

SISU Capital Limited

SISU CAPITAL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012



Registered No 3413843

SISU Capital Limited

Directors

Joy Seppala
Dermot Coleman

Secretary

Joy Seppala

Auditors

KPMG Audit Plc
8 Salisbury Square
London EC4Y 8BB

Bankers

NatWest Bank
Charing Cross and Piccadilly Circus Branch
Business Centre
2nd Floor Cavell House
2a Charing Cross Road
London WC2H 0NN

Solicitors

Simmons & Simmons
City Point
1 Ropemaker Street
London EC2Y 9SS

Registered Office

4th Floor
1 Red Place
London W1K 6PL

Registered No 3413843

SISU Capital Limited

Directors' report

The directors present their report and consolidated financial statements for the year ended 31 March 2012

Results and dividends

The Group made a loss on ordinary activities for the year, after taxation and minority interests, of £(162,287) (2011 £(434,080)), which has been transferred to reserves

The Company made a loss on ordinary activities after taxation of £(162,287) (2011 £(434,080)), which has been transferred to reserves

During 2012 turnover decreased to £2,136,816 (2011 £3,075,572) This decrease in turnover was due to decline in market value of the hedge fund assets under management, leading to a fall in management fees

Principal activity and review of the business

The principal activity is the provision of fund management services Despite the performance in the year the directors are encouraged about the result and are optimistic about the future of the Group

The key business driver of the Group's financial performance is its Assets under Management (AUM), which affects the regular management fee income generated and also the performance fees achievable

There are various factors relating to the Group's risk profile, together with the market risk affecting the underlying funds managed by the Group, which could also affect the Group's AUM and related performance

The main Group risks relate to the ability of the Group to maintain its performance record and to continue to meet the investment objectives of the underlying funds under management Failure of the Group's investment strategies could lead to lower performance and a failure to maintain current investment levels in the funds

There are also a variety of market risks to which the AUM are exposed that could have a detrimental effect on performance and the AUM levels These risks primarily relate to fluctuations within the equity and bond markets and the currency risks related to these markets

The Company continues to keep the scope and costs of its activities under review and to assess sources of advisory fee income To the extent that future anticipated income is insufficient to support the current cost base then the Company will in the first instance take steps to reduce its costs, which are principally related to staff, communication and accommodation, to ensure that the cost base of the business is aligned with fee income The directors are confident that any such steps that might be necessary can be achieved within a time frame which will preserve the solvency of the business

SISU Capital Partners LLP

SISU Capital Partners LLP is a limited liability partnership, whose Members comprise SISU Capital Limited (the "Company"), the current directors and certain senior employees of the Company

Members' profits are allocated between them based on their prospective profit share entitlement during the financial year as determined by the Members, provided that the Company is allocated not less than 75% Losses are allocated first to members in proportion to their aggregate amount of profits allocated to them in prior years and thereafter in proportion to their capital contributions

Drawings are paid from time to time as working capital permits and such drawings are based on the Members' profit sharing entitlement at the time of payment, unless otherwise agreed by the Members

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Directors and their interests

The directors at 31 March 2012 and their interests in the share capital of the Company were as follows

	At 31 March 2012 Ordinary shares	At 31 March 2011 Ordinary shares
Dermot Coleman	59,006	59,006
Joy Seppala	177,019	177,019

Regulatory Authority

The Company is authorised and regulated by the Financial Services Authority (FSA)

Disclosure under Pillar 3 of Capital Requirements Directive

The Company has documented the disclosures required by the FSA under BIPRU 11.3

Background

SISU Capital Limited ("the Company") is authorised and regulated by the Financial Services Authority and is categorised as a BIPRU Limited Licence Company for regulatory purposes. The disclosure has been prepared by the Company in accordance with BIPRU Chapter 11 and summarises the material disclosures the Company is required to make under Pillar 3 of the Capital Requirements Directive.

Risk management objectives and policies

The business strategy and risk appetite are determined by the Directors. Based on this, a risk management framework, geared to the specific risks that are applicable to the Company, is devised and put into practice.

The Company's main categories of risk and its management objectives and policies for these categories are as follows:

Operational risk

The Company is small and has a simple operating infrastructure. Compliance is overseen by the Compliance Officer. All of the Company's procedures are documented and distributed to all staff. The Compliance Officer produces monthly compliance reports which are discussed at regular directors' meetings at which opportunities to mitigate operational risk are reviewed.

Business risk

The Company's risk appetite and its willingness to accept business risk are defined by its directors. The Company's business strategy is managed and updated on a day to day basis by the Company's directors. Business risk is discussed at regular directors' meetings who oversee the risk management function of the Company.

Credit risk

The Company does not extend credit to its clients. A list of the Company's exposures to counterparties is maintained as part of the accounting function. Overdue items are monitored and followed up promptly. The Company's monthly management accounts detail the Company's exposure to credit risk.

Market risk

The Company only incurs market risk on an infrequent basis and the risk is very small as it relates to services charged in non-sterling currencies. The currency risk is monitored as part of the accounting function. Currently given the immaterial amounts the Company does not have a hedging policy in place.

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Financial risk

The risk of the Company breaching regulatory capital requirements or falling short of its cash flow obligations is monitored as part of the accounting function and overseen by the directors. The reporting is on a monthly basis and potential deficits are identified at an early stage in order to allow the necessary action to be taken.

