Aberdeen Standard Investments

Partnership Accounts

SLCP (General Partner Pearl Private Equity) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Registration number: SC522698

SADL5KAA

23/09/2021

Contents

Company Information

Directors	I Harris S Hay R J Pim
Company secretary	SLA Corporate Secretary Limited
Registered office	1 George Street Edinburgh Scotland EH2 2LL
Auditor	KPMG LLP Chartered Accountants and Statutory Auditor Saltire Court 20 Castle Terrace Edinburgh EH1 2EG

Directors' Report for the year ended 31 December 2020

The Directors present their annual report together with the audited financial statements of SLCP (General Partner Pearl Private Equity) Limited ("the Company") for the year ended 31 December 2020.

The Directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 and has not prepared a Strategic Report.

Business review and future developments

The Company's principal activity is to act as a General Partner of a Limited Partnership, SL Capital Pearl Private Equity GP LP ("the GP LP"), which is the General Partner of a Limited Partnership (Pearl Private Equity LP) ("the Fund"), whose activity is to make private equity investments, primarily in Europe. The Company has entered into a management agreement with SL Capital Partners LLP, authorising it to manage the business of the Fund.

The Company is part of abrdn plc (formerly Standard Life Aberdeen plc) ("abrdn plc", or together with its subsidiaries, "the abrdn Group"). There are no plans to change the principal activity of the Company.

Directors of the Company

The Directors, who held office during the year, were as follows:

I Harris

S Hay

P A McKellar (resigned 30 September 2020)

R J Pim

The Company's ultimate parent company, abrdn plc maintains directors' and officers' liability insurance on behalf of its directors and officers.

Company secretary

The Company secretaries during the year, were as follows:

H Kidd (resigned 31 May 2020)

SLA Corporate Secretary Limited (appointed 31 May 2020)

Result for the year

The result for the year ended 31 December 2020 is a profit after tax of £nil (2019: £nil).

Directors' Report for the year ended 31 December 2020 (continued)

Principal risks and uncertainties

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

The abrdn Group, of which the Company is a part, has an established Risk Enterprise Management framework. This has been strengthened in the year by introducing new risk tolerances to support governance and risk management; extending and refining risk taxonomy to describe risk more accurately.

The principal risks and uncertainties facing the Company are integrated into the principal risks of the abrdn Group and are therefore not managed separately. Accordingly, the principal risks and uncertainties of abrdn plc, which include those of the Company, are discussed fully in the abrdn 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 abrdn plc and the Company:

COVID-19

COVID-19 has had a major impact on abrdn plc's operating environment that will extend well into 2021. This includes the vast majority of abrdn plc's employees working from home who now use the enhanced IT infrastructure that was implemented in response to the pandemic and the application of stricter processes and safeguards to protect critical workers who need to be in the office. The commercial environment also remained challenging during 2020, exacerbated by the impact of the pandemic. The abrdn Group has shown resilience in dealing with the effects of the pandemic and continues to manage its market, operational and financial impact. The management of key risks and uncertainties caused by the pandemic are discussed below.

Third party management

Activities are outsourced to suppliers with specialist capabilities which means exposure to the risk of third parties failing to deliver in line with contractual obligations. It is abrdn plc's responsibility to make sure these firms deliver, supported through continued streamlining delivery and reduced complexity. In 2020 the potential impacts of COVID-19 were also monitored, as well as Brexit on supply chains, to minimise the risk of disruption to the business. Strong relationships with suppliers continues to be key with the abrdn plc Board modifying this risk to promote active management of third-party relationships, strengthening controls and governance structures. abrdn plc's Supplier Code of Conduct requires third parties to acknowledge their responsibilities for delivering best practice.

Strategic risk

These are risks that could prevent abrdn plc from achieving its strategic aims and include failing to meet client expectations, poor strategic decision making, poor implementation or failure to adapt. They could have short and long-term financial impact. The Executive Leadership Team has been reorganised to align with abrdn plc's growth vectors and are working to establish areas of accountability, milestones, ways of working and specific actions that will deliver against the strategic plan.

Brexit

The UK's withdrawal from the EU caused political and commercial uncertainty in 2020. This has been partly addressed by the Trade and Cooperation Agreement, although questions remain about the longer-term outlook for financial services. The abrdn Group has prepared extensively for the UK's exit and continues to closely monitor developments and actively engage with industry groups, including the Investment Association.

Directors' Report for the year ended 31 December 2020 (continued)

Principle risk and uncertainties continued

Financial management process
Sound and reliable financial reporting informs the Company's performance, future planning and disclosures to external stakeholders. Failures in these processes would expose the business and shareholders to the risk of making poorly-informed decisions. In 2020, employees successfully moved to home working, with minimal disruption to financial management processes. Financial reporting activities align to external reporting standards and industry best practice. The Audit Committee reviews and, where necessary, challenges reporting outputs. The Chief Risk Officer also provides an independent review of the business plan to support decision making.

Going concern
The Board's assessment of going concern took into account recent market developments and the uncertainty caused by COVID-19. Based on their assessment, the Board is satisfied that the Company has and will maintain sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Further information is available in Note 1.

Dividends
No dividend was paid during the year (2019: £nil) to the Company's immediate parent, namely SLCP (Holdings) Limited.

Political donations
It is the Company's policy not to make donations for political purposes.

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

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Directors' Report for the year ended 31 December 2020 (continued)

Statement of Directors' Responsibilities

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

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

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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and 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 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.

Approved by the Board on 16 September 2021 and signed on its behalf by:

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I Harris
Director

Independent Auditor's Report to the Members of SLCP (General Partner Pearl Private Equity) Limited

Opinion

We have audited the financial statements of SLCP (General Partner Pearl Private Equity) Limited ('the Company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including the accounting policies note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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"). In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Independent Auditor's Report to the Members of SLCP (General Partner Pearl Private Equity) Limited (continued)

Fraud and breaches of laws and regulations - ability to detect
Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

• Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud; and

• Reading Board minutes to assess for any discussion of fraud.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. We also performed procedures including identifying journal entries to test based on high risk criteria and comparing the identified entries to supporting documentation. These included all material post period end closing journals.

On this audit, we have rebutted the fraud risk related to revenue recognition as the calculation of revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report to the Members of SLCP (General Partner Pearl Private Equity) Limited (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' Report

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

Our responsibility is to read 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 Directors' Report;
- in our opinion the information given in that 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 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of SLCP (General Partner Pearl Private Equity) Limited (continued)

Directors' responsibilities
As explained more fully in their statement 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.

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.

HM Walsh

....
Hannah Walsh (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

17 September 2021

Profit and Loss Account for the year ended 31 December 2020

	Note	2020 £	2019 £
Revenue	3	615,079	419,123
Administrative expenses		(615,079)	(419,123)
Result for the year		-	-

The Company has not recorded any other comprehensive income during the years to 31 December 2020 or 31 December 2019. A separate statement of comprehensive income is therefore not disclosed.

The statutory audit fee of £6,486 (2019: £4,957) has been paid by a fellow abrdn Group undertaking.

The notes on pages 13 to 19 form an integral part of these financial statements.

Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Assets			
Current assets			
Trade and other receivables	4	43,017	30,613
Total current assets		**43,017**	**30,613**
Equity and liabilities			
Equity			
Share capital	5	100	100
Equity attributable to equity holders of the parent		**100**	**100**
Current liabilities			
Trade and other payables	6	42,917	30,513
Total current liabilities		**42,917**	**30,513**
Total equity and liabilities		**43,017**	**30,613**

Approved by the Board on 16 September 2021 and signed on its behalf by:

....

I Harris
Director

Registration number: SC522698

The notes on pages 13 to 19 form an integral part of these financial statements.

Statement of Changes in Equity for the year ended 31 December 2020

	Share capital £	Total £
At 1 January 2019	100	100
At 31 December 2019	**100**	**100**

	Share capital £	Total £
At 1 January 2020	100	100
At 31 December 2020	**100**	**100**

The notes on pages 13 to 19 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates
The following accounting policies have been applied consistently to all years presented when dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation
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 year ended 31 December 2020 have been prepared in accordance with FRS 101 as issued by the Financial Reporting Council.

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

- International Accounting Standards ("IAS") 1 Presentation of Financial Statements requirement for comparative period reconciliations for share capital;
- IAS 1 Presentation of Financial Statements disclosures in respect of capital management;
- IAS 8 Accounting Polices requirement to disclose the effects of new but not yet effective International Financial Reporting Standards ("IFRSs"); and
- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries.

