

SLCP (General Partner EC) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

WEDNESDAY



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25/09/2019 #293
COMPANIES HOUSE

Company Information

Directors I Harris
 S Hay
 P McKellar
 R Pim

Company secretary H S Kidd

Registered office 1 George Street
 Edinburgh
 EH2 2LL

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

Directors' Report
for the year ended 31 December 2018

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

Directors

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

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

Company Secretary

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

H S Kidd (appointed as Company secretary 22 October 2018)
D R Thomson (resigned as Company secretary 22 October 2018)

Result for the year

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

Future outlook

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

Dividends

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

Annual general meeting

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

Independent Auditor

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

Disclosure of information to the Auditor

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

Each of the Directors has taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

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



H S Kidd
Company secretary

Strategic Report

for the year ended 31 December 2018

Review of the Company's business

The principal activity of the Company is to act as a General Partner of a Limited Partnership (SL Capital ECF GP LP), which is the General Partner, of a Limited Partnership (SL Capital European Co-investment LP), ("the Fund"), whose activity is to make private equity investments on a co-investment basis, primarily in Europe.

Key performance indicators ("KPIs")

The Company uses one KPI to monitor the performance of the business throughout the year. This KPI is shown below:

	2018 £	2017 £
Turnover	282,923	177,651

Turnover has increased compared to the prior year, due to an increase in the NAV of the Fund.

Principal risks and uncertainties

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

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

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

The list below does however provide a summary of the key risks facing both SLA plc and the Company. Further details on each of the risks, together with how they link to our new strategy, how they have evolved over the period and how they are managed can be found in the SLA Group accounts. The principal risks to which the Company is most specifically exposed can be categorised as follows:

Brexit: The Company continues to monitor the ongoing political debate to identify if any existing risk exposures have altered or new risks emerge. The wider SLA plc Group business remains well positioned to benefit from the trends which are shaping the investment landscape although there remains unavoidable uncertainty due to Brexit. Exposure to Brexit not only has the potential to create volatility for our customers' and clients' investments but also the SLA Group's asset management distribution capability to European clients. The Group has established a new Dublin based entity to mitigate the ongoing risks but political risks in the UK and Europe could threaten the operation of services for the Group, as they could for many other industries and companies. Active regulatory engagement and close monitoring of ongoing political debates are in place. Aside from the impact on the Fund, which affects the income recognised in the Company, there is no significant expected impact on the Company from Brexit.

Strategic Report

for the year ended 31 December 2018 (continued)

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

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

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

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

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

Environmental matters

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

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



.....
R Pim
Director

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors' are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Profit and Loss Account
for the year ended 31 December 2018

	2018	2017
	£	£
Turnover		
Investment management income	<u>282,923</u>	<u>177,651</u>
Total turnover	<u>282,923</u>	<u>177,651</u>
Operating expenses		
Administrative expenses	<u>(282,923)</u>	<u>(177,651)</u>
Total operating expenses	<u>(282,923)</u>	<u>(177,651)</u>
Result for the year attributable to equity holders of the Company	<u>-</u>	<u>-</u>

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

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

Balance Sheet
as at 31 December 2018

	Note	2018 £	2017 £
Assets			
Current assets			
Trade and other receivables	4	32,857	3,134
Total assets		32,857	3,134
Equity			
Share capital	5	100	100
Total attributable to equity holders of the Company		100	100
Liabilities			
Current liabilities			
Trade and other payables	6	32,757	3,034
Total liabilities		32,757	3,034
Total equity and liabilities		32,857	3,134

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

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



R Pim
Director

Registration number: SC473807

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

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

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

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

1 Accounting policies

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

(a) Basis of preparation

(i) Statement of compliance

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

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

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

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

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

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

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

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

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

IFRS 15 'Revenue from Contracts with Customers'

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

IFRS 9 'Financial Instruments'

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

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

1 Accounting policies (continued)

(b) Revenue recognition

Investment management income

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

(c) Expense recognition

Administrative expenses are recognised on an accruals basis.

(d) Foreign currency

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

(e) Financial assets – designation

Loans and receivables

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

Payables

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

2 Key estimates and judgements

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

3 Result before tax

The Company has no employees (2017: nil) and is managed by SL Capital Partners LLP. Certain expenses, including auditors' remuneration for audit services amounting to £3,500 (2017: £2,500), are met by SL Capital Partners LLP. All other expenses are in relation to management fees charged by SL Capital Partners LLP.

4 Trade and other receivables

Accounting policy

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

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

4 Trade and other receivables (continued)

	2018	2017
	£	£
Amounts due from Standard Life Aberdeen Group undertakings	100	100
Amounts due from Fund	<u>32,757</u>	<u>3,034</u>
Total trade and other receivables	<u>32,857</u>	<u>3,134</u>

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

5 Share capital

Accounting policy

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

Allotted, called up and fully paid shares

	2018		2017
	No.	£	No.
		£	
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

6 Trade and other payables

Accounting policy

Trade and other payables are recognised at their initial fair value and subsequently measured at amortised cost.

	2018	2017
	£	£
Amounts owed to Standard Life Aberdeen Group undertakings	<u>32,757</u>	<u>3,034</u>
Total trade and other payables	<u>32,757</u>	<u>3,034</u>

All 'Trade and other payables' are non-interest bearing and are current or have no contractual maturity date

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

7 Related party transactions

(a) Parent and ultimate controlling party

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

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

(b) Transactions between and balances with related parties

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

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

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

		2018			
		Revenue	Expenses	Amounts owed by related parties	Amounts owed to related parties
		£	£	£	£
Standard Life Aberdeen Group undertakings		-	282,923	-	32,757
Other		282,923	-	32,757	-
		282,923	282,923	32,757	32,757
		2017			
		Revenue	Expenses	Amounts owed by related parties	Amounts owed to related parties
		£	£	£	£
Standard Life Aberdeen Group undertakings		-	177,651	-	3,034
Other		177,651	-	3,034	-
		177,651	177,651	3,034	3,034

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

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

7 Related party transactions (continued)

(c) Compensation of key management personnel

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

8 Related undertakings

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

9 Unconsolidated structured entities

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

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

Assets under management in the unconsolidated structured entity total £62,113,532 (2017: £55,514,360). Revenue recognised by the Company from the unconsolidated structured entity during the year was £282,923 (2017: £177,651).

10 Investment holdings

The indirect holding of the Fund is listed below.

Name of undertaking: SL Capital ECF GP LP.

Country of registration: United Kingdom

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

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

11 Events after the statement of financial position date

There have been no significant events after the reporting period.

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

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

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

Going concern

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

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

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

Strategic report and directors' report

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

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

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

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

Matters on which we are required to report by exception text

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

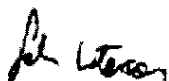
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

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

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

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

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



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

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

23 September 2019

SLC EC I Executive Co Investment Limited Partnership

Financial Statements for the period from 13 December 2017 (date of inception) to 31 December 2018

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Important Note

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

Manager, General Partner and Advisors

Registered Address	1 George Street Edinburgh, EH2 2LL U.K.
Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner (and Founder Partner)	SL Capital ECF GP LP 1 George Street Edinburgh, EH2 2LL U.K.
UK Legal Advisor	Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
Administrator	IQ EQ Administration Services (UK) Ltd (formerly: Augentius (UK) Ltd) Two London Bridge London, SE1 9RA U.K.

Report of the General Partner

The General Partner, SL Capital ECF GP LP, presents the financial statements for SLC EC I Executive Co Investment Limited Partnership ("the Partnership") for the period from 13 December 2017 ("inception") to 31 December 2018.

Structure of the Partnership

The Partnership is a Limited Partnership, established in Scotland, United Kingdom ("U.K."). The Partnership held a first and final close on 20 December 2017 with total commitments of €1.7 million from twenty-one Limited Partners. The structure of the Partnership is detailed further in note 1 to the financial statements.

Directors of the General Partner

Please refer to the financial statements of SLCP (General Partner EC) Limited for the names of the Directors.

Distributions

There were no distributions made during the period.

Events after the reporting date

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

Results, activities and future developments

The results for the period are set out in the Statement of Comprehensive Income on page 4. A description of the principal activity of the Partnership is provided in note 1 to the financial statements.

The Manager's Report for SL Capital European Co-Investment LP ("the Fund"), which is issued separately, contains detailed analysis of each of the Partnership's investments, together with commentary on the economic climate and how this impacts the private equity market.

Data protection

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

Strategic report

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

Signed on behalf of the General Partner



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

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

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

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") and applicable law.

Under company law the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

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

Statement of Comprehensive Income

	<i>Inception to 31 December 2018</i>
	<i>€</i>
Income	
Net unrealised movement on Investment	280,588
Total net income	<u>280,588</u>
Operating profit	<u>280,588</u>
Increase in net assets attributable to Partners from operations	<u>280,588</u>

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

The Partnership has no components of other comprehensive income in the current period.

The notes 1 to 10 form an integral part of these financial statements.

Statement of Financial Position

		At 31 December 2018 €
	Notes	
Assets		
Non-current assets		
Financial assets at fair value through profit or loss	8	1,568,215
		<hr/>
Current assets		
Trade and other receivables	4	434
Cash and cash equivalents		-
		<hr/>
		434
		<hr/>
Current liabilities		
Trade and other payables	5	(433)
		<hr/>
		(433)
		<hr/>
Net current assets		1
		<hr/>
Net assets attributable to Partners		1,568,216
		<hr/>
Represented by:		
Partners' capital account		171
Partners' loan account		1,287,479
Partners' current account		280,566
		<hr/>
Net assets attributable to Partners		1,568,216
		<hr/>

For the period ending 31 December 2018, the Partnership was entitled to exemption from audit under section 477 of the Companies Act of 2006 relating to small companies.

The Limited Partners have not required the Partnership to obtain an audit in accordance with section 476 of the Companies Act 2006.

The notes 1 to 10 form an integral part of these financial statements.

The financial statements set out on pages 4 to 15 were approved by the General Partner on 2 May 2019 and signed on its behalf by:



Ian Harris
Director, SLOP (General Partner EC) Limited

Statement of Changes in Net Assets Attributable to Partners

	Inception to 31 December 2018 €
Partners' capital drawn	171
Partners' loan drawn	<u>1,287,479</u>
Net drawn	<u>1,287,650</u>
Increase in net assets attributable to Partners from operations	<u>280,566</u>
Net assets attributable to Partners at the end of the period	<u><u>1,568,216</u></u>

The notes 1 to 10 form an integral part of these financial statements.

Statement of Cash Flows

Inception to
31 December 2018
€

Cash flows from operating activities

Operating profit	280,566
Net unrealised movement on investment in the Fund	(280,566)
Contributions to the Fund	(1,288,011)
Net cash outflow from operating activities	(1,288,011)

Cash flows from financing activities

Partners' capital drawn	170
Partners' loan drawn	1,287,841
Net cash inflow from financing activities	1,288,011

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the start of the period

Cash and cash equivalents at the end of the period

The notes 1 to 10 form an integral part of these financial statements.

Notes to the Financial Statements

1. Partnership background

The Partnership consists of one Limited Partnership registered in Scotland, U.K. and was established on 13 December 2017. At the Final close on 20 December 2017 total commitments amounted to €1.7 million from twenty-one Limited Partners. The Limited Partners' capital contributions equal 0.01% of their total commitment.

SL Capital ECF GP LP is the General and Founder Partner of the Partnership and has contributed €1 to the Partnership as the Founder Partner. The Manager of the Partnership is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. The Partnership has no employees.

The Partnership was formed for the purpose of co-investing in the Fund. The Partnership shall continue until the expiry of 90 days after the termination of the Fund.

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

	At 31 December 2018 €
Commitments	1,702,501
Partners' capital drawn	171
Partners' loan drawn	1,287,479
Funded	1,287,650
% of Commitments	75.63%

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at Fair Value through Profit or Loss ("FVPL"), and in accordance with the Limited Partnership Agreement. The Partnership is denominated in Euro. International Financial Reporting Standards ("IFRSs") as adopted by the EU and the Companies Act 2006, as applied to qualifying partnerships, have been applied in all aspects of the preparation of the financial statements.

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 3.

2.2 New and revised accounting standards / amendments effective for the current period

New and revised accounting standards that are effective for annual periods beginning on or after 1 January 2018 and have been adopted by the Partnership are listed below.

