for the financial year beginning 1 January 2013 and not early adopted by the Partnership - (continued)

- Amendments to IAS 32, "Financial instruments: Presentation - Offsetting financial assets and financial liabilities": These amendments clarify that rights of set-off must be legally enforceable in the normal course of business and must also be enforceable in the event of default and the event of bankruptcy or insolvency of all of the counterparties to the contract, including the reporting entity itself. The amendments also clarify that rights of set-off must not be contingent on a future event. The amendments are effective for annual periods beginning on or after 1 January 2014.
- IFRS 10, "Consolidated financial statements": The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective for annual periods beginning on or after 1 January 2014.
- IFRS 12, "Disclosures of interests in other entities": The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The standard is effective for annual periods beginning on or after 1 January 2014.
- Amendment to IFRSs 10, 11 and 12, "Transition Guidance": These amendments provide additional transition relief to IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The amendment is effective for annual periods beginning on or after 1 January 2014.
- Amendments to IFRS 10, IFRS 12 and IAS 27, "Investment Entities": The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27. The amendments are effective for annual periods beginning on or after 1 January 2014.

The General Partner has made an assessment of the impact of applicable new standards and amendments that are either not yet permitted to be adopted, or are not yet mandatory and have not yet been adopted by the Partnership. In the General Partner's opinion, the pronouncements which are in issue are not effective or early adoption by the Partnership will not have a material impact on the financial statements of the Partnership. All other new standards and amendments have no bearing on the operating activities and disclosures of the Partnership, and consequently have not been listed.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

2. Significant accounting policies - (continued)

Receivables

Receivables are initially recognised at fair value, which is the cash consideration including any transaction costs and measured subsequently at amortised cost using the effective interest rate method.

Payables

Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. Payables are derecognised when the obligation under the liability is discharged or cancelled or expires.

Accrued expenses

Accrued expenses are initially recognised at fair value. Accrued expenses are derecognised when the obligation under the liability is discharged or cancelled or expires.

Net assets attributable to the Partners

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

Foreign currencies

(a) Functional and presentation currency

Items included in the Partnership's financial statements are measured using the currency of the primary economic environment in which it operates. As all calls and distributions will be made in United States Dollars this is considered to be the functional and presentational currency of the Partnership. All financial information presented in United States Dollars has been rounded to the nearest Dollar, except when otherwise indicated.

(b) Transactions and balances

Foreign currency transactions are translated into United States Dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gain or loss resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Translation differences arising from financial assets and liabilities at fair value through profit or loss are reported as part of the fair value gain or loss within the Statement of Comprehensive Income.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2013****2. Significant accounting policies - (continued)****Organisational expenses**

The Partnership and the Parallel Funds will bear pro rata to their respective proportions of Strategy Commitments (subject to adjustment for subsequent closings), their allocation of the expenses of up to US\$ 2,000,000 in aggregate incurred by the Partnership, the General Partner, the General Partner Affiliates, the Investment Adviser and the Investment Vehicles in connection with the establishment of the Partnership and the Investment Vehicles and the offering and entering into of Commitments including, without limitation, legal, tax and accounting fees and expenses, filing fees and other fees and expenses.

Syndication costs

Syndication costs are incidental to the issuing and marketing of interests in the Partnership and are non-recurring in nature. They are accounted for as a reduction in the Partners' Capital in the Statement of Net Assets Attributable to the Partners.

Financial assets at fair value through profit or loss*Classification*

All investments in portfolio companies are classified as financial assets at fair value through profit or loss in accordance with the provisions set out in IAS 39. This classification more fully explains the nature of the investments, as these are made with the intention to resell within 3 to 5 years or when a suitable exit can be arranged. The General Partner designates the classification of its investments at the time of purchase.

Recognition, derecognition and measurement

All purchases and sales of investments in portfolio companies are recognised on the trade date.

These investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Any gain or loss resulting from the changes in fair value of the financial assets at fair value through profit or loss is presented in the Statement of Comprehensive Income in the period in which they arise.