As the consolidated financial statements of abrdn plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company is a wholly owned subsidiary of abrdn plc which prepares consolidated financial statements and is therefore exempt from the requirement to prepare consolidated accounts by virtue of section 400 of the Companies Act 2006.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

Going concern
The Company's business activities, together with the factors likely to affect its future development and financial position, are set out in the Directors' Report.

The Company traded during the period but exists to make no profit or loss. This is because all regulated investment management activity pertaining to the vehicle is delegated to another abrdn Group undertaking. Consequently any profits or losses in the Company are absorbed by the delegated investment management undertaking. Amounts payable to the delegated investment management undertaking are net of operating costs, so these would be reduced should the Company incur additional operating costs. Consideration has also been given to the going concern assessment of the abrdn Group.

The Directors have considered the uncertainty created by COVID-19 concluding this will have no impact on the ability of the Company to continue as a going concern for at least the next 12 months.

Changes in accounting policy
No new standards, interpretations and amendments effective for the first time from 1 January 2020 have had an impact on the Company.

Revenue recognition
The Company's primary source of revenue is profit sharing from the underlying Limited Partnership. Profit share is generated through the management profit share that is paid by the Fund to the GP LP. Revenue is recognised as the service is provided and when it is probable that the profit share will be received.

Administrative expenses
Administrative expenses are recognised on an accruals basis.

Foreign currency transactions and balances
(i) Functional currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in pounds sterling, which is the Company's presentational and functional currency.

(ii) Transactions and balances
Transactions in foreign currencies are translated to the functional currency at the exchange rate ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.

Financial assets

(i) Amortised cost
These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are included in current assets and consist of amounts owed by abrdn Group undertakings and amounts owed by the GP LP. These instruments are initially recognised at fair value, net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

(i) Amortised cost (continued)
The Company has adopted trade date accounting. Accordingly, a financial asset is recognised on the date the Company commits to its purchase and derecognised on the date on which the Company commits to its sale.

Financial liabilities

(i) Amortised cost
These instruments include amounts owed to abrdn Group undertakings. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements can necessitate the use of key estimates and judgements. These estimates and judgements can affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or loss for the year. There are not considered to be any critical estimates, and the critical judgement is disclosed beneath:

Critical judgements:

Disclosure of interest in other entities - The Company has interests in unconsolidated structured entities during the year and management's judgement has been exercised when assessing the relationship with these entities and exposures to variable returns from the performance of that entity. See note 7 for further information.

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Management profit share	615,079	419,123
Total revenue	**615,079**	**419,123**

Amounts disclosed in the prior year as Management fees have been renamed as Management profit share in the current year, reflecting the underlying nature of the revenue.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

4 Trade and other receivables

	2020	2019
Current trade and other receivables:	**£**	**£**
Amounts owed by abrdn Group undertakings	100	100
Amounts owed by the GP LP	42,917	30,513
Total current trade and other receivables	**43,017**	**30,613**

Amounts owed by abrdn Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

5 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	**£**	**No.**	**£**
Ordinary shares of £1 each	100	100	100	100

6 Trade and other payables

	2020	2019
Current trade and other payables:	**£**	**£**
Amounts owed to abrdn Group undertakings	42,917	30,513
Total current trade and other payables	**42,917**	**30,513**

Amounts owed to abrdn Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

7 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 Company as fund manager or other key management role. The Company considers the Fund as a structured entity.

The structured entities are generally financed by the purchase of units or shares by investors, although some funds are able to obtain external debt financing, and allow clients to invest in a portfolio of assets in order to provide a return through capital appreciation and/or investment income. Accordingly, they are susceptible to market price risk arising from uncertainties about future values of the assets they hold.

AUM within unconsolidated structured entities is shown below:

	2020	2019
	£	£
Unconsolidated structured entities	111,852,935	95,198,273

The table below summarises the revenue and carrying values in the balance sheet:

	2020	2019
	£	£
Revenue	615,079	419,123
Receivables	42,917	30,513

Maximum exposure to loss

The Company does not have a direct exposure to the AUM of the Fund, with the associated risks and rewards residing with external investors. The Company's maximum exposure to loss is therefore limited to future fee income, where investors decide to withdraw funds, reducing the net asset value of the entities and the fair value of any investments in structured entities held by the Company at each reporting date.

Financial support

The Company has not provided financial support to any unconsolidated structured entity through guarantees over the repayment of borrowings, or otherwise, and has no contractual obligations or current intention of providing financial support in the future.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

8 Related party transactions

In the normal course of business, the Company enters into transactions with related parties in respect of investment management business.

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 related parties (excluding fellow wholly owned subsidiaries and key management personnel) during the year and the year end balances arising from such transactions.

	2020	
	Revenue	**Receivables**
	£	**£**
GP LP	615,079	42,917
	615,079	**42,917**

	2019	
	Revenue	**Receivables**
	£	**£**
GP LP	419,123	30,513
	419,123	**30,513**

SL Capital Partners LLP became a wholly owned subsidiary as of 10 July 2019 and as such transactions are no longer disclosed for 2019.

9 Parent and ultimate parent undertaking

The Company's immediate parent is SLCP (Holdings) Limited and its ultimate parent is abrdn plc, both of which are incorporated in the United Kingdom and registered in Scotland.

The most senior parent entity producing publicly available financial statements is abrdn plc. Copies of the consolidated Annual Report and Accounts are available to the public from 1 George Street, Edinburgh, EH2 2LL, or download on the website www.abrdn.com

10 Events after the balance sheet date

To the knowledge of the Directors, there have been no material events after the reporting period.

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

11 Investment holdings

In line with Companies Act requirements, the Company considers the below fund and GP LP to be a subsidiary entity.

Name of undertaking: Pearl Private Equity LP

Country of registration: United Kingdom

Registered office: 1 George Street, Edinburgh EH2 2LL, United Kingdom

The Company acts as a General Partner of the below Limited Partnership

Name of undertaking: SL Capital Pearl Private Equity GP LP

Country of registration: United Kingdom

Registered office: 1 George Street, Edinburgh, EH2 2LL, United Kingdom

Registration number: SL024590

SL Capital Pearl Private Equity GP LP

Consolidated Financial Statements for the year ended 31 December 2020

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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 or 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	SLCP (General Partner Pearl Private Equity) Limited 1 George Street Edinburgh, EH2 2LL U.K.
Legal Advisor	Goodwin Procter (UK) LLP 100 Cheapside London, EC2V 6DY U.K.
Tax Advisor	Ernst & Young LLP 25 Churchill Place Canary Wharf London, E14 5EY U.K.
Independent Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh, EH1 2EG U.K.
Administrator	IQ EQ Administration Services (UK) Ltd 4th Floor, 3 More London Riverside London, SE1 2AQ U.K.

Report of the General Partner

The General Partner, SLCP (General Partner Pearl Private Equity) Limited, presents the audited consolidated financial statements for SL Capital Pearl Private Equity GP LP ("the Partnership") for the year ended 31 December 2020.

Structure of the Partnership

The Partnership was formed on 11 January 2016 and is registered in Scotland, United Kingdom ("U.K.").

Directors of the General Partner

Please refer to the financial statements of SLCP (General Partner Pearl Private Equity) Limited for the names of the Directors. Ian Harris resigned as Director on 1 October 2021. Stewart Hay and Roger Pim resigned on 22 February 2022.

Distributions

Distributions of €691,488 (2019: €475,514) were made during the year.

Covid-19

The General Partner, as part of the Standard Life Aberdeen plc group, is continuing to utilise business continuity and resilience processes with the objective of mitigating the impact of COVID-19. Please refer to note 3.2 for the General Partner's assessment of the Partnership's ability to continue as a going concern.

Brexit

There are no significant issues impacting the Partnership specifically that have arisen as result of Brexit. The General Partner will continue to closely analyse and review the impact of Brexit on the Partnership and will take appropriate action as required.

Events after the reporting date

On 2 July 2021, Standard Life Aberdeen plc changed its name to abrdn plc.

There are no other significant events identified after the reporting date.

Results, activities and future developments

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

The principal activity of the Partnership is to act as General Partner to Pearl Private Equity LP ("Pearl Private Equity").