IFRS 9, 'Financial Instruments'

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement' and introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, impairment and for hedge accounting. The nature and impact of IFRS 9 is outlined below:

(i) Recognition, classification and measurement:

IFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("FVTOCI") and FVPL.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 New and revised accounting standards / amendments effective for the current period (continued)

IFRS 9, 'Financial Instruments' (continued)

Following the adoption of IFRS 9, the Partnership has assessed the classification of recognised financial instruments both at date of initial application and retrospectively, concluding that:

- All financial assets already held at FVPL under IAS 39 continue to be measured at fair value through profit or loss;
- Investments in subsidiaries and associates continue to be measured at fair value in accordance with IFRS 10 and IAS 28;
- Financial assets previously classified as loans and receivables under IAS 39, that meet the new dual test criteria are now classified as financial assets at amortised cost; and
- Debt instruments held as part of a portfolio of assets managed and evaluated on the business model basis of fair value, previously held at fair value under IAS 39, continue to be measured at FVPL.

The classification of financial liabilities under IFRS 9 remains broadly similar to that under IAS 39. The Partnership has no financial liabilities designated at FVPL so there is no impact from the adoption of IFRS 9 with regards to financial liabilities.

Whilst the classification, measurement and recognition requirements of IFRS 9 have been retrospectively applied, the Partnership has opted, as permitted, not to restate comparatives; therefore, they continue to be presented in accordance with IAS 39.

Considering both the characteristics of financial instruments and the approach to their management, the adoption of IFRS 9 has not resulted in any revocation of designations, nor any new designations of financial assets or liabilities.

There have been no changes in the carrying amounts of financial instruments due to changes in measurement category. Financial assets previously measured at FVPL continue to be so. Those measured at amortised cost continue to be so. Further, the application of the expected credit loss (ECL) impairment model as applied to financial instruments held at amortised cost has not significantly changed their carrying value. The carrying values of amortised cost financial instruments under IAS 39 continue to approximate their fair values on the date of transition to IFRS 9.

(i) Impairment

Under IAS 39, the Partnership was required to recognise an impairment loss on financial instruments held at amortised cost when objective evidence of impairment existed. Upon adoption of IFRS 9, impairment is assessed either on a forthcoming 12-month or lifetime basis and recognised initially and at subsequent reporting dates at the full amount of the ECL within that period. The Partnership holds only receivables and contract assets at amortised cost with no significant financing component¹, and therefore has chosen to apply the simplified approach to assessment of ECL, making a lifetime assessment of credit loss based on relevant, supportable information about the future.

The adoption of IFRS 9 has brought no material impact on the financial statements through the recognition, timing or measurement of impairment loss.

IFRS 15, 'Revenue from Contracts with Customers' and Clarifications to IFRS 15 ('Clarifications')

IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations. The core principle of the new standard is for entities to recognise revenue depicting the transfer of goods or services to customers in amounts that reflect the consideration to which the Partnership is entitled. This is applied using a five-step model.

Guidance on the recognition and presentation of interest and dividend income now falls within the scope of IFRS 9. A consequential amendment to IAS 1 'Presentation of Financial Statements' has clarified that only interest income from financial assets held at amortised cost can be presented within the revenue line item of the Statement of Comprehensive Income. The Partnership's interest income from financial assets held at FVPL continues to be separately identified from revenue as 'Interest Income'.

There has been no material impact following the adoption of IFRS 15 in either revenue recognised by the Partnership nor in the timing or pattern of revenue recognition within portfolio companies held as financial assets at FVPL.

2.3 New accounting standards / amendments not yet effective

Standards amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Partnership are listed overleaf.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 New accounting standards / amendments not yet effective (continued)

Amendments to IFRS 9: Prepayment Features with Negative Compensation

The IASB issued a narrow scope amendment to IFRS 9 in October 2017 which updates the solely payments of principal and interest test: borrowings that include a contractual term under which an early repayment results in a settlement discount will now be deemed to have cashflows of solely principal and interest and are consequently measured at amortised cost or FVTOCI rather than FVPL. This has been termed 'negative compensation' as in effect the lender is paying the borrower compensation for early settlement.

The amendment is effective for annual periods beginning on or after 1 January 2019. This has been endorsed by the EU. The Partnership will adopt the amendment when it becomes effective.

2.4 Going concern

The General Partner has made an assessment of the Partnership's ability to continue as a going concern and is satisfied that the Partnership has the resources to continue in business for the foreseeable future. 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. Therefore, the financial statements have been prepared on a going concern basis.

2.5 Financial period

The financial statements are prepared from inception to 31 December 2018. No comparatives are presented as this is the Partnership's first accounting period.

2.6 Functional currency

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

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

2.7 Income, expenses, gains and losses

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

Net income, gains and losses of the Partnership are allocated under the terms of the Limited Partnership Agreement. Details are set out in note 2.16.

2.8 Investment entity

The General Partner has determined that the Partnership is an investment entity as per IFRS 10, 'Consolidated Financial Statements'. Details are set out in note 3.2.

2.9 Investment in the Fund

The Partnership records its investment in the Fund at fair value. Accordingly, the Partnership's share of the Fund's net investment income, realised and movement in unrealised gains and losses are recognised in the Statement of Comprehensive Income as net unrealised movement on investment. Further details are set out in note 3.1.

2.10 Financial assets at fair value through profit or loss

Initial recognition

Financial assets have been designated upon initial recognition at FVPL. On the date of making a legal commitment to invest in a fund, such commitment is recorded and disclosed. When funds are drawn in respect of such commitment, the resulting investment is recognised in the financial statements.

Measurement

Financial assets at FVPL are initially recognised at fair value as detailed in note 3.1. Transaction costs are expensed and included within gains and losses on investments in the Statement of Comprehensive Income.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

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

Measurement (continued)

Subsequent to initial recognition, all financial assets through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from underlying instruments have expired or the entity has transferred substantially all risk and rewards of ownership.

2.11 Cash and cash equivalents

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

2.12 Trade and other receivables

Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less the appropriate allowances for estimated irrecoverable amounts.

2.13 Trade and other payables

Payables and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.14 Taxation

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

2.15 Net assets attributable to Partners

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

2.16 Distribution of income proceeds and capital proceeds between Partners

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

Distributions are allocated pro rata in accordance with each Limited Partner's commitment.

3. Critical accounting estimates and judgements

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

3.1 Fair value of investments not quoted in an active market

The investment in the Fund is valued at the balance of its share of net assets in that partnership, which the General Partner considers to equal fair value.

The Fund's investments are valued by the Fund's General Partner with reference to the 'International Private Equity and Venture Capital Valuation Guidelines' ('the Guidelines'). They are stated at the Fund's General Partner's estimate of fair value and will follow the recommendations of the Guidelines. The estimate of fair value is based on the latest valuation placed on a fund by its manager, adjusted, if required, for cash flows between the date of the manager's report and the Fund's statement of financial position. See note 3 "Critical accounting estimates and judgements" in the Fund's financial statements at 31 December 2018 for further information.

Notes to the Financial Statements (continued)

3. Critical accounting estimates and judgements (continued)

3.2 Investment entity status

The Partnership was set up with an intention to have multiple investors and indirectly hold multiple investments. Ownership interests in the Partnership are in the form of the Partner's share of capital and are exposed to variable returns from changes in the fair value of the Partnership's net assets. The Partnership has been deemed to meet the definition of an investment entity per IFRS 10, 'Consolidated Financial Statements', as the following conditions exist:

- (i) The Partnership has obtained funds for the purpose of providing investors with investment management services;
- (ii) The Partnership's business purpose, which was communicated directly to investors via the Limited Partnership Agreement, is providing Partners with an overall rate of return from investments by means of both income and capital growth; and
- (iii) The performance of investments made is measured and evaluated on a fair value basis.

4. Trade and other receivables

	At 31 December 2018 €
Due from the Fund	362
Due from Limited Partners	71
Due from General Partner	1
	<u>434</u>

5. Trade and other payables

	At 31 December 2018 €
Due to Limited Partners	433
	<u>433</u>

6. Related party disclosure

The Limited Partnership Agreement provides that SL Capital ECF GP LP shall act as General Partner. The Partnership does not pay any management profit share to the General Partner. At 31 December 2018, €362 was due from the Fund for the overpayment of loan contributions. The General Partner of SL Capital ECF GP LP is SLCP (General Partner EC) Limited, a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered address of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

The Partnership does not pay any management profit share to the Manager.

Certain members and employees of the Manager are investors in the Partnership and are entitled to participate in the profits as disclosed in note 2.18.

At 31 December 2018, the General Partner owed €1 to the Partnership as initial capital contribution.

7. Financial risk management

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

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

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

7.1 Market risk

a) Price risk

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

Price risk is managed at the Fund level. Price risk is minimised by the Manager constructing a diversified portfolio of Co-investments. At 31 December 2018, the Fund level had 14 Co-investments. More detail on the sector and geographic analysis is provided in the Manager's Report of the Fund.

A 10% increase in the 31 December 2018 valuation of the Partnership's investments would have increased net assets attributable to Partners by €156,622. A 10% change in the opposite direction would have decreased net assets attributable to Partners by an equivalent amount.

b) Currency risk

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

The currency risk is managed in the Fund, hence the Partnership has no significant exposure to currency risk on monetary items.

7.2 Credit risk

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

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

	At 31 December 2018
	€
Financial assets at fair value through profit or loss	1,568,215
Trade and other receivables	434
	<u>1,568,649</u>

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

At 31 December 2018, the assets held by the Partnership are not past due or impaired.

7.3 Liquidity risk

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

Notes to the Financial Statements (continued)

7. Financial risk management (continued)

7.3 Liquidity risk (continued)

During the period ended 31 December 2018, the Partnership generated an operating profit of €280,568 and cash resources at the end of the period amounted to €Nil. The liabilities of the Partnership (excluding net assets attributable to Partners) are due on demand. In addition, the Partnership had available to it undrawn commitments of €414,851 from its Limited Partners, which are also due on demand.

The tables below analyse the Partnership's financial liabilities into relevant maturity based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

At 31 December 2018

	On demand	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
	€	€	€	€	€
Liabilities					
Trade and other payables	-	433	-	-	433
Net assets					
attributable to Partners	-	-	-	1,568,218	1,568,218
Total liabilities	-	433	-	1,568,218	1,568,649
Total unfunded commitments					
to Fund Investments	414,851	-	-	-	414,851

7.4 Capital risk management

The capital of the Partnership is represented by the net assets attributable to 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 Partners or distribute funds to the Limited Partners.

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

8. Fair value measurement

IFRS 7 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

The categorisation of an investment within the hierarchy is based upon the pricing transparency of that investment. The Partnership's investment has been classified within Level 3 as it has unobservable inputs and trades infrequently or not at all.

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

Notes to the Financial Statements (continued)

8. Fair value measurement (continued)

The following table analyses within the fair value hierarchy the Partnership's investment measured at fair value:

At 31 December 2018

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss	-	-	1,568,215	1,568,215

There were no transfers between levels during the current period.

Determining the fair value of the Partnership's investment requires judgement and considers factors specific to the investment. The valuation policies applied by the General Partner are detailed in note 3.1.

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

	31 December 2018
	€
Purchases	1,287,649
Realised and unrealised gains	280,566
Balance at the end of the period	<u>1,568,215</u>
Unrealised movement included in profit or loss related to investment still held at the reporting date:	
- Net unrealised movement on investment	<u>280,566</u>

9. Unconsolidated collective investment vehicles and limited partnerships

The Partnership's interests in unconsolidated structured entities comprise investments in collective investment vehicles such as limited partnerships with a total carrying value of €1,568,215, included within financial assets at FVPL (see note 8).

At 31 December 2018, the total size of these unconsolidated structured entities, including the portion in which the Partnership has no interest, was €30.2 million.

The Partnership's maximum exposure to loss is equal to the carrying value of the investments. The collective investment vehicles are primarily financed by contributions from investors in the vehicles.

10. Events after the reporting date

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

SL Capital ECF GP LP

Financial Statements for the year ended 31 December 2018

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Important Note

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

Manager, General Partner and Advisor

Registered Address

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

**Manager and Principal
Place of Business**

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

General Partner

SLCP (General Partner EC) Limited
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Edinburgh, EH2 2LL
U.K.

Legal Advisor

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

Independent Auditor

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

Administrator

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

Report of the General Partner

The General Partner, SLCP (General Partner EC) Limited, presents the audited financial statements for SL Capital ECF GP LP ("the Partnership") for the year ended 31 December 2018.

Structure of the Partnership

The Partnership was formed on 18 June 2014 and is registered in Scotland, United Kingdom ("U.K").