Financial assets are derecognised when the Partnership's rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all the risks and rewards of ownership. Any gains or losses on derecognition of investments are calculated after setting the proceeds against the cost and, in respect of part disposals, against the average costs at the date of sale. The gain or loss on realisation is transferred to the Statement of Comprehensive Income.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

2. Significant accounting policies - (continued)

Fair value estimation

IAS 39 requires financial assets to be held at fair value, except only in rare circumstances where the fair value cannot be reliably measured in which case it allows the financial asset to be carried at cost less provision for impairment. IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

IFRS 13 establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices, either for the identical instrument or similar instruments, generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed utilising inputs from one or more of the following categories:

Level 1 - Quoted prices (unadjusted) in active markets for identical investments that the entity can access at the measurement date. The type of investments included in Level 1 are publicly traded equity securities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Investments which may be included in this category include, but are not limited to, investments in which secondary market transactions meeting certain requirements (size, financial disposition buyer/seller, relative proximity of transaction date to reporting date, etc.) occurred.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Fair value for these investments are determined using valuation methodologies that consider a range of factors, including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. The inputs into the determination of fair value require significant management judgement. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that might have resulted had a ready market for these investments existed. Investments that are included in this category generally are privately held debt and equity securities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The General Partner's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

2. Significant accounting policies - (continued)

Fair value estimation - (continued)

The fair value of financial instruments which are traded in active markets is based on quoted market prices at the reporting date. In arriving at the fair value for quoted investments, the General Partner considers the level of activity in the market and the volumes traded related to the overall position held by the Partnership.

The fair value of financial instruments that are not traded in an active market are based on the Partnership's valuation models including earning multiples (based on budgets / historical earnings of the issuer and earning multiples of comparable listed companies).

Fair value of instruments determined as above are subjected to additional discounting if these are not realisable in the opinion of the General Partner. Although the General Partner calculates prudently the fair value of the financial instruments based on all available information, the high degree of operating and financial risk involved in the investee companies may render the actual values of the financial asset to be significantly different from its estimated fair value.

For illiquid debt instruments, the General Partner's fair value measurement of these Level III investments is based on each instrument's specific cash flows (interest payments, principal amount) and risks and determined using Discounted Cash Flow ("DCF"). In the case of asset based lending, the value of collateral securing the instrument is additionally considered. If an instrument is non-performing, fair value measurement includes use of a higher discount rate for DCF commensurate with the risks associated with the instrument or where the borrower of the debt instrument is no longer considered to be a going concern, then specific consideration is given to discounted fair value of assets in liquidation.

Distributions

Subject to Clause 7.1 of the LPA, the profits of the Partnership and any other sums available for distribution shall be applied in the following order of priority:

- (i) first, in the payment of the expenses and liabilities of the Partnership and the General Partner;
- (ii) second, to the General Partner the sum of US\$ 100 annually as a priority profit share;
- (iii) third, the balance if any shall be allocated to the Limited Partner pro rata in proportion to the capital contribution subscribed by the Limited Partner or as otherwise determined by the General Partner in its sole discretion;

and shall be distributed in accordance with this Clause 7.1 throughout the continuance of the Partnership as may be agreed in writing between the Partners from time to time.

Expense recognition

Expenses are accounted for on an accrual basis and recognised in the Statement of Comprehensive Income.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

2. Significant accounting policies - (continued)

Use of estimates

The General Partner makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

3. Custody, administration, transfer agency and other fees

State Street (Jersey) Limited serves as registrar and transfer, administrative and paying agent, and is entitled to a fee paid out of the assets of the Partnership. The Partnership's proportionate share of the fee is calculated and paid quarterly on the basis of the total net assets of the Partnership, all Parallel Funds and any Investment Vehicles for the relevant quarter.

State Street Bank Luxembourg S.A. serves as the Partnership's custodian, and is entitled to a fee paid out of the assets of the Partnership. Fees are paid quarterly.

4. Professional and other fees

The Partnership pays its own operating and administrative expenses. These fees are paid as incurred.

5. Taxation

Any tax liability arising on the activity of the Partnership will be borne by the Limited Partner either directly or indirectly.

6. Risks

The Partnership's investing activities expose it to various types of risks that are associated with the markets and financial instruments in which it invests. The significant financial risks to which the Partnership is exposed include, but are not limited to, market risk, liquidity risk, credit risk and concentration risk. This is not meant to be a comprehensive list of the risks of the Partnership.

Market risk

Market risk encompasses the potential for both losses and gains and includes, but is not limited to, price risk, interest rate risk and currency risk.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

6. Risks - (continued)

Market risk - (continued)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk. The Partnership's investment is long-term and highly illiquid and there is no assurance that the Partnership will achieve investment objectives including targeted returns.

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Partnership's future investments may acquire debt securities. Any increase to prevailing interest rates may result in a decrease in the value of debt securities held or vice versa. Additionally, changes in market rates may result in declining yields upon reinvestment of excess cash balances.

Whilst the Partnership seeks to optimise overall performance from the assets it holds, it does not seek to maximise interest income.

The following table analyses the composition of the Partnership's net assets by those that are or are not interest bearing categorised by maturity dates.