Going concern basis

Notwithstanding net current liabilities of €62,245 at 31 December 2020, the Partnership, along with the ongoing financial support of Standard Life Investments Limited, a related party, will continue to be in a position to meet liabilities as they fall due for at least twelve months from the date of approval of the financial statements and as such the General Partner deems it appropriate to prepare the consolidated 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 consolidated financial statements, has no reason to believe that it will not do so.

The Partnership shall continue until the expiry of 90 days after the termination of Pearl Private Equity on 17 February 2029. However, the life of Pearl Private Equity may be extended by up to two additional one year periods, and thereafter with the agreement of the General Partner and the Limited Partner.

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 reappointed KPMG LLP as auditor to the Partnership in accordance with Section 485 of Companies Act 2006.

Report of the General Partner (continued)

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 of 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

James Bryden

James Bryden
Director, SLCP (General Partner Pearl Private Equity) Limited
4 October 2022

Statement of General Partner's Responsibilities in respect of the Report of the General Partner and the Consolidated Financial Statements

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

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare Group and Qualifying Partnership 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 Group and Qualifying Partnership financial statements in accordance with U.K. Accounting Standards and applicable law (U.K. Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the U.K. and Republic of Ireland.

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

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

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Qualifying Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Qualifying Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Partnership (Accounts) Regulations 2008.

They are responsible for such internal control as they determine is necessary to enable the preparation of the 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 Group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the partners of SL Capital Pearl Private Equity GP LP

Opinion

We have audited the financial statements of SL Capital Pearl Private Equity General Partner Limited Partnership ("the Qualifying Partnership") for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Net Assets Attributable to Partners, the Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Qualifying Partnership's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with U.K. accounting standards, including FRS 102 The Financial Reporting Standard applicable in the U.K. 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 (U.K.) ("ISAs (U.K.)") 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, U.K. 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.

Going concern

The General Partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or Qualifying Partnership or to cease their operations, and as they have concluded that the Group and 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").

In our evaluation of the General Partner's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Qualifying Partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the General Partner's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or Qualifying Partnership's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Group or Qualifying Partnership will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of the General Partner as to the Group and Qualifying Partnership's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- reading minutes of meetings of those charged with governance.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent auditor's report to the partners of SL Capital Pearl Private Equity GP LP (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

As required by auditing standards, and taking into account our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included post-closing journals.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the General Partner (as required by auditing standards), and discussed with the General Partner the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group and Qualifying Partnership are subject to laws and regulations *that directly affect the financial statements including financial reporting* legislation (including relevant companies legislation as applied to qualifying partnerships) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

While the Group and Qualifying Partnership are subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial *statements*.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Report of the General Partner

The General Partner is responsible for the Report of the General Partner. 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 Report of the General Partner 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 Report of the General Partner 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.

Independent auditor's report to the partners of SL Capital Pearl Private Equity GP LP (continued)

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 Qualifying Partnership 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 Group and 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 Group or 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 (U.K.) 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 members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Qualifying Partnership and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Heseltine (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
4 October 2022

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2020			Year ended 31 December 2019		
	Carried Interest Partners	General Partner	Total*	Carried Interest Partners	General Partner	Total*
	€	€	€	€	€	€
Turnover						
Income	-	691,488	691,488	-	475,514	475,514
Expenditure						
Administration and other expenses	(25,526)	-	(25,526)	(15,949)	-	(15,949)
Total (loss) / profit for the year attributable to Partners	**(25,526)**	**691,488**	**665,962**	**(15,949)**	**475,514**	**459,565**

**The total column represents the statutory position of the Partnership.*

All results shown in the Consolidated 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 14 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

		At 31 December 2020			At 31 December 2019		
		Carried Interest Partners	General Partner	Total*	Carried Interest Partners	General Partner	Total*
	Notes	€	€	€	€	€	€
Fixed assets							
Financial assets at fair value through profit or loss	5	526	-	526	526	-	526
Current assets							
Debtors	6	-	47,947	47,947	-	36,011	36,011
		-	**47,947**	**47,947**	**-**	**36,011**	**36,011**
Current liabilities							
Creditors due within one year	7	(62,245)	(47 947)	(110,192)	(36,719)	(36,011)	(72,730)
Net current liabilities		**(62,245)**	**-**	**(62,245)**	**(36,719)**	**-**	**(36,719)**
Net liabilities attributable to Partners		**(61,719)**	**-**	**(61,719)**	**(36,193)**	**-**	**(36,193)**

Consolidated Statement of Financial Position (continued)

Represented by:						
Partners' capital account	526	-	526	526	-	526
Partners' loan account	-	(1,622,483)	(1,622,483)	-	(930,995)	(930,995)
Partners' current account	(62,245)	1,622,483	1,560,238	(36,719)	930,995	894,276
Net liabilities attributable to Partners	**(61,719)**	**-**	**(61,719)**	**(36,193)**	**-**	**(36,193)**

**The total column represents the statutory position of the Partnership.*

The General Partner acknowledges its responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the consolidated financial statements.

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

The consolidated financial statements set out on pages 8 to 19 were approved by the General Partner on 4 October 2022 and were signed on its behalf by:

James Bryden

James Bryden
Director, SLCP (General Partner Pearl Private Equity) Limited

Consolidated Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2020			Year ended 31 December 2019		
	Carried Interest Partners	General Partner	Total*	Carried Interest Partners	General Partner	Total*
	€	€	€	€	€	€
Net liabilities attributable to Partners at the start of the year	**(36,193)**	**-**	**(36,193)**	**(20,244)**	**-**	**(20,244)**
Distributions to Partners	-	(691,488)	(691,488)	-	(475,514)	(475,514)
Total distributed	**-**	**(691,488)**	**(691,488)**	**-**	**(475,514)**	**(475,514)**
Total (loss) / profit for the year attributable to Partners	(25,526)	691,488	665,962	(15,949)	475,514	459,565
Net liabilities attributable to Partners at the end of the year	**(61,719)**	**-**	**(61,719)**	**(36,193)**	**-**	**(36,193)**

** The total column represents the statutory position of the Partnership.*

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

Consolidated Statement of Cash Flows

	Year ended 31 December 2020			Year ended 31 December 2019		
	Carried Interest Partners	General Partner	Total	Carried Interest Partners	General Partner	Total
	€	€	€	€	€	€
Cash flows from operating activities						
(Loss) / profit for the financial year	(25,526)	691,488	665,962	(15,949)	475,514	459,565
Increase in debtors	-	(11,936)	(11,936)	-	(15,705)	(15,705)
Increase in creditors	25,526	11,936	37,462	15,949	15,705	31,654
Net cash inflow from operating activities	**-**	**691,488**	**691,488**	**-**	**475,514**	**475,514**
Cash flows from financing activities						
Distributions to Partners	-	(691,488)	(691,488)	-	(475,514)	(475,514)
Net cash outlow from financing activities	**-**	**(691,488)**	**(691,488)**	**-**	**(475,514)**	**(475,514)**
Net movement in cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents at the start of the year	-	-	-	-	-	-
Cash and cash equivalents at the end of the year	**-**	**-**	**-**	**-**	**-**	**-**

** The total column represents the statutory position of the Partnership.*

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

Notes to the Consolidated Financial Statement

1. Partnership background

The Partnership was formed for the purpose of acting as the General Partner of Pearl Private Equity. The Partnership is registered in Scotland, U.K. and was established on 11 January 2016 with combined commitments of €526 from its Carried Interest Partners. 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 Pearl Private Equity on 17 February 2029. However, the life of Pearl Private Equity may be extended by up to two additional one year periods, and thereafter with the agreement of the General Partner and the Limited Partner. The Partnership has no employees.

2. Statement of compliance

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

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated 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 consolidated 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 consolidated financial statements are presented in Euro ("€"), which is also the Partnership's functional currency.

The preparation of consolidated financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 4.

The General Partner is responsible for the oversight of the management of Pearl Private Equity and holds a small minority interest in Pearl Private Equity by way of its capital contribution. Pearl Private Equity is a subsidiary undertaking and under the terms of the Companies Act 2006 should be consolidated in full. However, the General Partner considers that the financial statements would not give a true and fair view if the assets and income as a whole were to be consolidated since the General Partner's interest in these assets is, except to the extent that they are proportionally consolidated, merely that of a General Partner. Given that the Partnership's capital contribution is small in relation to the total commitments to Pearl Private Equity, the proportion of the assets and income of Pearl Private Equity attributable to the General Partner is immaterial and therefore no adjustments have been made to these consolidated financial statements.