Directors of the General Partner

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

Distributions

Distributions of €322,253 (2017: €204,242) were made during the year.

Events after the reporting date

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

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 6. A description of the principal activity of the Partnership is provided in note 1 to the financial statements.

The purpose of the Partnership is to act as General Partner to SL Capital European Co-investment LP ("ECF LP") and SL Capital European Co-investment B LP ("ECF B LP").

Going concern basis

Notwithstanding net liabilities of €18,859 at 31 December 2018, the Partnership, along with the ongoing financial support of Standard Life Investments Limited, a related party to the Manager, will continue to be in a position to meet liabilities as they fall due and as such the General Partner deems it appropriate to prepare the financial statements of the Partnership on the going concern basis. The General Partner acknowledges that there

can be no certainty that this support will continue, although, as at the date of approval of these financial statements, has no reason to believe that it will not do so.

Disclosure of information to auditor

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

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

Independent auditor

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

Data protection

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

Strategic report

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

Signed on behalf of the General Partner



Ian Harris
Director, SLCP (General Partner EC) Limited
19 June 2019

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

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

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

Under company law the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

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

Independent Auditor's Report to the Partners of SL Capital ECF GP LP

Opinion

We have audited the financial statements of SL Capital ECF GP LP (the "Qualifying Partnership") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

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

Basis for opinion

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

Other matter

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

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

Going concern

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

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

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

General Partner's report

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

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

Independent Auditor's Report to the Partners of SL Capital ECF GP LP (continued)

General Partner's report (continued)

Based solely on that work:

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

Matters on which we are required to report by exception

Under the Companies Act 2006, as applied to qualifying partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies exemption, as applied to qualifying partnerships, from the requirement to prepare a strategic report.

We have nothing to report in these respects.

General Partner's responsibilities

As explained more fully in their statement set out on page 3, the General Partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Qualifying Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using

the going concern basis of accounting unless they either intend to liquidate the Qualifying Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the Qualifying Partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Qualifying Partnership's partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Qualifying Partnership and its partners, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Statement of Comprehensive Income

	Year ended 31 December 2018			Year ended 31 December 2017		
	Carried Interest Partners	General Partner	Total*	Carried Interest Partners	General Partner	Total*
	€	€	€	€	€	€
Turnover						
Income	-	322,253	322,253	-	204,242	204,242
Expenditure						
Administration and other expenses	(6,876)	-	(6,876)	(5,720)	-	(5,720)
Net foreign exchange loss on non-investments	(21)	-	(21)	(43)	-	(43)
Total (loss) / profit for the year attributable to Partners	(6,897)	322,253	315,356	(5,763)	204,242	198,479

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

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

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

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

Statement of Financial Position

		At 31 December 2018			At 31 December 2017		
	Notes	Carried Interest Partners €	General Partner €	Total* €	Carried Interest Partners €	General Partner €	Total* €
Fixed assets							
Financial assets at fair value through profit or loss	5	710	-	710	710	-	710
Current assets							
Debtors	6	114	39,794	39,908	114	3,418	3,532
Cash and cash equivalents		490	-	490	507	-	507
		<u>604</u>	<u>39,794</u>	<u>40,398</u>	<u>621</u>	<u>3,418</u>	<u>4,039</u>
Current liabilities							
Creditors due within one year	7	(20,173)	(39,794)	(59,967)	(13,293)	(3,418)	(16,711)
Net current liabilities		<u>(19,569)</u>	<u>-</u>	<u>(19,569)</u>	<u>(12,672)</u>	<u>-</u>	<u>(12,672)</u>
Net liabilities attributable to Partners		<u>(18,859)</u>	<u>-</u>	<u>(18,859)</u>	<u>(11,962)</u>	<u>-</u>	<u>(11,962)</u>
Represented by:							
Partners' capital account		710	-	710	710	-	710
Partners' loan account		-	(593,398)	(593,398)	-	(271,145)	(271,145)
Partners' current account		(19,569)	593,398	573,829	(12,672)	271,145	258,473
Net liabilities attributable to Partners		<u>(18,859)</u>	<u>-</u>	<u>(18,859)</u>	<u>(11,962)</u>	<u>-</u>	<u>(11,962)</u>

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

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

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

The financial statements set out on pages 6 to 13 were approved by the General Partner on 19 June 2019 and were signed on its behalf by:

Ian Harris
Director, SLCP (General Partner EC) Limited



Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2018			Year ended 31 December 2017		
	Carried Interest Partners	General Partner	Total*	Carried Interest Partners	General Partner	Total*
	€	€	€	€	€	€
Net liabilities attributable to Partners at the start of the year	(11,962)	-	(11,962)	(6,313)	-	(6,313)
Partners' capital drawn	-	-	-	114	-	114
Distributions to Partners	-	(322,253)	(322,253)	-	(204,242)	(204,242)
Total (distributed) / drawn	-	(322,253)	(322,253)	114	(204,242)	(204,128)
Total (loss) / profit for the year attributable to Partners	(6,897)	322,253	315,356	(5,763)	204,242	198,479
Net liabilities attributable to Partners at the end of the year	(18,859)	-	(18,859)	(11,962)	-	(11,962)

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

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

Notes to the Financial Statements

1. Partnership background

The Partnership was formed for the purpose of acting as the General Partner of ECF LP and ECF B LP. The Partnership is registered in Scotland, U.K. and was established on 18 June 2014 with a commitment of €100 from its Carried Interest Partners. The combined commitments of the Carried Interest Partners were adjusted to €596 following the final close of ECF LP and ECF B LP. The Manager of the Partnership is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K.

The Partnership shall continue until the expiry of 90 days after the termination of ECF LP. The Partnership has no employees.

2. Statement of compliance

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

3. Summary of significant accounting policies

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

3.1 Basis of preparation

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

3.2 Going concern

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

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

3.3 Income, expenses, gains and losses

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

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

3.4 Financial instruments

a) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost, using the effective interest method.

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

Notes to the Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.4 Financial Instruments (continued)

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

b) Financial liabilities

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

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

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

3.5 Functional currency

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

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

Exchange rates at 31 December 2018:

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

Exchange rates at 31 December 2017:

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

3.6 Cash and cash equivalents

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

3.7 Taxation

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

4. Critical accounting estimates and judgements

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

4.1 Fair value of investments not quoted in an active market

The investments in ECF LP and ECF B LP are stated at fair value as estimated by the General Partner. The General Partner considers the balance of the Partnership's capital account in ECF LP and ECF B LP as being equal to fair value.

Notes to the Financial Statements (continued)

5. Financial assets at fair value through profit or loss

	At 31 December 2018			At 31 December 2017		
	Carried Interest Partners €	General Partner €	Total €	Carried Interest Partners €	General Partner €	Total €
Investment in ECF B LP	374	-	374	374	-	374
Investment in ECF LP	336	-	336	336	-	336
	<u>710</u>	<u>-</u>	<u>710</u>	<u>710</u>	<u>-</u>	<u>710</u>

6. Debtors

	At 31 December 2018			At 31 December 2017		
	Carried Interest Partners €	General Partner €	Total €	Carried Interest Partners €	General Partner €	Total €
Due from ECF B LP	-	20,100	20,100	-	3,201	3,201
Due from ECF LP	-	19,694	19,694	-	217	217
Due from Carried Interest Partners	114	-	114	114	-	114
	<u>114</u>	<u>39,794</u>	<u>39,908</u>	<u>114</u>	<u>3,418</u>	<u>3,532</u>

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

Notes to the Financial Statements (continued)

7. Creditors due within one year

	At 31 December 2018			At 31 December 2017		
	Carried Interest Partners €	General Partner €	Total €	Carried Interest Partners €	General Partner €	Total €
Due to General Partner	-	39,794	39,794	-	3,418	3,418
Due to ECF LP	9,272	-	9,272	3,411	-	3,411
Due to ECF B LP	5,024	-	5,024	4,081	-	4,081
Administration fee accrual	3,342	-	3,342	3,300	-	3,300
Audit fee accrual	2,535	-	2,535	2,501	-	2,501
	<u>20,173</u>	<u>39,794</u>	<u>59,967</u>	<u>13,293</u>	<u>3,418</u>	<u>16,711</u>

Notes to the Financial Statements (continued)

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

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

At 31 December 2018, no carried interest allocation had been made to the Partnership.

9. Related party transactions

The Limited Partnership Agreement provides that SLCP (General Partner EC) Limited shall act as General Partner and be entitled to distributions equal to amounts received by the Partnership from ECF LP and ECF B LP in respect of management profit share. During the year to 31 December 2018, €322,253 (2017: €204,242) was received by the Partnership from ECF LP and ECF B LP in relation to management profit share and €322,253 (2017: €204,242) was paid to the General Partner in relation to management profit share. SLCP (General Partner EC) Limited is a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered addresses of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

The Manager of the Partnership receives a management fee, equal to the management profit share allocated to the General Partner, in relation to its activity as Manager of ECF LP and ECF B LP.

Certain members and employees of the Manager are Carried Interest Partners in the Partnership and are entitled to participate in the profits as disclosed in note 8.

At 31 December 2018, the Partnership owed €336 (2017: €336) to ECF LP and €374 (2017: €374) to ECF B LP in respect of capital contributions.

At 31 December 2018, €114 (2017: €114) was owed by the Carried Interest Partners in respect of capital contributions.

During the year to 31 December 2018, €6,804 (2017: €5,786) was paid by ECF LP and ECF B LP on behalf of the Partnership in respect of expenses. At 31 December 2018, the Partnership owed €8,936 (2017: €3,074) to ECF LP and €4,650 (2017: €3,707) to ECF B LP for expenses paid on its behalf.

At 31 December 2018, €19,694 (2017: €217) and €20,100 (2017: €3,201) was due from ECF LP and ECF B LP in respect of management profit share, respectively.

At 31 December 2018, the Partnership owed €39,794 (2017: €3,418) to the General Partner in respect of management profit share.

10. Commitments and contingencies

The Partnership has committed an aggregate of €710 (2017: €710) to ECF LP and ECF B LP as a carried interest partner.

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

11. Related undertakings

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

12. Events after the reporting date

Subsequent events have been evaluated up to 19 June 2019. There are no significant events identified after the reporting date.

SL Capital European Co-Investment B LP

Financial Statements for the year ended 31 December 2018

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Important Note

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

Manager, General Partner and Advisors

Registered Address	1 George Street Edinburgh, EH2 2LL U.K.
Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner (and Founder Partner)	SL Capital ECF GP LP 1 George Street Edinburgh, EH2 2LL U.K.
UK Legal Advisor	Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
US Tax Advisor	Ernst & Young LLP 25 Churchill Place London, E14 5EY U.K.
Independent Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh, EH1 2EG U.K.
Administrator	IQ EQ Administration Services (UK) Ltd (formerly: Augentius (UK) Ltd) Two London Bridge London, SE1 9RA U.K.
Depository	IQ EQ Depository Company (UK) Limited (formerly: Augentius Depository Company Limited) Two London Bridge London, SE1 9RA U.K.

Report of the General Partner

The General Partner, SL Capital ECF GP LP, presents the audited financial statements for SL Capital European Co-Investment B LP ("the Fund") for the year ended 31 December 2018.

Structure of the Fund

The Fund is a Limited Partnership, established in Scotland, United Kingdom ("U.K."). The Fund held its final close on 20 December 2017 bringing the aggregate commitments to US\$35.5 million and Limited Partners to nineteen. The structure of the Fund is detailed further in note 1 to the financial statements.

Directors of the General Partner

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

Distributions

Distributions of US\$Nil (2017: US\$1,731,934) were made during the year of which US\$Nil (2017: US\$1,731,934) was temporary return of capital, which is recallable.

Events after the reporting date

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

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 9. A description of the principal activity of the Fund is provided in note 1 to the financial statements.

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

Disclosure of information to auditor

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

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

Independent auditor

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

Data protection

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

Report of the General Partner (continued)

Strategic report

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

Remuneration policy

In line with the Alternative Investment Fund Manager Directive ("the AIFMD"), the Fund's Alternative Investment Fund Manager ("the AIFM") has implemented a remuneration policy for its staff. Details in relation to the AIFM's remuneration policy are included in Appendix I and quantitative disclosures are available upon request.

Signed on behalf of SL Capital ECF GP LP



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

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

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

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law.

Under company law the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Fund and of the profit or loss of the Fund for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

Depository Report

Pursuant to the requirements of the AIFMD, IQ EQ Depository Company (UK) Limited ("IDCL") has been appointed by the Manager to provide the Fund with cash flow monitoring, ownership verification and compliance oversight services ("the Depository Services").