	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Non-Interest bearing</u>	<u>Total</u>
31 December 2013	US\$	US\$	US\$	US\$	US\$
Assets					
Receivables	-	-	-	1	1
Liabilities					
Accrued expenses	-	-	-	18,384	18,384
Payable to Investment Adviser	-	-	-	20,342	20,342
Total liabilities	-	-	-	38,726	38,726
Net assets attributable to the Partners	-	-	-	(38,725)	(38,725)

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

6. Risks - (continued)

Market risk - (continued)

Currency risk

The Partnership may invest in financial instruments denominated in currencies other than its functional currency and therefore may be exposed to the risk that changes in exchange rates may have an adverse effect on the Partnership.

Liquidity risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting obligations associated with financial liabilities. Among other things, liquidity could be impaired by an inability to access adequate sources of financing and the failure of the Limited Partner to meet capital calls. These situations may arise due to circumstances outside of the General Partner's control, such as a general market disruption or an operational problem affecting the Partnership or third parties.

The following table illustrates the expected liquidity of assets held:

	Less than 1 month	1 - 12 months	More than 12 months
	US\$	US\$	US\$
Total assets	-	1	-

The amounts in this table are the contractual undiscounted cash flows.

The table below analyses the Partnership's financial liabilities into the relevant maturity groupings based on the remaining period at the reporting date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	Between 1-2 years	More than 2 years
	US\$	US\$	US\$
31 December 2013			
<i>Liabilities</i>			
Accrued expenses	18,384	-	-
Payable to Investment Adviser	20,342	-	-
Net assets attributable to the Partners	-	-	(38,725)
Total liabilities	38,726	-	(38,725)

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

6. Risks - (continued)

Credit risk

Credit risk is the risk that counterparties to a portfolio investment or financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The maximum exposure to credit risk as at 31 December 2013 is the carrying amount of the financial assets set out below, it does not include any collateral or other credit risk enhancer, which reduce the Partnership's exposure.

	<u>31 December 2013</u>
	US\$
Receivables	<u>1</u>

Concentration risk

The Partnership may invest in a limited number of investments and those investments may be concentrated in a particular industry or geographic region. A consequence of this concentration is that performance may be more favourably or unfavourably affected by the performance of individual investments, industries or regions.

At 31 December 2013, the Partnership had a sole Limited Partner. The Partnership could be materially affected by the actions of such Limited Partner.

Contingencies

In the normal course of business, the Partnership enters into contracts that contain provisions related to general indemnifications or contingencies related to specific transactions. The Partnership's maximum exposure under these arrangements is unknown, as any such exposure involves possible future claims that may be, but have not yet been made against the Partnership, based on events which have not yet occurred. However, based on experience and knowledge of the Partnership's transactions, the General Partner believes the risk of material loss from these arrangements to be remote.

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.

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

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

7. Financial assets at fair value through profit or loss

The Partnership did not acquire investment during the period from 17 June 2013 (date of establishment) to 31 December 2013.

8. Accrued expenses

31 December 2013

US\$

Professional and other fees	11,884
Administration fees	6,500
	<hr/>
	18,384
	<hr/>

9. Related party disclosures

Generation Investment Management LLP acts as Investment Adviser to the Partnership.

A. Marshall and M. Ramsay are Directors of the General Partner and Partners of the Investment Adviser during the period.

During the period, the above party paid for the following expenses on behalf of the Partnership:

**17 June 2013
(date of establishment)
to
31 December 2013**

US\$

Organisational expenses	19,739
Syndication costs	603
	<hr/>
	20,342
	<hr/>

As at 31 December 2013, the amount payable to Investment Advisor was to US\$ 20,342.

Generation Investment Management II GP Limited, as General Partner to Generation IM Credit Feeder Fund III LP, is the sole Limited Partner of the Partnership.

As at 31 December 2013, US\$ 1 was receivable by the Partnership from the above related party.

GENERATION IM INVESTMENTS (SCOTLAND) L.P.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2013

10. Controlling party

In the opinion of the General Partner, the Partnership has no single controlling party.

11. Subsequent events

The General Partner has evaluated the need for disclosures and / or adjustments resulting from subsequent events and transactions through 29 September 2014 which is the date these financial statements were available to be issued.

Subsequent to 31 December 2013, the General Partner authorised a drawdown request on 23 January 2014 and 27 May 2014, amounting to US\$ 7,635,296 and US\$ 4,635,765, respectively.

Subsequent to 31 December 2013, Generation IM Credit Master Fund, FCP-SIF, made drawdown request on 23 January 2014 and 27 May 2014, amounting to US\$ 7,635,296 and US\$ 4,589,903, respectively.