The effect of this departure would be to increase total profit for the year attributable to Partners by €13,281,425 (2019: €8,661,120), and increase in net assets by €90,154,075 (2019: €67,522,650).

3.2 Going concern

The consolidated financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, and under the going concern principle on the basis that the Partnership has sufficient resources from its parent undertaking should it require to meet its liabilities.

The Partnership has net current liabilities and is therefore reliant on support from Standard Life Investments Limited to meet its liabilities as they fall due within the next 12 months. The General Partner has received a letter of support from the directors of Standard Life Investments Limited to continue to provide further financial and other support to the Partnership for at least the next 12 months.

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 consolidated financial statements, they have no reason to believe that it will not do so.

Notes to the Consolidated Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.2 Going concern (continued)
Based on a review of the above factors, the General Partner is satisfied that the Partnership has sufficient liquidity to withstand the potential downside scenarios as a result of COVID-19. Consequently the General Partner is satisfied that the Partnership has and will maintain sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The Partnership shall continue until the expiry of 90 days after the termination of Pearl Private Equity on 17 February 2029. However, the life of Pearl Private Equity may be extended by up to two additional one year periods, and thereafter with the agreement of the General Partner and the Limited Partner.

3.3 Income, expenses, gains and losses
All income and expenses, inclusive of realised gains and losses, are accounted for on an accrual basis in the Consolidated Statement of Comprehensive Income. This includes amounts arising in Pearl Private Equity which have been allocated to the Partnership's account in Pearl Private Equity.

Management profit share is received from Pearl Private Equity 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 Pearl Private Equity is included in the Consolidated Statement of Comprehensive Income.

The Partnership is entitled to receive carried interest from Pearl Private Equity if specific performance criteria within Pearl Private Equity are met. In accordance with FRS 102, the Partnership recognises revenue at the fair value of consideration received or receivable when the amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. Carried interest amounts are therefore recognised as revenue at or close to the point that the preferred return hurdle in Pearl Private Equity has been exceeded, taking into account the current valuation of Pearl Private Equity's investments, future estimated cash flows over the remaining life of Pearl Private Equity and any potential clawback.

Consideration of whether the criteria to recognise carried interest has been met is considered at note 4.2.

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

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

Other financial assets, such as 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 Consolidated Statement of Comprehensive Income.

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

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.

Notes to the Consolidated Financial Statements (continued)

3. Summary of significant accounting policies (continued)

3.5 Functional currency (continued)
Non-euro denominated assets and liabilities are translated at the exchange rate at the Consolidated 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 2020:		Exchange rates at 31 December 2019:	
€1=		€1=	
Sterling	£0.8951	Sterling	£0.8473

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 2020 and 31 December 2019, there were no cash equivalents.

3.7 Taxation
No provision has been made in the consolidated 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 consolidated 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 Pearl Private Equity are currently stated at fair value as estimated by the General Partner. The General Partner considers the balance of the Partnership's capital accounts in Pearl Private Equity as being equal to fair value.

4.2 Carried Interest Income
Critical Judgement
Treatment of Carried Interest as Revenue - The treatment of carried interest receivable by the Partnership as revenue from a contract is a critical judgement. Carried interest is payable by Pearl Private Equity when returns on investments exceed specific performance hurdles. The Partnership is the intermediary through which services are provided to Pearl Private Equity, including the appointment of a manager of the assets. Carried interest is therefore judged to be consideration in respect of the provision of these services by the Partnership under a service relationship, rather than a return on an investment interest in Pearl Private Equity.

Critical Estimate
Measurement of Carried Interest Receivable - The measurement of carried interest receivable by the Partnership involves a significant amount of estimation. Revenue is recognised at the fair value of consideration to be received, taking into account the timing and amount of expected future cash flows. Additionally, revenue is only recognised when the amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity. At 31 December 2020, sufficient uncertainty remained over any future payments as the preferred return hurdle has not been met and any payment of carried interest will depend on several unknown future events so cannot be estimated reliably at the reporting date. As a result, no carried interest amounts were recognised as at year end (2019: €Nil).

Notes to the Consolidated Financial Statements (continued)

5. Financial assets at fair value through profit or loss

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

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

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

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

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

The categorisation of an Investment within the hierarchy is based upon the pricing transparency of that Investment. All of the Partnership'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 estimation by the General Partner. The General Partner considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by multiple, independent sources that are actively involved in the relevant market.

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

At 31 December 2020

	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets at fair value through profit or loss	-	-	526	526

At 31 December 2019

	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets at fair value through profit or loss	-	-	526	526

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

Determining the fair value of the Partnership's Investments requires estimation and considers factors specific to the Investment. The financial statements of Pearl Private Equity contain detailed information on the valuation policies applied by the General Partner in note 4.1.

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

	31 December 2020 €	31 December 2019 €
Balance at the start of the year	526	526
Balance at the end of the year	526	526

Notes to the Consolidated Financial Statements (continued)

6. Debtors

	At 31 December 2020			At 31 December 2019		
	Carried Interest Partners	General Partner	Total	Carried Interest Partners	General Partner	Total
	€	€	€	€	€	€
Due from Pearl Private Equity	-	47,947	47,947	-	36,011	36,011

There were no debtors falling due after more than one year at 31 December 2020 and 31 December 2019.

7. Creditors due within one year

	At 31 December 2020			At 31 December 2019		
	Carried Interest Partners	General Partner	Total	Carried Interest Partners	General Partner	Total
	€	€	€	€	€	€
Due to General Partner	-	47,947	47,947	-	36,011	36,011
Due to Pearl Private Equity	40,682	-	40,682	24,078	-	24,078
Audit fee accrual	8,798	-	8,798	3,612	-	3,612
Administration fee accrual	4,396	-	4,396	4,553	-	4,553
Legal and professional fee accrual	6,609	-	6,609	3,754	-	3,754
Other accrued expenses	1,760		1,760	722	-	722
	62,245	**47,947**	**110,192**	**36,719**	**36,011**	**72,730**

8. Audit fees

Audit fees incurred by the Partnership amounting to €8,798 (2019: €3,612) are presented under 'Administration and other expenses' in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements (continued)

9. 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. The split between the General Partner and Carried Interest Partner are in accordance with the allocation provisions of the Amended and Restated Limited Partnership Agreement dated 15 December 2016. Amounts received by the Partnership in respect of management profit share from Pearl Private Equity are allocated to the General Partner. Amounts received in respect of the Partnership's capital commitment to Pearl Private Equity are allocated to the Carried Interest Partners in proportion to their capital contributions. At 31 December 2020, no amounts in respect of carried interest had been received (2019: €Nil).

10. Related party transactions

The Limited Partnership Agreement provides that SLCP (General Partner Pearl Private Equity) Limited shall act as General Partner and be entitled to distributions equal to amounts received by the Partnership from Pearl Private Equity in respect of management profit share. During the year to 31 December 2020, €679,552 (2019: €459,809) was received by the Partnership from Pearl Private Equity in relation to management profit share and €679,552 (2019: €456,565) was paid to the General Partner in relation to management profit share. SLCP (General Partner Pearl Private Equity) Limited is a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered address of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

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

Certain members and employees of the Manager and the discretionary trusts of their families are Carried Interest Partners in the Partnership and are entitled to participate in the profits as disclosed in note 9.

At 31 December 2020, the Partnership owed €47,947 (2019: €36,011) to the General Partner in respect of management profit share.

At 31 December 2020, the Partnership owed €40,682 (2019: €24,078) to Pearl Private Equity in respect of expenses paid on its behalf.

11. Risk Management

The activities of the Partnership expose it to various types of risks. These risks are mainly associated with the underlying interest that the Partnership has in Pearl Private Equity. The most important type of risks to which Pearl Private Equity is exposed are market risk, currency risk, credit risk and liquidity risk. The financial statements of Pearl Private Equity contain detailed information on the most important risks faced by Pearl Private Equity.

11.1 Market Risk

Due to the current stage of Pearl Private Equity, the Partnership's investment in Pearl Private Equity does not yet include any allocation of realised or unrealised gains on the underlying investments. Consequently, the Partnership's Consolidated Statement of Financial Position at 31 December 2020 is not sensitive to valuation movements that occur in the underlying investments in Pearl Private Equity. The returns of the Partnership in future periods may be affected by such valuation changes.

11.2 Currency Risk

Pearl Private Equity is denominated in Euro and has investments denominated in other currencies. Future returns for the Partnership may be affected by changes in currency rates. However, the Partnership's Consolidated Statement of Financial Position as at 31 December 2020 is not sensitive to movements in foreign exchange rates.