IDCL's responsibility

IDCL's review and conclusion in respect of the Fund is based on IDCL's review of information and documentation supplied to IDCL by the Manager, or such other person(s) as this function is delegated to from time to time, in addition to such other publicly available resources as IDCL deems appropriate.

IDCL's Depository Services and the conclusion reached pursuant to such services is limited to and does not extend beyond the scope of the requirements of a depository under the AIFMD.

Compliance conclusion

IDCL confirms that during the year ended 31 December 2018, in the performance of its Depository Services, IDCL detected no material reportable irregularities in respect of the Fund in relation to the AIFMD.

Reliance

The disclosure by IDCL of its findings pursuant to the Depository Services in relation to the Fund has been provided at the request of the Manager and for information purposes only on a non-reliance basis and as such, such findings shall not be relied on by any other person.



Lisa Stewart
for and on behalf of IQ EQ Depository Company (UK) Limited
2 May 2019

Independent Auditor's Report to the Partners of SL Capital European Co-Investment B LP

Opinion

We have audited the financial statements of SL Capital European Co-Investment B LP ("the Qualifying Partnership") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners and the Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs"); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

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

Other matter

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

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

Going concern

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

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

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

General Partner's report

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

Independent Auditor's Report to the Partners of SL Capital European Co-Investment B LP (continued)

General Partner's report (continued)

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies exemption, as applied to qualifying partnerships, from the requirement to prepare a strategic report.

We have nothing to report in these respects.

General Partner's responsibilities

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

Auditor's responsibilities

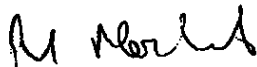
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

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

Independent Auditor's Report to the Partners of SL Capital European Co-Investment B LP (continued)

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

This report is made solely to the Qualifying Partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Qualifying Partnership's partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Qualifying Partnership and its partners, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Statement of Comprehensive Income

		Year ended 31 December 2018 US\$	Year ended 31 December 2017 US\$
	Notes		
Income			
Net unrealised movement on Investments		2,761,232	2,062,488
Net unrealised foreign exchange movement on Investments		(655,436)	1,107,713
Net realised foreign exchange gain on Investments		-	25,674
Net foreign exchange gain on non-Investments		23,057	7,431
Total net income		1,928,651	3,203,306
Expenses			
Organisational expenses		-	14,518
Administration and other expenses	4	(88,624)	(70,497)
Total operating expenses		(88,624)	(55,979)
Operating profit		1,840,227	3,147,327
Finance Costs			
Arrangement fee	7	-	(5,250)
Interest expenses	7	(16,624)	(8,572)
Total finance costs		(16,624)	(13,822)
Operating profit after finance costs		1,823,703	3,133,505
Management profit share	8	(165,957)	(112,393)
Increase in net assets attributable to Partners from operations		1,637,746	3,021,112

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

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

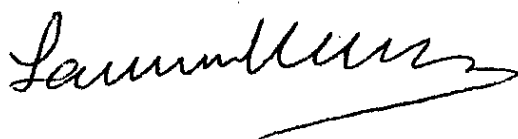
The notes 1 to 12 form an integral part of these financial statements.

Statement of Financial Position

	Notes	At 31 December 2016 US\$	At 31 December 2017 US\$
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	11	<u>29,912,650</u>	<u>16,452,603</u>
Current assets			
Trade and other receivables	5	5,790	424,785
Cash and cash equivalents		<u>102,925</u>	<u>83,164</u>
		<u>108,715</u>	<u>507,929</u>
Current liabilities			
Trade and other payables	6	<u>(56,616)</u>	<u>(462,372)</u>
		<u>(56,616)</u>	<u>(462,372)</u>
Net current assets		<u>52,099</u>	<u>45,657</u>
Net assets attributable to Partners		<u>29,964,749</u>	<u>16,498,160</u>
Represented by:			
Partners' capital account		3,944	3,650
Partners' loan account		26,017,395	14,188,846
Partners' current account		<u>3,943,410</u>	<u>2,305,664</u>
Net assets attributable to Partners		<u>29,964,749</u>	<u>16,498,160</u>

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

The financial statements set out on pages 9 to 23 were approved by the General Partner on 2 May 2018 and signed on its behalf by:



Ian Harris
Director, SLCP (General Partner EC) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2018 US\$	Year ended 31 December 2017 US\$
Net assets attributable to Partners at the start of the year	16,496,160	8,470,652
Partners' capital drawn	294	-
Partners' loan drawn	11,828,549	6,738,330
Temporary return of capital to Partners	-	(1,731,934)
Net drawn	11,828,843	5,006,396
Increase in net assets attributable to Partners from operations	1,637,746	3,021,112
Net assets attributable to Partners at the end of the year	29,964,749	16,496,160

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

Statement of Cash Flows

		Year ended 31 December 2018 US\$	Year ended 31 December 2017 US\$
	Notes		
Cash flows from operating activities			
Operating profit		1,840,227	3,147,327
Interest paid		(16,624)	(8,672)
Arrangement fee paid		-	(5,250)
Decrease / (increase) in trade and other receivables	5	418,975	(411,473)
(Decrease) / increase in trade and other payables	6	(424,960)	432,966
Net unrealised movement on investments		(2,761,232)	(2,062,488)
Net unrealised foreign exchange movement on investments		855,438	(1,107,713)
Net realised foreign exchange gain on investments		-	(25,674)
Purchase of investments		(11,567,368)	(5,311,937)
Sale of investments		13,135	367,791
Net cash outflow from operating activities		<u>(11,642,349)</u>	<u>(4,955,003)</u>
Management profit share		<u>(166,733)</u>	<u>(120,808)</u>
Cash flows from financing activities			
Partners' capital drawn		294	-
Partners' loan drawn		11,828,549	6,736,330
Temporary return of capital to Partners		-	(1,731,934)
Net cash inflow from financing activities		<u>11,828,843</u>	<u>5,006,396</u>
Net increase / (decrease) in cash and cash equivalents		19,761	(69,415)
Cash and cash equivalents at the start of the year		<u>83,164</u>	<u>152,579</u>
Cash and cash equivalents at the end of the year		<u>102,925</u>	<u>83,164</u>

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

Notes to the Financial Statements

1. Fund background

The Fund is a Limited Partnership registered in Scotland, U.K. and was established on 24 August 2015. The Fund held its final close on 20 December 2017 with total commitments of US\$35.5 million from nineteen Limited Partners. The Limited Partners' capital contributions equal 0.01% of their total commitment. Commitments to Co-Investments ("Investments") can be drawn at any time and the Fund is required to draw down loan commitments from Limited Partners in order to cover these.

SL Capital ECF GP LP is the General Partner and Founder Partner of the Fund and has contributed \$394 to the Fund as a carried interest Partner. The Manager of the Fund is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority ("the FCA") and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. The Manager was authorised as an AIFM by the FCA on 22 July 2013. The FCA permitted the Manager to act as the AIFM to the Fund with effect from 22 July 2013. The Fund has no employees.

The Fund was formed for the purpose of investing in Investments.

The Fund is established for a term of ten years from the final close date. The investment period ends on 20 December 2021. The life of the Fund may be extended by up to three additional one year periods, and thereafter with the agreement of the General Partner and the investors.

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

	At 31 December 2018 US\$
Commitments	35,500,355
Partners' capital drawn	3,944
Partners' loan drawn	29,053,329
Temporary return of capital to Partners	(3,035,934)
Funded	26,021,339
% of Commitments	73.30%

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at Fair Value through Profit or Loss ("FVPL"), and in accordance with the Limited Partnership Agreement. The Fund is denominated in United States Dollar ("US\$"). International Financial Reporting Standards ("IFRSs") as adopted by the EU and the Companies Act 2006, as applied to qualifying partnerships, have been applied in all aspects of the preparation of the financial statements.

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 3.

2.2 New and revised accounting standards / amendments effective for the current year

New and revised accounting standards that are effective for annual periods beginning on or after 1 January 2018 and have been adopted by the Fund are listed below.

IFRS 9, 'Financial Instruments'

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement' and introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, impairment and for hedge accounting.

The nature and impact of IFRS 9 is outlined below:

(i) Recognition, classification and measurement:

IFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 New and revised accounting standards / amendments effective for the current year (continued)

IFRS 9, 'Financial Instruments' (continued)

Following the adoption of IFRS 9, the Fund has assessed the classification of recognised financial instruments both at date of initial application and retrospectively; concluding that:

- All financial assets already held at FVPL under IAS 39 continue to be measured at fair value through profit or loss;
- Investments in subsidiaries and associates continue to be measured at fair value in accordance with IFRS 10 and IAS 28;
- Financial assets previously classified as loans and receivables under IAS 39, that meet the new dual test criteria are now classified as financial assets at amortised cost; and
- Debt instruments held as part of a portfolio of assets managed and evaluated on the business model basis of fair value, previously held at fair value under IAS 39, continue to be measured at FVPL.

The classification of financial liabilities under IFRS 9 remains broadly similar to that under IAS 39. The Fund has no financial liabilities designated at FVPL so there is no impact from the adoption of IFRS 9 with regards to financial liabilities.

Whilst the classification, measurement and recognition requirements of IFRS 9 have been retrospectively applied, the Fund has opted, as permitted, not to restate comparatives; therefore, they continue to be presented in accordance with IAS 39.

Considering both the characteristics of financial instruments and the approach to their management, the adoption of IFRS 9 has not resulted in any revocation of designations, nor any new designations of financial assets or liabilities.

There have been no changes in the carrying amounts of financial instruments due to changes in measurement category. Financial assets previously measured at FVPL continue to be so. Those measured at amortised cost continue to be so. Further, the application of the expected credit loss (ECL) impairment model as applied to financial instruments held at amortised cost has not significantly changed their carrying value. The carrying values of amortised cost financial instruments under IAS 39 continue to approximate their fair values on the date of transition to IFRS 9.

(ii) Impairment:

Under IAS 39, the Fund was required to recognise an impairment loss on financial instruments held at amortised cost when objective evidence of impairment existed. Upon adoption of IFRS 9, impairment is assessed either on a forthcoming 12-month or lifetime basis and recognised initially and at subsequent reporting dates at the full amount of the ECL within that period. The Fund holds only receivables and contract assets at amortised cost with no significant financing component and therefore has chosen to apply the simplified approach to assessment of ECL, making a lifetime assessment of credit loss based on relevant, supportable information about the future.

The adoption of IFRS 9 has brought no material impact on the financial statements through the recognition, timing or measurement of impairment loss.

IFRS 15, 'Revenue from Contracts with Customers' and Clarifications to IFRS 15 ("Clarifications")

IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations. The core principle of the new standard is for entities to recognise revenue depicting the transfer of goods or services to customers in amounts that reflect the consideration to which the Fund is entitled. This is applied using a five-step model.

Guidance on the recognition and presentation of interest and dividend income now falls within the scope of IFRS 9. A consequential amendment to IAS 1 'Presentation of Financial Statements' has clarified that only interest income from financial assets held at amortised cost can be presented within the revenue line item of the Statement of Comprehensive Income. The Fund's interest income from financial assets held at FVPL continues to be separately identified from revenue as 'interest income'.

There has been no material impact following the adoption of IFRS 15 in either revenue recognised by the Fund nor in the timing or pattern of revenue recognition within portfolio companies held as financial assets at FVPL.

2.3 New accounting standards / amendments not yet effective

Standards amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Fund are listed below.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

The IASB issued a narrow scope amendment to IFRS 9 in October 2017 which updates the solely payments of principal and interest test: borrowings that include a contractual term under which an early repayment results in a settlement discount will now be deemed to have cashflows of solely principal and interest and are consequently measured at amortised cost or FVTOCI rather than FVPL. This has been termed 'negative compensation' as in effect the lender is paying the borrower compensation for early settlement.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 New accounting standards / amendments not yet effective (continued)

Amendments to IFRS 9: Prepayment Features with Negative Compensation (continued)

The amendment is effective for annual periods beginning on or after 1 January 2019. This has been endorsed by the EU. The Fund will adopt the amendment when it becomes effective.

2.4 Going concern

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

2.5 Financial period

The financial statements are prepared from 1 January 2018 to 31 December 2018. The comparatives are presented from 1 January 2017 to 31 December 2017.

2.6 Functional currency

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

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

Exchange rates at 31 December 2018:

US\$1=	
Euro	€0.8748
Sterling	£0.7862

Exchange rates at 31 December 2017:

US\$1=	
Euro	€0.8328
Sterling	£0.7382

2.7 Income, expenses, gains and losses

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

Net income, gains and losses of the Fund are allocated under the terms of the Limited Partnership Agreement. Details are set out in note 2.16.