11.3 Credit Risk

Credit risk is the exposure to loss arising from the failure of a counterparty to deliver securities or cash for acquisition or disposal of investments or to repay deposits. The Partnership places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2020, 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.

Notes to the Consolidated Financial Statements (continued)

11. Risk Management (continued)

11.3 Credit Risk (continued)

At the reporting date, the Partnership's financial assets exposed to credit risk amounted to the following:

	As at 31 December 2020 €	As at 31 December 2019 €
Financial assets at fair value through profit or loss	526	526
	526	**526**

11.4 Liquidity Risk

The Partnership's investment in Pearl Private Equity is an unquoted Limited Partnership interest. This is generally illiquid and cannot be traded in a regulated public market. As a result, this investment may not be able to be disposed in order to meet the Partnership's liquidity requirements. The Partners' commitments are fully drawn and it is not expected that the Partnership will have any significant cash requirements in the future.

During the year ended 31 December 2020, the Partnership generated a profit attributable to partners of €665,962 (2019: €459,565). The net current liabilities of the Partnership amounting to €62,245 (2019: €36,719) are due on demand.

11.5 Operational Risk

Operational risk is the potential for loss caused by a deficiency in information, communications, investment due diligence process and accounting systems. The Manager and its service providers maintain controls and procedures for the purpose of mitigating operational risks.

11.6 Legal, tax and regulatory risk

Legal, tax and regulatory changes could occur during the term of the Partnership which may have an adverse effect on its assets or returns. The Manager engages external professional advisors in order to mitigate legal, tax and regulatory risks.

12. Commitments and contingencies

The Partnership has committed an aggregate of €526 (2019: €526) to Pearl Private Equity as a carried interest partner with no unfunded commitment as of 31 December 2020.

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

13. Related undertakings

The Partnership's investment in Pearl Private Equity is classified as subsidiary undertaking as discussed in note 3.1. The Partnership has no other subsidiaries, associates or other significant holdings that would qualify as related undertakings.

14. Events after the reporting date

Subsequent events have been evaluated up to 4 October 2022.

On 2 July 2021, Standard Life Aberdeen plc changed its name to abrdn plc.

There are no other significant events identified after the reporting date.

Registration number: SL24593

Pearl Private Equity LP

Financial Statements for the year ended 31 December 2020

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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 Pearl Private Equity GP LP 1 George Street Edinburgh, EH2 2LL U.K.
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) Limited 4th Floor, 3 More London Riverside London, SE1 2AQ U.K.

Report of the General Partner

The General Partner, SL Capital Pearl Private Equity GP LP, presents the audited financial statements for Pearl Private Equity LP ("the Fund") for the year ended 31 December 2020.

Structure of the Fund

The Fund is a Limited Partnership, established in Scotland, United Kingdom ("U.K."). The Fund held its first and final close on 17 February 2016 with total commitments of €100 million from one Limited Partner. The structure of the Fund 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 Pearl Private Equity) Limited for the names of the Directors.

Distributions

Distributions of €Nil (2019: €4,748,341) were made during the year of which €Nil (2019: €3,664,673) was temporary return of capital, which is recallable.

Events during the year

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to impact many aspects of daily life and the global economy. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied – in varying degrees – to reflect further 'waves' of COVID-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19, including the development and roll out of vaccines globally, continue to affect economies and public equity markets globally. The success of vaccine programs are expected to have a major impact on the speed and nature of economic recovery but the timing and form of the recovery remains uncertain, particularly with the emergence of new strains of COVID-19.

The General Partner, as part of the Standard Life Aberdeen plc group, is continuing to utilise business continuity and resilience processes with the objective of mitigating the impact of COVID-19. Please refer to note 2.4 for the General Partner's assessment of the Fund's ability to continue as a going concern.

Brexit

The U.K. voted to leave the EU in 2016 and officially left the trading bloc on 31 January 2020 with an agreement to keep the majority of the existing relationship in place until 31 December 2020. On 24 December 2020 a deal was reached between the U.K. and the EU that confirmed the new rules for how the parties would work and trade with each other in the future. On 1 January 2021, the free movement of people and goods and services between the EU and U.K. ended with new rules coming into effect. The avoidance of a no-deal Brexit is seen as a positive development for both parties but some uncertainty remains and further clarification is required on certain aspects of the deal including, but not limited to, the Northern Ireland protocol, application to financial services and customs documentation requirements.

There are no significant issues impacting the Fund specifically that have arisen as a result of Brexit. Any future impact on the Fund is likely to be in connection with the assessment of the fair value of investments. The General Partner expects the impact to be minimal to the Fund and will continue to closely analyse and review the impact of Brexit on the Fund and will take appropriate action as required.

Events after the reporting date

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

Report of the General Partner (continued)

Results, activities and future developments

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

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

Disclosure of information to auditor

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

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

Independent auditor

The General Partner has reappointed KPMG LLP as auditor to the Fund in accordance with Section 485 of Companies Act 2006.

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

Signed on behalf of the General Partner

Ian Harris
Director, SLCP (General Partner Pearl Private Equity) Limited
4 June 2021

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

The General Partner is responsible for preparing the General Partner's Report 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 have elected to prepare financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 Qualifying Partnership and of the profit or loss of the Qualifying 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Qualifying 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 Qualifying Partnership or to cease operations, or have no realistic alternative but to do so.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Qualifying Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Qualifying Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to Qualifying Partnerships by The Partnerships (Accounts) Regulations 2008. 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 Qualifying Partnership and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Partners of Pearl Private Equity LP

Opinion

We have audited the financial statements of Pearl Private Equity LP ("the Qualifying Partnership") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners, 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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.

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 as 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").

In our evaluation of the General Partner's conclusions, we considered the inherent risks to the Qualifying Partnership's business model and analysed how those risks might affect the Qualifying Partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the General Partner's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Qualifying Partnership's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Qualifying Partnership will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of the General Partner as to the Qualifying Partnership's policies and procedures to prevent and detect fraud as well as enquiring whether they have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- considering performance based remuneration for the General Partner.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent Auditor's Report to the Partners of Pearl Private Equity LP (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

As required by auditing standards, and taking into account our overall knowledge of the control environment, we performed procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included material post-closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the General Partner (as required by auditing standards), and discussed with the General Partner the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Qualifying Partnership is subject to laws and regulations that directly affect the Qualifying Partnership including financial reporting legislation (including relevant companies legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Qualifying Partnership is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

General Partner's report

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

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

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

Independent Auditor's Report to the Partners of Pearl Private Equity LP (continued)

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 the 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.

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

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

Bryan Shepka.

Bryan Shepka (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
4 June 2021

Statement of Comprehensive Income

	Notes	Year ended 31 December 2020 €	Year ended 31 December 2019 (Restated)* €
Income			
Investment income	4	275,119	239,092
Net unrealised movement on investments		14,231,254	7,652,043
Net unrealised foreign exchange movement on Investments		(1,541,315)	133,964
Net realised gain on Investments		2,309,644	1,697,086
Net realised foreign exchange loss on Investments		(496,792)	-
Net foreign exchange gain / (loss)		1,946	(1,773)
Total net income		**14,779,856**	**9,720,412**
Expenses			
Administration and other expenses	5	(84,999)	(90,827)
Total operating expenses before management profit share and re-measurement of the carried interest liability		**(84,999)**	**(90,827)**
Operating profit before management profit share and re-measurement of the carried interest liability		**14,694,857**	**9,629,585**
Management profit share	11	(691,487)	(475,514)
Re-measurement of the carried interest liability	10	(699,022)	(455,849)
Operating profit after management profit share and re-measurement of the carried interest liability		**13,304,348**	**8,698,222**
Finance costs			
Interest expenses	9	(22,923)	(37,102)
Total finance costs		**(22,923)**	**(37,102)**
Change in net assets attributable to Partners		**13,281,425**	**8,661,120**

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 Fund has restated the year ended 31 December 2019, this has been considered in note 12.*

The notes 1 to 16 form an integral part of these financial statements.

Statement of Financial Position

	Notes	At 31 December 2020 €	At 31 December 2019 (Restated)* €
Assets			
Non-current assets			
Financial assets at fair value through profit or loss	15	88,886,487	69,732,453
Current assets			
Trade and other receivables	6	2,534,667	24,078
Cash and cash equivalents	8	211,197	-
		2,745,864	**24,078**
Liabilities			
Current liabilities			
Bank overdraft	9	-	(1,465,788)
Trade and other payables	7	(106,920)	(95,759)
Carried interest liability	10	(1,371,356)	(672,334)
		(1,478,276)	**(2,233,881)**
Net current assets / (liabilities)		**1,267,588**	**(2,209,803)**
Net assets attributable to Partners		**90,154,075**	**67,522,650**
Represented by:			
Partners' capital account		10,526	10,526
Partner's loan account		64,098,314	54,748,314
Partner's current account		27,416,591	13,436,144
Partner's current account - carried interest		(1,371,356)	(672,334)
Net assets attributable to Partners		**90,154,075**	**67,522,650**

**The Fund has restated the year ended 31 December 2019, this has been considered in note 12.*

The notes 1 to 16 form an integral part of these financial statements.

The financial statements set out on pages 8 to 25 were approved by the General Partner on 4 June 2021 and signed on its behalf by:

Ian Harris
Director, SLCP (General Partner Pearl Private Equity) Limited

Statement of Changes in Net Assets Attributable to Partners

	Year ended 31 December 2020	Year ended 31 December 2019 (Restated)*
	€	€
Net assets attributable to Partners at the start of the year (as previously reported)	**67,978,499**	**38,406,356**
Restatement of opening balances	(455,849)	(216,485)
Net assets attributable to Partners at the start of the year (restated)	**67,522,650**	**38,189,871**
Partners' capital drawn	-	-
Partner's loan drawn	9,350,000	25,420,000
Temporary return of capital to Partners	-	(3,664,673)
Distributions to Partners	-	(1,083,668)
Net drawn	**9,350,000**	**20,671,659**
Change in net assets attributable to Partners	13,281,425	8,661,120
Net assets attributable to Partners at the end of the year	**90,154,075**	**67,522,650**

**The Fund has restated the year ended 31 December 2019, this has been considered in note 12.*

The notes 1 to 16 form an integral part of these financial statements.

Statement of Cash Flows

	Notes	Year ended 31 December 2020 €	Year ended 31 December 2019 (Restated)* €
Cash flows from operating activities			
Operating profit after management profit share and re-measurement of the carried interest liability		13,304,348	8,698,222
Interest paid	9	(22,874)	(37,102)
Increase in trade and other receivables	6	(2,510,589)	(10,633)
Increase in trade and other payables	7	11,112	45,026
Net unrealised movement on Investments		(14,231,254)	(7,652,043)
Net unrealised foreign exchange movement on Investments		1,541,315	(133,964)
Net realised gain on Investments		(2,309,644)	(1,697,086)
Net realised foreign exchange loss on Investments		496,792	-
Contributions to Fund Investments		(21,380,157)	(23,121,927)
Distributions from Fund Investments		16,728,914	3,926,460
Re-measurement of the carried interest liability		699,022	455,849
Net cash outflow from operating activities		**(7,673,015)**	**(19,527,198)**
Cash flows from financing activities			
Partner's loan drawn		9,350,000	25,420,000
Temporary return of capital to Partners		-	(3,664,673)
Distributions to Partners		-	(1,083,668)
Net cash inflow from financing activities		**9,350,000**	**20,671,659**
Net increase in cash and cash equivalents		**1,676,985**	**1,144,461**
Cash and cash equivalents at the start of the year		(1,465,788)	(2,610,249)
Cash and cash equivalents at the end of the year	8	**211,197**	**(1,465,788)**

**The Fund has restated the year ended 31 December 2019, this has been considered in note 12.*

The notes 1 to 16 form an integral part of these financial statements.

Cash and cash equivalents includes the bank overdraft that is repayable on demand and forms an integral part of the Fund's cash management.

Notes to the Financial Statements

1. Fund background

The Fund is a Limited Partnership registered in Scotland, U.K. and was established on 28 January 2016. The Fund held its first and final close on 17 February 2016 with total commitments of €100 million from one Limited Partner. The Limited Partner's capital contribution equals 0.01% of the total commitment. Commitments to Fund Investments can be drawn at any time and the Fund is required to draw down loan commitments from the Limited Partner in order to cover these.

SL Capital Pearl Private Equity GP LP is the General and Founder Partner of the Fund and has contributed €526 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 Fund has no employees.

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

The Fund is established for a term of ten years from the end of the investment period. The investment period for Fund Investments ended on 17 February 2019. The life of the Fund may be extended by up to two additional one year periods, and thereafter with the agreement of the General Partner and the Limited Partner.

The structure of the Fund at 31 December 2020 was as follows:

	At 31 December 2020
	€
Commitments	100,000,526
Partners' capital drawn	10,526
Partner's loan drawn	75,380,007
Temporary return of capital to Partner	(10,198,025)
Funded	**65,192,508**
% of Commitments	65.2%
Distributions to Partners:	
Paid to Limited Partner	1,083,668
Total distributed	**1,083,668**
Limited Partner's % distributed of Funded Commitments	1.7%
Net drawn from all Partners	**64,108,840**

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 as adopted by the EU ("IFRSs") 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 2020 and have been adopted by the Fund are listed overleaf.

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)

Definition of Material (Amendments to IAS 1 and IAS 8)
The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify and align the definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting.

The amendments clarify when information is material and provide some guidance in IAS 1 about immaterial information.

The amendments address the following:

- 'Obscuring' was added to the definition of materiality and clarifies that obscuring information has a similar effect to omitting or misstating that information;
- An entity must assess materiality in the context of the financial statements as a whole; and
- The 'primary users of general-purpose financial statements' are defined as 'existing and potential investors, lenders and other creditors' who rely on general purpose financial statements for the financial information they need.

The adoption of these amendments has no significant impact to the Fund. The amendment has been endorsed by the EU.

Revised Conceptual Framework for Financial Reporting
The IASB has issued a Revised Conceptual Framework which will be used in standard-setting decision with immediate effect.

Key changes include:

- Clarifying important areas, such as roles of stewardship, prudence and measurement uncertainty in financial reporting;
- New definitions of an asset and a liability, including criteria for inclusion in financial statements;
- Guidance added on derecognition of assets and liabilities;
- Defining a reporting entity, which may be a legal entity, or a portion of an entity;
- Guidance added on different measurement bases; and
- Improving guidance on presentation and disclosure, recognising the profit and loss statement as the primary source of information on financial performance, but providing guidance on when income and expenses can be held in other comprehensive income and if subsequent recycling to profit and loss in a future period will enhance the relevance or faithful representation of the financial statements.

Where existing IFRS standards reference the Conceptual Framework and its definitions, these references have been updated by the IASB to the Revised Conceptual Framework and its definitions. Entities that rely on the Framework whenever accounting policies and treatment are not specified under accounting standards should apply the revised Framework.

The adoption of these amendments has no significant impact to the Fund. The revised Framework has been endorsed by the EU.

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
- Amendment to IFRS 16 Leases: Covid 19-Related Rent Concessions (effective 30 June 2020)

The adoption of the standards and amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. These have been endorsed by the EU.

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.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
The narrow-scope amendments to IAS 1 clarify that the classification of liabilities depends on the rights that exist at the end of the reporting period. The expectations of the entity or events after the reporting date will not affect the classification. The amendments also clarify the meaning of 'settlement' of a liability in the context of IAS 1.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

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

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (continued)
The amendments may impact the classification of liabilities as current or non-current, particularly for entities that previously considered management's intentions to determine classification, and for some liabilities that can be converted into equity.

The amendment is effective for accounting periods beginning on or after 1 January 2023; and is to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early adoption is permitted. The amendment has yet to be adopted by the EU. The Fund will adopt this amendment when it becomes effective.

Annual Improvements 2018-2020

Amendments to IFRS 9, Financial Instruments
This amendment clarifies which fees should be included in the '10% test' for derecognition of financial liabilities; an entity should include only fees paid or received between itself and the lender.

Amendment to IFRS 16, Leases
This amendment to Illustrative Example 13 removes the illustration of payments from the lessor relating to leasehold improvements, to avoid confusion concerning the treatment of lease incentives.

Amendments to IFRS 1, First time Adoption of International Financial Reporting Standards
This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first - time adopter of IFRS later than its parent.

The amendments are effective for accounting periods beginning on or after 1 January 2022. Early adoption is permitted. The amendment has yet to be adopted by the EU. The Fund will adopt this amendment when it becomes effective.