2.8 Investment entity

The General Partner has determined that the Fund is an investment entity as per IFRS 10, 'Consolidated Financial Statements'. Details are set out in note 3.2.

2.9 Financial assets at fair value through profit or loss

Initial recognition

Financial assets have been designated upon initial recognition at FVPL. On the date of making a legal commitment to invest in an entity, such commitment is recorded and disclosed. When funds are drawn in respect of such commitment, the resulting investment is recognised in the financial statements.

Measurement

Financial assets at FVPL are initially recognised at fair value as detailed in note 3.1. Transaction costs are expensed and included within gains and losses on investments in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from underlying instruments have expired or the entity has transferred substantially all risk and rewards of ownership.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.10 Cash and cash equivalents

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

2.11 Trade and other receivables

Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less the appropriate allowances for estimated irrecoverable amounts.

2.12 Trade and other payables

Payables and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.13 Bank overdraft

The bank overdraft is initially recognised at fair value and subsequently stated at amortised cost. The facility arrangement fee is recognised in the Statement of Comprehensive Income when incurred due to its immaterial nature.

The bank overdraft is shown as a current liability as the Fund has no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.14 Taxation

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

2.15 Net assets attributable to Partners

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

2.16 Distribution of income proceeds and capital proceeds between Partners

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

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

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

In general, subsequent distributions will be allocated to the Founder Partner until the Founder Partner has received aggregate distributions equalling 10% of cumulative net profits ("the catch up").

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

- (a) 10% to the Founder Partner; and
- (b) 90% to all Limited Partners in proportion to their commitments.

At 31 December 2018, no carried interest allocation had been made to the Founder Partner (2017: US\$Nil).

3. Critical accounting estimates and judgements

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

Notes to the Financial Statements (continued)

3. Critical accounting estimates and judgements (continued)

3.1 Fair value of investments not quoted in an active market

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

The General Partner reviews the valuations prepared by the managers of Co-Investments and determines whether it is appropriate to apply such valuations to the Fund's Co-Investments.

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

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

3.2 Investment entity status

The Fund was set up with an intention to have multiple investors and indirectly hold multiple investments. Ownership interests in the Fund are in the form of the Partner's share of capital in the Fund and are exposed to variable returns from changes in the fair value of the Fund's net assets. The Fund has been deemed to meet the definition of an investment entity per IFRS 10, 'Consolidated Financial Statements' as the following conditions exist:

- (i) The Fund has obtained funds for the purpose of providing investors with investment management services;
- (ii) The Fund's business purpose, which was communicated directly to investors via the Limited Partnership Agreement, is providing investors with an overall rate of return from investments by means of both income and capital growth; and
- (iii) The performance of investments made is measured and evaluated on a fair value basis.

4. Administration and other expenses

	Year ended 31 December 2018 US\$	Year ended 31 December 2017 US\$
Legal and professional fees	66,077	39,063
Administration fees	24,138	22,960
Audit fees	7,491	7,242
Bank and custody fees	918	1,212
	<u>88,624</u>	<u>70,487</u>

5. Trade and other receivables

	At 31 December 2018 US\$	At 31 December 2017 US\$
Due from General Partner	5,790	4,342
Due from Parallel Funds	-	420,423
	<u>5,790</u>	<u>424,765</u>

Notes to the Financial Statements (continued)

6. Trade and other payables

	At 31 December 2018 US\$	At 31 December 2017 US\$
Legal and professional fee accrual	23,510	16,720
Due to General Partner	23,066	3,844
Audit fee accrual	7,206	7,467
Administration fee accrual	2,632	2,012
Due to Limited Partners	-	428,548
Other expenses accrual	-	1,927
Due to Parallel Funds	-	1,854
	<u>56,616</u>	<u>462,372</u>

7. Bank Overdraft

The Fund obtained an uncommitted, short term bank overdraft facility of US\$3.5 million from Societe Generale in July 2017. The bank overdraft facility can be drawn at any time and can be terminated by the Fund or the bank at any time by a written notice. Interest is paid monthly in arrears at a rate equal to the three month US\$ interbank offered rate plus an applicable margin of up to 1.35% per annum, calculated on the daily overdrawn balance. Such amount is shown as "Interest expenses" in the Statement of Comprehensive Income. An arrangement fee is paid at a rate of 0.15% of the overdraft facility limit and such amount is shown as "Arrangement fee" in the Statement of Comprehensive Income.

At 31 December 2018, US\$Nil has been drawn from the bank overdraft facility and therefore the undrawn bank overdraft facility available for future operating activities and to settle capital commitments was US\$3.5 million. There are no restrictions on the use of this facility.

There have been no defaults or breaches related to the facility during the year ended 31 December 2018.

8. Management profit share

The Fund allocates management profit share to the General Partner in respect of each Accounting Period, calculated at 0.2% per quarter of the net asset value at each quarter end. Further detail on the calculation is available in clause 12 of the Limited Partnership Agreement.

The management profit share in any Accounting Period shall be reduced by the whole of any Transaction Fees, Investment Related Fees, Abort Fees and Other Fees that have been earned and retained by the General Partner, the Manager or any Associate of either of them during the previous Accounting Period pursuant to clause 8.3 of the Limited Partnership Agreement, up to a maximum amount that shall be no greater than the gross amount of the management profit share for the current period. Where the management profit share is reduced to zero in any Accounting Period any Transaction Fees, Investment Related Fees, Abort Fees and Other Fees not applied in reduction of the management profit share in such Accounting Period shall be carried forward and shall reduce the management profit share in the next Accounting Period.

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

At 31 December 2018 and 31 December 2017, the total amount of management profit share since inception exceeded the total amount of net income and net realised gains on investments since inception and therefore US\$185,957 and US\$112,393 respectively were paid in advance.

9. Related party disclosure

The Limited Partnership Agreement provides that SL Capital ECF GP LP shall act as General Partner and is entitled to a management profit share as described in note 8. During the year ended 31 December 2018, the General Partner was allocated management profit share of US\$185,957 (2017: US\$112,393). The General Partner of SL Capital ECF GP LP is SLCP (General Partner EC) Limited, a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered address of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

Notes to the Financial Statements (continued)

9. Related party disclosure (continued)

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

The Fund has invested US\$2,256,660 to purchase ordinary shares in ASI Terra Holdco Limited, a related entity sharing the same Manager as the Fund. The total number of shares purchased in ASI Terra Holdco Limited was 2,000,000. There were no distributions received during the year.

At 31 December 2018, US\$394 (2017: US\$100) was due from the General Partner in relation to its capital contribution following the final close.

At 31 December 2018, US\$23,066 (2017: US\$3,644) was due to the General Partner in respect of management profit share.

At 31 December 2018, US\$5,396 (2017: US\$4,342) was due from the General Partner in respect of expenses paid on its behalf.

At 31 December 2018, US\$Nil (2017: US\$1,854) was due to SL Capital European Co-Investment LP for expenses paid on its behalf. This is an entity which shares the common General Partner with the Fund.

At 31 December 2018, US\$Nil (2017: US\$407,894) and US\$Nil (2017: US\$12,629) was due from SL Capital European Co-Investment LP due to the final close and expenses paid on its behalf respectively.

10. Financial risk management

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

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

10.1 Market risk

a) Price risk

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

The valuation methodology employed by the managers of co-investments may include the application of ratios derived from listed companies with similar characteristics. If any investments become quoted, they will be valued at the appropriate listed price, subject to any discount for marketability restrictions. Therefore, the value of the Fund's portfolio may be indirectly affected by price movements on listed exchanges.

Price risk is minimised by the Manager constructing a diversified portfolio of Co-Investments. At 31 December 2018, there were 13 Co-Investments. More detail on the sector and geographic analysis is provided in the Manager's Report, which is issued separately.

A 10% increase in the 31 December 2018 valuation of the Fund's investments would have increased net assets attributable to Partners by US\$2,991,265 (2017: US\$1,845,290); a 10% change in the opposite direction would have decreased net assets attributable to Partners by an equivalent amount.

b) Currency risk

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

Notes to the Financial Statements (continued)

10. Financial risk management (continued)

10.1 Market risk (continued)

b) Currency risk (continued)

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

	31 December 2018		31 December 2017	
	Local Currency	US\$ Equivalent	Local Currency	US\$ Equivalent
Euro	15,925,050	18,204,717	6,758,675	8,115,819
Sterling	4,795,890	6,108,044	3,083,330	4,170,973
U.S. Dollar	5,651,988	5,651,988	4,211,368	4,211,368
		<u>29,984,749</u>		<u>16,498,160</u>
Outstanding commitments				
	31 December 2018		31 December 2017	
	Local Currency	US\$ Equivalent	Local Currency	US\$ Equivalent
Sterling	59,003	75,144	48,633	65,788
Euro	36,589	41,827	-	-
		<u>116,971</u>		<u>65,788</u>

If the value of the US\$ strengthened by 10% in relation to all currencies, net assets attributable to Partners would have decreased by US\$2,210,251 (2017: US\$1,116,981), a 10% change in the opposite direction would have resulted in an increase of US\$2,701,418 (2017: US\$1,365,199). These calculations are based on the net assets at the respective Statement of Financial Position dates and are not necessarily representative of the period as a whole.

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

c) Interest rate risk

The Fund's main interest rate risk arises from short-term borrowings with variable rates, which expose the Fund to cash flow interest rate risk.

The Fund manages its cash flow interest rate risk by actively monitoring the interest expenses from the bank overdraft. The Fund has no set interest rate level at which to cancel the overdraft, however the interest rate is actively monitored and any overdraft balance can be repaid if it is deemed appropriate to do so. The General Partner does not believe that the impact of interest rate risk to be significant to the Fund.

10.2 Credit risk

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

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

	At 31 December 2018	At 31 December 2017
	US\$	US\$
Financial assets at fair value through profit or loss	29,912,650	18,452,503
Trade and other receivables	5,790	424,766
Cash and cash equivalents	102,925	83,164
	<u>30,021,365</u>	<u>18,960,632</u>

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

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

Notes to the Financial Statements (continued)

10. Financial risk management (continued)

10.3 Liquidity risk

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

During the year ended 31 December 2018, the Fund generated an operating profit after finance costs of US\$1,823,703 (2017: US\$3,133,505) and cash resources at the end of the year amounted to US\$102,925 (2017: US\$83,164). The liabilities of the Fund (excluding net assets attributable to Partners) are due on demand. In addition, the Fund had available to it undrawn commitments of US\$9,479,055 (2017: US\$21,307,604) from its Limited Partners, which are also due on demand.

The tables below analyse the Fund's financial liabilities into relevant maturity based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows:

At 31 December 2018

	On demand US\$	Less than 1 year US\$	Between 1 and 3 years US\$	More than 3 years US\$	Total US\$
Liabilities					
Trade and other payables	-	56,616	-	-	56,616
Net assets					
attributable to Partners	-	-	-	29,964,749	29,964,749
Total liabilities	<u>-</u>	<u>56,616</u>	<u>-</u>	<u>29,964,749</u>	<u>30,021,365</u>
Total unfunded commitments to investments	<u>116,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,971</u>

At 31 December 2017

	On demand US\$	Less than 1 year US\$	Between 1 and 3 years US\$	More than 3 years US\$	Total US\$
Liabilities					
Trade and other payables	428,548	33,824	-	-	462,372
Net assets					
attributable to Partners	-	-	-	16,498,160	16,498,160
Total liabilities	<u>428,548</u>	<u>33,824</u>	<u>-</u>	<u>16,498,160</u>	<u>16,960,532</u>
Total unfunded commitments to investments	<u>65,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,788</u>

10.4 Capital risk management

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

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

Notes to the Financial Statements (continued)

11. Fair value measurement

IFRS 7 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

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

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

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

At 31 December 2018

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	29,912,650	29,912,650

At 31 December 2017

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss	-	-	16,462,603	16,462,603

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

Determining the fair value of the Fund's investments requires judgement and considers factors specific to the investments. The valuation policies applied by the General Partner are detailed in note 3.1.