Certain amendments have been published that are not effective for reporting periods beginning on or after 1 January 2020 and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

Other standards and amendments that are effective for subsequent reporting periods beginning on or after 1 January 2020 and have not been early adopted by the Fund include:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

These standards and amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore detailed disclosures have not been provided.

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 at least 12 months from the date of approval of the financial statements. In preparing these financial statements, the General Partner has considered the uncertainty created by COVID-19, focusing specifically on:

- the level of liquid resources, including cash and cash equivalents, which exceed the level of creditors. The Manager regularly monitors the Fund's cash position to ensure sufficient cash is held to meet liabilities as they fall due;
- the level of undrawn commitments available from Limited Partner, which are due on demand in accordance with the Limited Partnership Agreement, are sufficient to meet future obligations to Fund Investments and working capital requirements; and
- the effectiveness of the General Partner's operational resilience processes, including the ability of key outsourcers to continue to provide services.

Based on a review of the above, the General Partner is satisfied that the Fund has, and will maintain, sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.5 Financial period

The financial statements are prepared from 1 January 2020 to 31 December 2020. The comparatives are presented from 1 January 2019 to 31 December 2019.

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 2020:		Exchange rates at 31 December 2019:	
€1=		€1=	
U.S. Dollar	\$1.1224	U.S. Dollar	\$1.1225
Sterling	£0.8951	Sterling	£0.8473

2.7 Income, expenses, gains and losses

All income and expenses, inclusive of realised gains and losses, are accounted for on an accrual 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 2.17.

Distributions from underlying funds are recorded based on the nature of the distribution as provided by the underlying fund's manager which includes realised gains on investments and investment income. Investment income and realised gains is recognised on the value date of the notice received from the underlying fund's manager.

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 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.

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 2020 and 31 December 2019, there were no cash equivalents.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

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 Partner. 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 Carried interest liability

The Statement of Financial Position reflects the carried interest liability which has been calculated based on the hypothetical liquidation of the Fund at 31 December 2020. This is classified as a financial liability stated at fair value through profit and loss and represents the estimated share of Net assets attributable to Partners that would be allocated to the Founder Partner following the repayment of the Limited Partner's outstanding loans and the Preferred Return. Details on the allocation of profits and losses to Partners are disclosed in note 2.17.

The carried interest liability of the Fund has been calculated and disclosed in note 10. The calculation of the carried interest liability has changed from the prior year and is disclosed in note 12.

2.17 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 to the Limited Partner until the Limited Partner has received distributions equalling the sum of:

(a) Repayment of the investor's outstanding loans; and
(b) Preferred Return (as defined in the Limited Partnership Agreement) of 8% per annum, compounded annually on 31 December.

In general, subsequent distributions will be allocated 100% to the Founder Partner until the Founder Partner has received aggregate distributions equalling 5% of cumulative net profits ("the catch up").

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

(a) 5% to the Founder Partner; and
(b) 95% to the Limited Partner.

If all of the assets and liabilities of the Fund were realised at their fair values on the 31 December 2020, profits of €1,371,356 (2019: €672,334) would be allocated to the Founder Partner. No allocation has been made to the Founder Partner at 31 December 2020 (2019: €Nil) as the preferred return due to the Limited Partners (defined in the Limited Partnership Agreement), has not been satisfied at the year-end date. Carried interest liability of the Fund has been calculated and disclosed in note 10.

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"). This is the key area of estimate made by the General Partner in preparation of the financial statements.

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

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

3.2 Investment entity status

To meet the definition of an investment entity per IFRS 10, 'Consolidated Financial Statements' the following conditions must exist:

(i) The Fund has obtained funds for the purpose of providing the investor with investment management services;

(ii) The Fund's business purpose, which was communicated directly to investors via the Limited Partnership Agreement, is providing the investor 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.

The Fund has a single investor and holds 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 General Partner has therefore judged the Fund to meet the definition of an investment entity.

4. Investment income

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Overseas dividend income	126,455	113,699
Overseas loan stock income	112,555	78,120
U.K. loan stock income	33,069	47,273
U.K. dividend income	3,040	-
	275,119	**239,092**

Notes to the Financial Statements (continued)

5. Administration and other expenses

	Year ended 31 December 2020 €	Year ended 31 December 2019 €
Administration fees	50,838	49,621
Legal and professional fees	24,391	32,574
Audit fees	7,270	6,450
Bank and custody fees	1,046	859
Other expenses	1,454	1,323
	84,999	**90,827**

6. Trade and other receivables

	At 31 December 2020 €	At 31 December 2019 €
Due from Fund Investments	2,492,708	-
Due from General Partner	40,682	24,078
Accounts receivable - third party	1,277	-
	2,534,667	**24,078**

7. Trade and other payables

	At 31 December 2020 €	At 31 December 2019 €
Due to General Partner	47,946	36,011
Legal and professional fee accrual	43,745	46,262
Audit fee accrual	8,259	7,162
Administration fee accrual	4,439	4,192
Other accrued expenses	1,673	1,323
Interest accrual	858	809
	106,920	**95,759**

8. Cash and cash equivalents

	At 31 December 2020 €	At 31 December 2019 €
Cash and cash equivalents in the Statement of Financial Position	211,197	-
Bank overdraft used for cash management purposes	-	(1,465,788)
	211,197	**(1,465,788)**

Notes to the Financial Statements (continued)

9. Bank overdraft

	At 31 December 2020	At 31 December 2019
	€	€
Balance at the start of the year	1,465,788	2,610,249
Net increase (decrease) in bank overdraft	(1,465,788)	(1,144,461)
Balance at the end of the year	**-**	**1,465,788**

The Fund obtained an uncommitted, short term bank overdraft facility of €6 million from Societe Generale in June 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 € interbank offered rate plus an applicable margin of up to 1.15% per annum, calculated on the daily overdrawn balance. Such amount is shown as "Interest expenses" in the Statement of Comprehensive Income.

At 31 December 2020, €Nil (2019: €1,465,788) 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 is €6,000,000 (2019: €4,534,212). There are no restrictions on the use of this facility.

There have been no defaults or breaches related to the facility during the years ended 31 December 2020 and 31 December 2019.

The carrying value of the bank overdraft equals its fair value.

10. Carried interest liability

Based on the current fair value of investments, the Preferred Returm hurdle would be met if the investments were to be realised at their fair value as at 31 December 2020 as disclosed in note 2.16. This would result in carried interest being payable per the Limited Partnership Agreement.

The table below set out the Fund's provisions which has been calculated based on the scenario that all of the assets and liabilities of the Fund were realised at their fair values:

	At 31 December 2020	At 31 December 2019 (Restated)
	€	€
Balance at the start of the year	672,334	216,485
Re-measurement of the carried interest liability	699,022	455,849
Balance at the end of the year	**1,371,356**	**672,334**

Full provision has therefore been made for the carried interest allocation due to the Founder Partner. No payment has been made to the Founder Partner at 31 December 2020 (2019: €Nil) as the preferred retum due to the Limited Partners (defined in the Limited Partnership Agreement), has not been satisfied at the year-end date.

11. Management profit share

The Fund allocates management profit share to the General Partner in respect of each Accounting Period, calculated at 0.225% per quarter of the net asset value at each quarter end. Further detail on the calculation is available in clause 10 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 (in each case net of any VAT thereon) that have been earned and retained by the General Partner, the Manager or any Associate of either of them (and any of their respective directors, officers, members, partners or employees) during the previous Accounting Period pursuant to clause 7.2 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 (net of any VAT thereon). Where the management profit share is reduced to zero in any Accounting Period any Transaction Fees, Investment Related Fees, Abort Fees and Other Fees (in each case net of any VAT thereon) 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)

11. 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 2020 and 31 December 2019, the total amount of net income and net realised gains exceeded the total amount of management profit share since inception and therefore no amount has been paid in advance.

12. Restatement of prior year balances

Based on a review of the treatment of carried interest, the financial statements have been restated. It was determined that the Fund, which previously allocated profits to the Founder Partner once the preferred return due to Limited Partners had been satisfied, should allocate profits to the Founder Partner based on the scenario that the preferred return would be satisfied. Carried interest liability should be recognised for €672,334 which was not reflected in prior year accounts. This was applied retrospectively to the financial statements.

It has been determined that carried interest should be recognised as a financial liability stated at FVPL if the fair values of the assets suggest that the preferred return would be satisfied.

As such, a restatement has been made as shown below:

	At 31 December 2019	Restatement	At 31 December 2019 (Restated)
	€	€	€
Statement of Comprehensive Income			
Re-measurement of the carried interest liability	-	(455,849)	(455,849)
Change in net assets attributable to Partners	9,116,969	(455,849)	8,661,120
Statement of Financial Position			
Carried interest liability	-	(672,334)	(672,334)
Net assets attributable to Partners	68,194,984	(672,334)	67,522,650
Partners' current account - carried interest	-	(672,334)	(672,334)

	At 1 January 2019	Restatement	At 1 January 2019 (Restated)
	€	€	€
Opening Balances			
Net assets attributable to Partners at the start of the year	38,406,356	(216,485)	38,189,871
Partners' current account - carried interest	-	(216,485)	(216,485)

13. Related party disclosure

The Limited Partnership Agreement provides that SL Capital Pearl Private Equity GP LP shall act as General Partner and is entitled to a management profit share as described in note 11. During the year ended 31 December 2020, the General Partner was allocated management profit share of €691,487 (2019: €475,514). The General Partner of SL Capital Pearl Private Equity GP LP is SLCP (General Partner Pearl Private Equity) Limited, a wholly owned subsidiary of SLCP (Holdings) Limited, which is a subsidiary of the ultimate parent, Standard Life Aberdeen plc. The registered address of SLCP (Holdings) Limited and Standard Life Aberdeen plc is 1 George Street, Edinburgh, EH2 2LL, United Kingdom.

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

Notes to the Financial Statements (continued)

13. Related party disclosure (continued)

The Fund has invested €7,518,194 via the secondary market to purchase a Limited Partnership Interest in ESP Golden Bear Europe Fund, a related entity sharing the same Manager as the Fund. The total effective commitment made to ESP Golden Bear Europe Fund was €15,952,190. During the year, distributions of €929,182 (2019: €2,153,890) were received from ESP Golden Bear Europe Fund. In addition, €182,168 (2019: €144,034) was contributed by the Fund to ESP Golden Bear Europe Fund during the year.

Certain members and employees of the Manager are carried interest partners in SL Capital Pearl Private Equity GP LP and are entitled to participate in the profits as disclosed in note 2.17.

At 31 December 2020, €47,946 (2019: €36,011) was due to the General Partner in respect of management profit share.

At 31 December 2020, €40,682 (2019: €24,078) was due from the General Partner for the expenses paid on its behalf.

If all of the assets and liabilities of the Fund were realised at their fair values on 31 December 2020, profits of €1,371,356 (2019: €672,334) would be allocated to the Founder Partner.

14. 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. Investments are selected by the Manager to achieve the investment objective of generating attractive returns, subject to prudent diversification. As a matter of policy there are no pre-set sector allocations, however, risk is spread by investing across a range of countries, industrial sectors and vintage years. The Fund's financial assets are predominantly unsecured investments in limited partnerships, 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:

14.1 Market risk

a) Price risk

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

The valuation methodology employed by the managers of funds may include the application of ratios derived from listed companies with similar characteristics. Price risk is minimised by the Manager constructing a diversified portfolio of Fund Investments. At 31 December 2020, there were 13 (2019: 13) Fund 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 2020 valuation of the Fund's Investments would have increased net assets attributable to Partners by €8,444,216 (2019 Restated: €6,624,583); a 10% change in the opposite direction would have decreased net assets attributable to Partners by an equivalent amount (2019 Restated: €6,973,245).

b) Currency risk

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

Notes to the Financial Statements (continued)

14. Financial risk management (continued)

14.1 Market risk (continued)

b) Currency risk (continued)

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

Net assets		**31 December 2020**		**31 December 2019**
	Local Currency	**Euro Equivalent**	**Local Currency**	**Euro Equivalent**
Euro	69,799,677	69,799,677	54,846,687	54,846,687
U.S. Dollar	24,912,157	20,360,555	14,267,632	12,710,823
Sterling	(5,510)	(6,157)	(29,537)	(34,860)
		90,154,075		**67,522,650**

Outstanding commitments		**31 December 2020**		**31 December 2019**
	Local Currency	**Euro Equivalent**	**Local Currency**	**Euro Equivalent**
Euro	23,535,068	23,535,068	26,871,689	26,871,689
U.S. Dollar	14,669,913	17,949,372	23,055,546	20,539,846
		41,484,440		**47,411,535**

If the value of the Euro strengthened by 10% in relation to all currencies, net assets attributable to Partners would have decreased by €2,261,600 at 31 December 2020 (2019: €1,152,360); a 10% change in the opposite direction would have resulted in an increase of €1,850,400 (2019: €1,408,440). 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.

The Fund's commitments to Fund Investments are made in Euro and U.S. Dollar.

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 consider the impact of interest rate risk to be significant to the Fund.

14.2 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 2020 €	**At 31 December 2019 €**
Financial assets at fair value through profit or loss	88,886,487	69,732,453
Trade and other receivables	2,534,667	24,078
Cash and cash equivalents	211,197	-
	91,632,351	**69,756,531**

Notes to the Financial Statements (continued)

14. Financial risk management (continued)

14.2 Credit risk (continued)

The Fund places cash with authorised deposit takers and, therefore, is potentially at risk from the failure of any such institution. At 31 December 2020, 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 2020, the assets held by the Fund are not past due or impaired (2019: €Nil).

14.3 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.

During the year ended 31 December 2020, the Fund generated an operating profit before management profit share and re-measurement of the carried interest liability of €14,694,857 (2019: €9,629,585) of which €12,689,939 (2019: €7,786,007) was unrealised gain on investments. Cash balance at the end of the year amounted to €211,197 (2019: overdrawn of €1,465,788). The liabilities of the Fund are due on demand. At 31 December 2020, the Fund had outstanding commitments to Fund Investments of €41,484,440 (2019: €47,411,535) and had available to it undrawn commitments of €34,808,018 (2019: €44,158,018) from its Limited Partner, which are also due on demand. The Manager assesses the maturity and investment activities of the underlying portfolio to forecast levels of calls and distributions over time and expects that sufficient liquidity will be available when commitments are called.

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 2020

	On demand	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
	€	€	€	€	€
Liabilities					
Trade and other payables	-	106,920	-	-	106,920
Carried interest liability	1,371,356	-	-	-	1,371,356
Net assets attributable to Partners	90,154,075	-	-	-	90,154,075
Total liabilities	**91,525,431**	**106,920**	**-**	**-**	**91,632,351**
Total unfunded commitments to Fund Investments	41,484,440	-	-	-	41,484,440

At 31 December 2019 (Restated)*

	On demand	Less than 1 year	Between 1 and 3 years	More than 3 years	Total
	€	€	€	€	€
Liabilities					
Trade and other payables	-	95,759	-	-	95,759
Bank overdraft	1,465,788	-	-	-	1,465,788
Carried interest liability	1,371,356	-	-	-	1,371,356
Net assets attributable to Partners	67,522,650	-	-	-	67,522,650
Total liabilities	**70,359,794**	**95,759**	**-**	**-**	**70,455,553**
Total unfunded commitments to Fund Investments	47,411,535	-	-	-	47,411,535

**At December 2019, the Fund has restated Net assets attributable to Partners from more than 3 years to on demand, to reflect that the net assets attributable to partners are contractually repayable on demand when they fall due.*

Notes to the Financial Statements (continued)

14. Financial risk management (continued)

14.4 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 Partner or distribute funds to the Limited Partner.

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

15. 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 Fund 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 estimation 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 2020

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss	-	-	88,886,487	88,886,487

At 31 December 2019

	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss	-	-	69,732,453	69,732,453

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

Determining the fair value of the Fund's Investments requires estimation 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)

15. 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 2020	31 December 2019
	€	€
Balance at the start of the year	69,732,453	41,053,893
Purchases	21,380,157	23,121,927
Sales	(16,728,914)	(3,926,460)
Realised and unrealised gains	14,502,791	9,483,093
Balance at the end of the year	**88,886,487**	**69,732,453**

Unrealised movement included in profit or loss related to Investments still held at the reporting date:		
- Net unrealised movement on Investments (excluding transaction costs)	14,231,254	7,536,766
- Net unrealised foreign exchange movement on Investments	(1,541,315)	133,964
	12,689,939	**7,670,730**

16. Events after the reporting date

Subsequent events have been evaluated up to 4 June 2021. There are no significant events identified after the reporting date.