Notes to the Financial Statements (continued)

11. Fair value measurement (continued)

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

	31 December 2018	31 December 2017
	US\$	US\$
Balance at the start of the year	16,462,603	8,342,682
Purchases	11,667,388	5,311,937
Sales	(13,135)	(397,791)
Realised and unrealised losses	1,905,794	3,195,875
Balance at the end of the year	<u>29,912,650</u>	<u>16,462,603</u>
Unrealised movement included in profit or loss related to investments still held at the reporting date:		
- Net unrealised movement on investments (excluding transaction costs)	2,813,030	2,075,707
- Net unrealised foreign exchange movement on investments	(855,436)	1,107,713
	<u>1,957,592</u>	<u>3,183,420</u>

12. Events after the reporting date

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

Appendix I

Alternative Investment Fund Managers Directive (AIFMD) Unaudited Remuneration Disclosure AIF Annual Report and Accounts SL Capital European Co-Investment B LP

Remuneration Policy

The Standard Life Aberdeen plc Remuneration Policy applies with effect from 1 January 2018. The purpose of the Standard Life Aberdeen plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of Standard Life Aberdeen. It has been approved by the Standard Life Aberdeen plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the Standard Life Aberdeen group of companies ("SLA").

The AIFM, Standard Life Capital Partners LLP is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and is a wholly owned subsidiary of Standard Life Aberdeen plc.

The Remuneration Committee of Standard Life Aberdeen plc adopted an AIFM Remuneration Policy to ensure that the requirements of the Alternative Investment Fund Managers Directive (AIFMD) are fully adhered to by the group. This policy applies to SL Capital Partners LLP and the Alternative Investment Funds (AIFs) it manages (SL Capital European Co-Investment B LP). This policy is available on request.

Remuneration Principles

SLA applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of SLA. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of SLA. Total variable remuneration will be funded through pre-agreed distribution metrics. Where SLA's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for SLA's long term economic viability.

In addition to applying the SLA wide principles above, Aberdeen Standard Investments ("ASI") applies a number of additional principles including the following, when determining remuneration for employees:

- a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- b) Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of Standard Life Aberdeen plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of Standard Life Aberdeen is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Committee ("Executive Body") (as defined by the Board), if appropriate.

Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between SLA and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to SLA's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

Appendix I (continued)

Unaudited Remuneration Disclosure AIF Annual Report and Accounts (continued)

Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow Standard Life Aberdeen to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

<i>Fixed Remuneration</i>	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
<i>Benefits</i>	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. Standard Life Aberdeen will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
<i>Pension</i>	Standard Life Aberdeen's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect Standard Life Aberdeen's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, SLA may offer a cash allowance in lieu of any pension arrangement.
<i>Annual Performance Bonus Awards</i>	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of SLA. All Executive Directors are awarded bonuses under a SLA bonus plan as detailed in the Directors' Remuneration Report.
<i>Other variable Pay Plans</i>	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

Appendix I (continued)

Unaudited Remuneration Disclosure AIF Annual Report and Accounts (continued)

AIFMD Identified Staff

Staff considered AIFMD Identified Staff are those categories of staff whose professional activities have a material impact on the risk profiles of the AIFM or the AIFs that the AIFM manages.

AIFMD identified staff will include; Senior Management; Risk takers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

Control Functions

SLA adheres to the principles and guidelines of regulations that apply to SLA in defining control functions. Control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

SLA will ensure that, as appropriate, senior employees engaged in a control function:

- a) Are independent from the Business Units they oversee;
- b) Have appropriate authority, and
- c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). SLA's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

Personal Hedging

AIFMD Identified Staff are not permitted to undermine the risk alignment effects of the AIFMD Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

Employee Remuneration Disclosure

The table below provides an overview of the following:

- Count of 'Identified Staff' assigned to SL Capital Partners LLP and to European Co-Investment B LP. SL Capital Partners LLP numbers represent the actual count of 'Identified Staff' against this AIFM while AIF level numbers are calculated based on the AIF's AUM proportion of SL Capital Partners LLP AUM.
- Aggregate total remuneration paid by SL Capital Partners LLP to its 'Identified Staff'. This is split by Fixed and Variable Remuneration and also by Total Remuneration of Senior Management and Total Remuneration of Other 'Identified Staff'.
- Aggregate total remuneration paid by the fund (European Co-Investment B LP) to its 'Identified Staff'. These AIF level numbers are calculated as AIF's AUM proportion of SL Capital Partners LLP AUM.

The 'Identified Staff' of SL Capital Partners LLP are those employees who could have a material impact on the risk profile of SL Capital Partners LLP or the AIFs it manages (including European Co-Investment B LP). This broadly includes senior management, risk takers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2018 to 31 December 2018 inclusive.

Appendix I (continued)

Unaudited Remuneration Disclosure AIF Annual Report and Accounts (continued)

Employee Remuneration Disclosure (continued)

		SL Capital European Co-Investment B LP AIFM Total Remuneration \$'000	SL Capital European Co-Investment B LP AIF Total Remuneration \$'000
SL Capital European Co-Investment B LP Reporting period: 01/01/18 – 31/12/18	83	966	21
Senior Management	16	173	4
Other 'Identified Staff'	67	783	17
Total Fixed remuneration		392	9
Variable remuneration		564	12
Carried Interest		NIL	NIL

SL Capital European Co-investment LP

Financial Statements for the year ended 31 December 2018

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Important Note

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

Manager, General Partner and Advisors

Registered Address	1 George Street Edinburgh, EH2 2LL U.K.
Manager and Principal Place of Business	SL Capital Partners LLP 1 George Street Edinburgh, EH2 2LL U.K.
General Partner (and Founder Partner)	SL Capital ECF GP LP 1 George Street Edinburgh, EH2 2LL U.K.
UK Legal Advisor	Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
Independent Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh, EH1 2EG U.K.
Administrator	IQ EQ Administration Services (UK) Ltd <i>(formerly: Augentius (UK) Ltd)</i> Two London Bridge London, SE1 9RA U.K.
Depository	IQ EQ Depository Company (UK) Limited <i>(formerly: Augentius Depository Company Limited)</i> Two London Bridge London, SE1 9RA U.K.

Report of the General Partner

The General Partner, SL Capital ECF GP LP, presents the audited financial statements for SL Capital European Co-investment LP ("the Fund") for the year ended 31 December 2018.

Structure of the Fund

The Fund is a Limited Partnership, established in Scotland, United Kingdom ("U.K."). The Fund held its final close on 20 December 2017 bringing the aggregate commitments to €30.2 million and Limited Partners to four. The structure of the Fund is detailed further in note 1 to the financial statements.

Directors of the General Partner

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

Distributions

Distributions of €Nil (2017: €1,066,190) were made during the year of which €Nil (2017: €1,066,190) was temporary return of capital, which is recallable.

Events after the reporting date

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

Results, activities and future developments

The results for the year are set out in the Statement of Comprehensive Income on page 9. A description of the principal activity of the Fund is provided in note 1 to the financial statements.

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

Disclosure of information to auditor

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

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

Independent auditor

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

Data protection

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

Report of the General Partner (continued)

Strategic report

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

Remuneration policy

In line with the Alternative Investment Fund Manager Directive ("the AIFMD"), the Fund's Alternative Investment Fund Manager ("the AIFM") has implemented a remuneration policy for its staff. Details in relation to the AIFM's remuneration policy are included in Appendix I and quantitative disclosures are available upon request.

Signed on behalf of the General Partner



Ian Harris
Director, SLCP (General Partner EC) Limited
9 May 2019

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

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

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law.

Under company law the General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Fund and of the profit or loss of the Fund for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

Depositary Report

Pursuant to the requirements of the AIFMD, IQ EQ Depositary Company (UK) Limited ("IDCL") has been appointed by the Manager to provide the Fund with cash flow monitoring, ownership verification and compliance oversight services ("the Depositary Services").

IDCL's responsibility

IDCL's review and conclusion in respect of the Fund is based on IDCL's review of information and documentation supplied to IDCL by the Manager, or such other person(s) as this function is delegated to from time to time, in addition to such other publicly available resources as IDCL deems appropriate.

IDCL's Depositary Services and the conclusion reached pursuant to such services is limited to and does not extend beyond the scope of the requirements of a depositary under the AIFMD.

Compliance conclusion

IDCL confirms that during the year ended 31 December 2018, in the performance of its Depositary Services, IDCL detected no material reportable irregularities in respect of the Fund in relation to the AIFMD.

Reliance

The disclosure by IDCL of its findings pursuant to the Depositary Services in relation to the Fund has been provided at the request of the Manager and for information purposes only on a non-reliance basis and as such, such findings shall not be relied on by any other person.



Lisa Stewart
for and on behalf of IQ EQ Depositary Company (UK) Limited
9 May 2019

Independent Auditor's Report to the Partners of SL Capital European Co-Investment LP

Opinion

We have audited the financial statements of SL Capital European Co-Investment LP ("the Qualifying Partnership") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners and the Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Qualifying Partnership's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRSs"); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

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

Other matter

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

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

Going concern

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

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

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

General Partner's report

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

Independent Auditor's Report to the Partners of SL Capital European Co-investment LP (continued)

General Partner's report (continued)

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies exemption, as applied to qualifying partnerships, from the requirement to prepare a strategic report.

We have nothing to report in these respects.

General Partner's responsibilities

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

Auditor's responsibilities

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

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

Independent Auditor's Report to the Partners of SL Capital European Co-Investment LP (continued)

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

This report is made solely to the Qualifying Partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Qualifying Partnership's partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Qualifying Partnership and its partners, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Statement of Comprehensive Income

		Year ended 31 December 2018	Year ended 31 December 2017
	Notes	€	€
Income			
Net unrealised movement on Investments		3,660,610	1,651,386
Net unrealised foreign exchange movement on Investments		218,956	(424,043)
Net foreign exchange gain / (loss) on non-Investments		2,443	(7,273)
Total net income		3,882,009	1,220,070
Expenses			
Organisational expenses		(2,189)	(52,357)
Administration and other expenses	4	(70,099)	(67,678)
Total operating expenses		(72,288)	(120,035)
Operating profit		3,809,721	1,100,035
Finance Costs			
Arrangement fee	7	-	(3,000)
Interest expenses	7	(4,771)	(2,682)
Total finance costs		(4,771)	(5,682)
Operating profit after finance costs		3,804,950	1,094,353
Management profit share	8	(163,883)	(103,794)
Increase in net assets attributable to Partners from operations		3,641,067	990,559

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

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

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

Statement of Financial Position

		At 31 December 2018 €	At 31 December 2017 €
	Notes		
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	11	27,156,802	12,727,644
Current assets			
Trade and other receivables	5	9,272	677,152
Cash and cash equivalents		201,679	78,718
		210,951	755,870
Current liabilities			
Trade and other payables	6	(30,595)	(695,669)
		(30,595)	(695,669)
Net current assets		180,356	60,201
Net assets attributable to Partners		27,337,158	12,787,845
Represented by:			
Partners' capital account		3,356	3,120
Partners' loan account		22,839,989	11,931,979
Partners' current account		4,493,813	852,746
Net assets attributable to Partners		27,337,158	12,787,845

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

The financial statements set out on pages 9 to 23 were approved by the General Partner on 9 May 2019 and signed on its behalf by:



Ian Harris
Director, SLCP (General Partner EC) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2018 €	Year ended 31 December 2017 €
Net assets attributable to Partners at the start of the year	12,787,845	4,986,287
Partners' capital drawn	236	1,020
Partners' loan drawn	10,908,010	7,876,169
Temporary return of capital to Partners	-	(1,066,190)
Net drawn	10,908,246	6,810,999
Increase in net assets attributable to Partners from operations	3,641,067	990,559
Net assets attributable to Partners at the end of the year	27,337,158	12,787,845

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

Statement of Cash Flows

		Year ended 31 December 2018	Year ended 31 December 2017
	Notes	€	€
Cash flows from operating activities			
Operating profit		3,809,721	1,100,035
Interest paid		(4,771)	(2,682)
Arrangement fee paid		-	(3,000)
Decrease / (increase) in trade and other receivables	5	667,880	(676,188)
(Decrease) / increase in trade and other payables	6	(684,551)	673,245
Net unrealised movement on Investments		(3,660,610)	(1,651,386)
Net unrealised foreign exchange movement on Investments		(218,956)	424,043
Purchase of Investments		(10,560,311)	(6,635,148)
Sale of Investments		10,719	-
Net cash outflow from operating activities		(10,640,879)	(6,771,081)
Management profit share		(144,406)	(92,408)
Cash flows from financing activities			
Partners' capital drawn		236	850
Partners' loan drawn		10,908,010	7,829,914
Temporary return of capital to Partners		-	(1,019,765)
Net cash inflow from financing activities		10,908,246	6,810,999
Net increase / (decrease) in cash and cash equivalents		122,961	(52,490)
Cash and cash equivalents at the start of the year		78,718	131,208
Cash and cash equivalents at the end of the year		201,679	78,718

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

Notes to the Financial Statements

1. Fund background

The Fund is a Limited Partnership registered in Scotland, U.K. and was established on 19 June 2014. The Fund held its final close on 20 December 2017 with total commitments of €30.2 million from four Limited Partners. The Limited Partners' capital contributions equal 0.01% of their total commitment. Commitments to Co-investments ("Investments") can be agreed at any time and the Fund is required to draw down loan commitments from Limited Partners in order to cover these.

SL Capital ECF GP LP is the General Partner and Founder Partner of the Fund and has contributed €336 to the Fund as a carried interest Partner. The Manager of the Fund is SL Capital Partners LLP, which is authorised and regulated by the Financial Conduct Authority ("the FCA") and is a U.S. Securities and Exchange Commission registered investment advisor based in Edinburgh, U.K. The Manager was authorised as an AIFM by the FCA on 22 July 2013. The FCA permitted the Manager to act as the AIFM to the Fund with effect from 22 July 2013. The Fund has no employees.

The Fund was formed for the purpose of investing in Investments.

The Fund is established for a term of ten years from the final close date. The investment period ends on 20 December 2021. The life of the Fund may be extended by up to three additional one year periods, and thereafter with the agreement of the General Partner and the investors.

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

	At 31 December 2018 €
Commitments	30,202,836
Partners' capital drawn	3,356
Partners' loan drawn	24,455,180
Temporary return of capital to Partners	(1,615,191)
Funded	22,843,345
% of Commitments	75.63%

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at Fair Value through Profit or Loss ("FVPL"), and in accordance with the Limited Partnership Agreement. The Fund is denominated in Euro. International Financial Reporting Standards ("IFRSs") as adopted by the EU and the Companies Act 2006, as applied to qualifying partnerships, have been applied in all aspects of the preparation of the financial statements.

The preparation of the financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 3.

2.2 New and revised accounting standards / amendments effective for the current year

New and revised accounting standards that are effective for annual periods beginning on or after 1 January 2018 and have been adopted by the Fund are listed below.

IFRS 9, 'Financial Instruments'

IFRS 9 'Financial Instruments' replaces IAS 39 'Financial Instruments: Recognition and Measurement' and introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, impairment and for hedge accounting. The nature and impact of IFRS 9 is outlined below:

(i) Recognition, classification and measurement:

IFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("FVTOCI") and FVPL.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 New and revised accounting standards / amendments effective for the current year (continued)

IFRS 9, 'Financial Instruments' (continued)

Following the adoption of IFRS 9, the Fund has assessed the classification of recognised financial instruments both at date of initial application and retrospectively, concluding that:

- All financial assets already held at FVPL under IAS 39 continue to be measured at fair value through profit or loss;
- Investments in subsidiaries and associates continue to be measured at fair value in accordance with IFRS 10 and IAS 28;
- Financial assets previously classified as loans and receivables under IAS 39, that meet the new dual test criteria are now classified as financial assets at amortised cost; and
- Debt instruments held as part of a portfolio of assets managed and evaluated on the business model basis of fair value, previously held at fair value under IAS 39, continue to be measured at FVPL.

The classification of financial liabilities under IFRS 9 remains broadly similar to that under IAS 39. The Fund has no financial liabilities designated at FVPL so there is no impact from the adoption of IFRS 9 with regards to financial liabilities.

Whilst the classification, measurement and recognition requirements of IFRS 9 have been retrospectively applied, the Fund has opted, as permitted, not to restate comparatives; therefore, they continue to be presented in accordance with IAS 39.

Considering both the characteristics of financial instruments and the approach to their management, the adoption of IFRS 9 has not resulted in any revocation of designations, nor any new designations of financial assets or liabilities.

There have been no changes in the carrying amounts of financial instruments due to changes in measurement category. Financial assets previously measured at FVPL continue to be so. Those measured at amortised cost continue to be so. Further, the application of the expected credit loss (ECL) impairment model as applied to financial instruments held at amortised cost has not significantly changed their carrying value. The carrying values of amortised cost financial instruments under IAS 39 continue to approximate their fair values on the date of transition to IFRS 9.

(ii) Impairment:

Under IAS 39, the Fund was required to recognise an impairment loss on financial instruments held at amortised cost when objective evidence of impairment existed. Upon adoption of IFRS 9, impairment is assessed either on a forthcoming 12-month or lifetime basis and recognised initially and at subsequent reporting dates at the full amount of the ECL within that period. The Fund holds only receivables and contract assets at amortised cost with no significant financing component and therefore has chosen to apply the simplified approach to assessment of ECL, making a lifetime assessment of credit loss based on relevant, supportable information about the future.

The adoption of IFRS 9 has brought no material impact on the financial statements through the recognition, timing or measurement of impairment loss.

IFRS 15, 'Revenue from Contracts with Customers' and Clarifications to IFRS 15 ("Clarifications")

IFRS 15 supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations. The core principle of the new standard is for entities to recognise revenue depicting the transfer of goods or services to customers in amounts that reflect the consideration to which the Fund is entitled. This is applied using a five-step model.

Guidance on the recognition and presentation of interest and dividend income now falls within the scope of IFRS 9. A consequential amendment to IAS 1 'Presentation of Financial Statements' has clarified that only interest income from financial assets held at amortised cost can be presented within the revenue line item of the Statement of Comprehensive Income. The Fund's interest income from financial assets held at FVPL continues to be separately identified from revenue as 'interest income'.

There has been no material impact following the adoption of IFRS 15 in either revenue recognised by the Fund nor in the timing or pattern of revenue recognition within portfolio companies held as financial assets at FVPL.

2.3 New accounting standards / amendments not yet effective

Standards amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Fund are listed below.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 New accounting standards / amendments not yet effective (continued)

Amendments to IFRS 9: Prepayment Features with Negative Compensation

The IASB issued a narrow scope amendment to IFRS 9 in October 2017 which updates the solely payments of principal and interest test: borrowings that include a contractual term under which an early repayment results in a settlement discount will now be deemed to have cashflows of solely principal and interest and are consequently measured at amortised cost or FVTOCI rather than FVPL. This has been termed 'negative compensation' as in effect the lender is paying the borrower compensation for early settlement.

The amendment is effective for annual periods beginning on or after 1 January 2019. This has been endorsed by the EU. The Fund will adopt the amendment when it becomes effective.

2.4 Going concern

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

2.5 Financial period

The financial statements are prepared from 1 January 2018 to 31 December 2018. The comparatives are presented from 1 January 2017 to 31 December 2017.

2.6 Functional currency

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

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

Exchange rates at 31 December 2018:

€1=	
Sterling	£0.8976
U.S. Dollar	\$1.1432
Danish Kroner	DKK7.4624

Exchange rates at 31 December 2017:

€1=	
Sterling	£0.8877
U.S. Dollar	\$1.2008
Danish Kroner	DKK7.4454

2.7 Income, expenses, gains and losses

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

Net income, gains and losses of the Fund are allocated under the terms of the Limited Partnership Agreement. Details are set out in note 2.16.

2.8 Investment entity

The General Partner has determined that the Fund is an investment entity as per IFRS 10, 'Consolidated Financial Statements'. Details are set out in note 3.2.

2.9 Financial assets at fair value through profit or loss

Initial recognition

Financial assets have been designated upon initial recognition at FVPL. On the date of making a legal commitment to invest in an entity, such commitment is recorded and disclosed. When funds are drawn in respect of such commitment, the resulting investment is recognised in the financial statements.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

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

Measurement

Financial assets at FVPL are initially recognised at fair value as detailed in note 3.1. Transaction costs are expensed and included within gains and losses on investments in the Statement of Comprehensive Income.

Subsequent to initial recognition, all financial assets through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from underlying instruments have expired or the entity has transferred substantially all risk and rewards of ownership.

2.10 Cash and cash equivalents

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

2.11 Trade and other receivables

Receivables are recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, less the appropriate allowances for estimated irrecoverable amounts.

2.12 Trade and other payables

Payables and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.13 Bank overdraft

The bank overdraft is initially recognised at fair value and subsequently stated at amortised cost. The facility arrangement fee is recognised in the Statement of Comprehensive Income when incurred due to its immaterial nature.

The bank overdraft is shown as a current liability as the Fund has no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.14 Taxation

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

2.15 Net assets attributable to Partners

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

2.16 Distribution of income proceeds and capital proceeds between Partners

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

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

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

In general, subsequent distributions will be allocated to the Founder Partner until the Founder Partner has received aggregate distributions equalling 10% of cumulative net profits ("the catch up").

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

- (a) 10% to the Founder Partner; and
- (b) 90% to all Limited Partners in proportion to their commitments.

At 31 December 2018, no carried interest allocation had been made to the Founder Partner (2017: €Nil).

Notes to the Financial Statements (continued)

3. Critical accounting estimates and judgements

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

3.1 Fair value of investments not quoted in an active market

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

The General Partner reviews the valuations prepared by the managers of Co-investments and determines whether it is appropriate to apply such valuations to the Fund's Co-investments.

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

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

3.2 Investment entity status

The Fund was set up with an intention to have multiple investors and indirectly hold multiple investments. Ownership interests in the Fund are in the form of the Partner's share of capital in the Fund and are exposed to variable returns from changes in the fair value of the Fund's net assets. The Fund has been deemed to meet the definition of an investment entity per IFRS 10, 'Consolidated Financial Statements' as the following conditions exist:

- (i) The Fund has obtained funds for the purpose of providing investors with investment management services;
- (ii) The Fund's business purpose, which was communicated directly to investors via the Limited Partnership Agreement, is providing investors with an overall rate of return from investments by means of both income and capital growth; and
- (iii) The performance of investments made is measured and evaluated on a fair value basis.

4. Administration and other expenses

	Year ended 31 December 2018	Year ended 31 December 2017
	€	€
Administration fees	41,831	40,072
Legal and professional fees	20,703	19,324
Audit fees	6,375	6,306
Bank and custody fees	1,190	1,307
Other expenses	-	669
	70,099	67,678

Notes to the Financial Statements (continued)

5. Trade and other receivables

	At 31 December 2018	At 31 December 2017
	€	€
Due from General Partner	9,272	3,174
Due from Limited Partners	-	672,608
Due from Parallel Funds	-	1,370
	<u>9,272</u>	<u>677,152</u>

6. Trade and other payables

	At 31 December 2018	At 31 December 2017
	€	€
Due to General Partner	19,694	217
Audit fee accrual	6,304	6,219
Administration fee accrual	3,455	3,383
Other expenses accrual	780	669
Due to Limited Partners	362	320,619
Due to Parallel Funds	-	363,529
Due to Related Parties	-	520
Interest accrual	-	513
	<u>30,595</u>	<u>695,669</u>

7. Bank overdraft

The Fund obtained an uncommitted, short term bank overdraft facility of €2 million from Societe Generale in July 2017. The bank overdraft facility can be drawn at any time and can be terminated by the Fund or the bank at any time by a written notice. Interest is paid monthly in arrears at a rate equal to the three month Euro interbank offered rate plus an applicable margin of up to 1.35% per annum, calculated on the daily overdrawn balance. Such amount is shown as "Interest expenses" in the Statement of Comprehensive Income. An arrangement fee is paid at a rate of 0.15% of the overdraft facility limit and such amount is shown as "Arrangement fee" in the Statement of Comprehensive Income.

At 31 December 2018, €Nil has been drawn from the bank overdraft facility and therefore the undrawn bank overdraft facility available for future operating activities and to settle capital commitments was €2 million. There are no restrictions on the use of this facility.

There have been no defaults or breaches related to the facility during the year ended 31 December 2018.

8. Management profit share

The Fund allocates management profit share to the General Partner in respect of each Accounting Period, calculated at 0.25% per quarter of the net asset value at each quarter end. Further detail on the calculation is available in clause 12 of the Limited Partnership Agreement.

The management profit share in any Accounting Period shall be reduced by the whole of any Transaction Fees, Investment Related Fees, Abort Fees and Other Fees that have been earned and retained by the General Partner, the Manager or any Associate of either of them during the previous Accounting Period pursuant to clause 8.3 of the Limited Partnership Agreement, up to a maximum amount that shall be no greater than the gross amount of the management profit share for the current period. Where the management profit share is reduced to zero in any Accounting Period any Transaction Fees, Investment Related Fees, Abort Fees and Other Fees not applied in reduction of the management profit share in such Accounting Period shall be carried forward and shall reduce the management profit share in the next Accounting Period.

Notes to the Financial Statements (continued)

8. Management profit share (continued)

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

At 31 December 2018 and 31 December 2017, the total amount of management profit share since inception exceeded the total amount of net income and net realised gains on Investments since inception and therefore €163,883 and €103,794 respectively were paid in advance.

9. Related party disclosure

The Limited Partnership Agreement provides that SL Capital ECF GP LP shall act as General Partner and is entitled to a management profit share as described in note 8. During the year ended 31 December 2018, the General Partner was allocated management profit share of €163,883 (2017: €103,794). The General Partner of SL Capital ECF GP LP is SLCP (General Partner EC) Limited, a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered address of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

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

Standard Life Wealth International Limited and SLC EC I Executive Co Investment Limited Partnership, related entities sharing the same ultimate parent with the General Partner, have committed €2,000,000 and €1,702,500 respectively to the Partnership as Limited Partners. During the year, contributions of €722,314 and €615,040 (2017: €812,843 and €19,036) were made by Standard Life Wealth International Limited and SLC EC I Executive Co Investment Limited Partnership during the year.

Certain members and employees of the Manager also invest in SLC EC I Executive Co Investment Limited Partnership, and are entitled to participate in the profits as disclosed in note 2.16.

At 31 December 2018, €336 (2017: €100) was due from the General Partner in relation to its capital contribution following the final close.

At 31 December 2018, €8,936 (2017: €3,174) was due from the General Partner for expenses paid on its behalf.

At 31 December 2018, €19,694 (2017: €217) was due to the General Partner for management profit share.

At 31 December 2018, €Nil (2017: €1,370) was due from SL Capital European Co-investment B LP for expenses paid on its behalf. This is an entity which shares the common General Partner with the Fund.

At 31 December 2018, €Nil (2017: €351,991) and €Nil (2017: €11,538) was due to SL Capital European Co-investment B LP due to the final close and expenses paid on behalf of the Fund, respectively.

At 31 December 2018, €Nil (2017: €520) was due to SL Capital Partners LLP in respect of expenses paid on behalf of the Fund.

10. Financial risk management

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

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

Notes to the Financial Statements (continued)

10. Financial risk management (continued)

10.1 Market risk

a) Price risk

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

The valuation methodology employed by the managers of co-investments may include the application of ratios derived from listed companies with similar characteristics. If any investments become quoted, they will be valued at the appropriate listed price, subject to any discount for marketability restrictions. Therefore, the value of the Fund's portfolio may be indirectly affected by price movements on listed exchanges.

Price risk is minimised by the Manager constructing a diversified portfolio of Co-investments. At 31 December 2018, there were 14 Co-investments. More detail on the sector and geographic analysis is provided in the Manager's Report, which is issued separately.

A 10% increase in the 31 December 2018 valuation of the Fund's Investments would have increased net assets attributable to Partners by €2,715,680 (2017: €1,272,764); a 10% change in the opposite direction would have decreased net assets attributable to Partners by an equivalent amount.

b) Currency risk

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

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

Net assets

	31 December 2018		31 December 2017	
	Local Currency	Euro Equivalent	Local Currency	Euro Equivalent
Euro	14,249,954	14,249,954	6,350,651	6,350,651
Sterling	4,468,401	4,978,315	2,873,498	3,237,109
U.S. Dollar	9,269,677	8,108,889	3,843,465	3,200,754
Danish Kroner	-	-	(4,981)	(669)
		<u>27,337,158</u>		<u>12,787,845</u>

Outstanding commitments

	31 December 2018		31 December 2017	
	Local Currency	Euro Equivalent	Local Currency	Euro Equivalent
Euro	1,890,373	1,890,373	-	-
Sterling	54,807	61,059	45,174	50,890
U.S. Dollar	427,872	374,276	-	-
		<u>2,325,708</u>		<u>50,890</u>

If the value of the Euro strengthened by 10% in relation to all currencies, net assets attributable to Partners would have decreased by €1,189,746 at 31 December 2018 (2017: €585,199); a 10% change in the opposite direction would have resulted in an increase of €1,454,134 (2017: €715,244). These calculations are based on the net assets at the respective Statement of Financial Position dates and are not necessarily representative of the period as a whole.

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

c) Interest rate risk

The Fund's main interest rate risk arises from short-term borrowings with variable rates, which expose the Fund to cash flow interest rate risk.

Notes to the Financial Statements (continued)

10. Financial risk management (continued)

10.1 Market risk (continued)

c) Interest rate risk (continued)

The Fund manages its cash flow interest rate risk by actively monitoring the interest expenses from the bank overdraft. The Fund has no set interest rate level at which to cancel the overdraft, however the interest rate is actively monitored and any overdraft balance can be repaid if it is deemed appropriate to do so.

The General Partner does not believe that the impact of interest rate risk to be significant to the Fund.

10.2 Credit risk

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

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

	At 31 December 2018	At 31 December 2017
	€	€
Financial assets at fair value through profit or loss	27,156,802	12,727,644
Trade and other receivables	9,272	677,152
Cash and cash equivalents	201,679	78,718
	<u>27,367,753</u>	<u>13,483,514</u>

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

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

10.3 Liquidity risk

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

During the year ended 31 December 2018, the Fund generated an operating profit after finance costs of €3,804,950 (2017: €1,094,353) and cash resources at the end of the year amounted to €201,679 (2017: €78,718). The liabilities of the Fund (excluding net assets attributable to Partners) are due on demand. In addition, the Fund had available to it undrawn commitments of €7,359,491 (2017: €18,267,501) from its Limited Partners, which are also due on demand.

The tables below analyse the Fund's financial liabilities into relevant maturity based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows:

Notes to the Financial Statements (continued)

10. Financial risk management (continued)

10.3 Liquidity risk (continued)

At 31 December 2018

	On demand €	Less than 1 year €	Between 1 and 3 years €	More than 3 years €	Total €
Liabilities					
Trade and other payables	-	30,595	-	-	30,595
Net assets					
attributable to Partners	-	-	-	27,337,158	27,337,158
Total liabilities	<u>-</u>	<u>30,595</u>	<u>-</u>	<u>27,337,158</u>	<u>27,367,753</u>
 Total unfunded commitments					
to Investments	<u>2,325,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,325,708</u>

At 31 December 2017

	On demand €	Less than 1 year €	Between 1 and 3 years €	More than 3 years €	Total €
Liabilities					
Trade and other payables	-	695,669	-	-	695,669
Net assets					
attributable to Partners	-	-	-	12,787,846	12,787,846
Total liabilities	<u>-</u>	<u>695,669</u>	<u>-</u>	<u>12,787,846</u>	<u>13,483,515</u>
 Total unfunded commitments					
to Investments	<u>50,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,890</u>

10.4 Capital risk management

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

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

11. Fair value measurement

IFRS 7 requires a three-level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs ranked according to availability of observable market prices used in measuring fair value as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Notes to the Financial Statements (continued)

11. Fair value measurement (continued)

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

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

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

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

At 31 December 2018

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss	-	-	27,156,802	27,156,802

At 31 December 2017

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss	-	-	12,727,644	12,727,644

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

Determining the fair value of the Fund's Investments requires judgement and considers factors specific to the Investments. The valuation policies applied by the General Partner are detailed in note 3.1.

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

	31 December 2018	31 December 2017
	€	€
Balance at the start of the year	12,727,644	4,865,153
Purchases	10,560,311	6,635,148
Sales	(10,719)	-
Realised and unrealised gains	3,879,566	1,227,343
Balance at the end of the year	27,156,802	12,727,644
Unrealised movement included in profit or loss related to Investments still held at the reporting date:		
- Net unrealised movement on Investments (excluding transaction costs)	3,706,104	1,669,675
- Net unrealised foreign exchange movement on Investments	218,956	(424,043)
	3,925,060	1,245,632

12. Events after the reporting date

Subsequent events have been evaluated up to 9 May 2019. There are no significant events identified after the reporting date.

Appendix I

Alternative Investment Fund Managers Directive (AIFMD) Unaudited Remuneration Disclosure AIF Annual Report and Accounts SL Capital European Co-Investment LP

Remuneration Policy

The Standard Life Aberdeen plc Remuneration Policy applies with effect from 1 January 2018. The purpose of the Standard Life Aberdeen plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of Standard Life Aberdeen. It has been approved by the Standard Life Aberdeen plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the Standard Life Aberdeen group of companies ("SLA").

The AIFM, Standard Life Capital Partners LLP is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and is a wholly owned subsidiary of Standard Life Aberdeen plc.

The Remuneration Committee of Standard Life Aberdeen plc adopted an AIFM Remuneration Policy to ensure that the requirements of the Alternative Investment Fund Managers Directive (AIFMD) are fully adhered to by the group. This policy applies to SL Capital Partners LLP and the Alternative Investment Funds (AIFs) it manages (SL Capital European Co-Investment LP). This policy is available on request.

Remuneration Principles

SLA applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of SLA. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of SLA. Total variable remuneration will be funded through pre-agreed distribution metrics. Where SLA's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for SLA's long term economic viability.

In addition to applying the SLA wide principles above, Aberdeen Standard Investments ("ASI") applies a number of additional principles including the following, when determining remuneration for employees:

- a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- b) Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of Standard Life Aberdeen plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of Standard Life Aberdeen is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Committee ("Executive Body") (as defined by the Board), if appropriate.

Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between SLA and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to SLA's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

Appendix I (continued)

Unaudited Remuneration Disclosure AIF Annual Report and Accounts (continued)

Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow Standard Life Aberdeen to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

<i>Fixed Remuneration</i>	Base salary provides a core reward for undertaking the role, where appropriate, and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration.
<i>Benefits</i>	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. Standard Life Aberdeen will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
<i>Pension</i>	Standard Life Aberdeen's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect Standard Life Aberdeen's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, SLA may offer a cash allowance in lieu of any pension arrangement.
<i>Annual Performance Bonus Awards</i>	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of SLA. All Executive Directors are awarded bonuses under a SLA bonus plan as detailed in the Directors' Remuneration Report.
<i>Other variable Pay Plans</i>	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

Appendix I (continued)

Unaudited Remuneration Disclosure AIF Annual Report and Accounts (continued)

AIFMD Identified Staff

Staff considered AIFMD Identified Staff are those categories of staff whose professional activities have a material impact on the risk profiles of the AIFM or the AIFs that the AIFM manages.

AIFMD identified staff will include; Senior Management; Risk takers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

Control Functions

SLA adheres to the principles and guidelines of regulations that apply to SLA in defining control functions. Control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

SLA will ensure that, as appropriate, senior employees engaged in a control function:

- a) Are independent from the Business Units they oversee;
- b) Have appropriate authority, and
- c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). SLA's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

Personal Hedging

AIFMD Identified Staff are not permitted to undermine the risk alignment effects of the AIFMD Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

Employee Remuneration Disclosure

The table below provides an overview of the following:

- Count of 'Identified Staff' assigned to SL Capital Partners LLP and to SL Capital European Co-investment LP. SL Capital Partners LLP numbers represent the actual count of 'Identified Staff' against this AIFM while AIF level numbers are calculated based on the AIFs AUM proportion of SL Capital Partners LLP AUM.
- Aggregate total remuneration paid by SL Capital Partners LLP to its 'Identified Staff'. This is split by Fixed and Variable Remuneration and also by Total Remuneration of Senior Management and Total Remuneration of Other 'Identified Staff'.
- Aggregate total remuneration paid by the fund (SL Capital European Co-investment LP) to its 'Identified Staff'. These AIF level numbers are calculated as AIF's AUM proportion of SL Capital Partners LLP AUM.

The 'Identified Staff' of SL Capital Partners LLP are those employees who could have a material impact on the risk profile of SL Capital Partners LLP or the AIFs it manages (including SL Capital European Co-investment LP). This broadly includes senior management, risk takers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2018 to 31 December 2018 inclusive.

Appendix I (continued)**Unaudited Remuneration Disclosure AIF Annual Report and Accounts (continued)****Employee Remuneration Disclosure (continued)**

	Headcount	SL Capital Partners LLP AIFM Total Remuneration €'000	SL Capital European Co- Investment LP AIF Total Remuneration €'000
SL Capital European Co- Investment LP Reporting Period: 01/01/18 - 31/12/18	18	18	18
Senior Management	16	151	3
Other 'Identified Staff'	67	684	15
Total Fixed remuneration		342	7
Variable remuneration		493	11
Carried Interest		NIL	NIL