Remuneration risk

As a £50,000 Limited Licence Company, SISU Capital Limited falls within Tier 4 of the proportionality guidance notes issued by the Financial Services Authority in December 2010. The Company has applied the principles of proportionality in the disclosure made within this statement.

All decisions in relation to remuneration are made by the two directors of the Company. Remuneration is based on the performance of the Company as a whole and not on a single investment strategy. The Company is comprised of one business area, investment management, and the remuneration paid to staff and directors relating to that business area for the financial year ended 31st March 2012 is set out in Note 4, Staff Costs, below. The total remuneration paid to senior managers and staff whose actions could have a material impact on the risk profile of the Company is set out in Note 5, Directors' Emoluments, below.

Capital Resources

The Company is a BIPRU Limited Licence Company and has calculated its capital resources in accordance with GENPRU 2.2. As at the 31st March 2012, the Company's tier one capital was £812,000, tier two capital £nil, and tier three is also £nil.

Capital Resource Requirements

The Company's Pillar 1 requirement is calculated as the higher of (1) the sum of the credit and market risk capital requirements and (2) the fixed overheads requirement, with an absolute minimum of the base capital requirement of £50,000.

In the opinion of the directors, the highest of these three will always likely to be the Fixed Overhead Requirement, and therefore none of the Base Capital Requirement, the Credit Risk Capital Requirement, or the Market Risk Capital Requirement are material to the Company. As at 31 March 2012, the Company's Fixed Overhead Requirement is £629,000.

Pillar 1

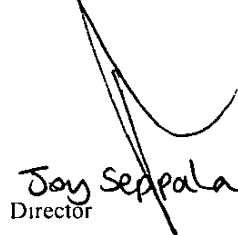
As at the date of this report, the Company has a surplus of capital resources over its Pillar 1 capital resources requirement.

Pillar 2

The Company has undertaken an Internal Capital Adequacy Assessment Process (ICAAP) to determine whether it needs any further regulatory capital due to the operational, business, credit and market risks it faces.

As a result of this, the Company has concluded that it does not need any further regulatory capital to meet its requirements under Pillar 2.

On behalf of the board



Jay Seppala
Director

Date 6 August 2012

Registered No 3413843

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period

In preparing each of the group and parent company financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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 MEMBERS OF SISU CAPITAL LIMITED

We have audited the financial statements of SISU Capital Limited for the year ended 31 March 2012 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's and of the parent company's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.



Iain Banhatyne (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB
6th August 2012

SISU Capital Limited

Consolidated Profit & Loss Account
For the year ended 31 March 2012

	Notes	2012 £	2011 £
Turnover	2	2,136,816	3,075,572
Administrative expenses		(2,156,107)	(3,196,785)
Operating loss	3	(19,291)	(121,213)
Bank interest receivable		335	550
Loss on ordinary activities before taxation		(18,956)	(120,663)
Taxation on ordinary activities	6	292	(161,752)
Loss on ordinary activities after taxation		(18,665)	(282,415)
Minority Interests	13	(143,622)	(151,665)
Retained loss for the year	14	(162,287)	(434,080)

The profit and loss account has been prepared on the basis that all operations are continuing operations

The Group has no recognised gains or losses other than those in the profit and loss account, therefore, no statement of recognised gains or losses has been prepared

The notes on pages 13 to 21 form part of these financial statements

SISU Capital Limited

**Company Profit and Loss Account
For the year ended 31 March 2012**

	Notes	2012 £	2011 £
Turnover	2	1,975,383	2,909,634
Administrative expenses		<u>(2,137,998)</u>	<u>(3,182,158)</u>
Operating loss	3	(162,615)	(272,524)
Bank interest receivable		<u>36</u>	<u>196</u>
Loss on ordinary activities before taxation		(162,579)	(272,328)
Taxation on ordinary activities	6	<u>292</u>	<u>(161,752)</u>
Loss on ordinary activities after taxation	14	<u>(162,287)</u>	<u>(434,080)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

The Company has no recognised gains or losses other than those in the profit and loss account, therefore, no statement of recognised gains or losses has been prepared

The notes on pages 13 to 21 form part of these financial statements

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Consolidated Balance Sheet At 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	49,498	16,235
Investments	8	2,037,118	2,037,143
		2,086,616	2,053,378
Current assets			
Debtors	9	462,344	779,191
Cash at bank and in hand		848,785	754,207
		1,311,129	1,533,398
Creditors. amounts falling due within one year	10	(239,079)	(420,695)
Net current assets		1,072,050	1,112,703
Total assets less current liabilities		3,158,666	3,166,081
Provision for liabilities Employee benefit trust	11	(2,036,701)	(2,036,701)
Net assets		1,121,965	1,129,380
Capital and reserves			
Share capital	12	876,025	851,025
Share premium		125,000	0
Profit and loss reserves	14	(189,416)	(27,130)
Shareholders' funds	15	811,609	823,895
Minority interests	13	310,357	305,486
		1,121,965	1,129,380

The notes on pages 13 to 21 form part of these financial statements

The financial statements were approved by the board on 6 August 2012 and were signed on its behalf by


Jon Seppala
Director


SISU Capital Limited

Company Balance Sheet At 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	49,498	16,235
Investments	8	2,037,326	2,037,326
		<u>2,086,824</u>	<u>2,053,561</u>
Current assets			
Debtors	9	370,758	617,284
Cash at bank and in hand		<u>533,612</u>	<u>451,590</u>
		904,370	1,068,874
Creditors*			
Amounts falling due within one year	10	(142,885)	(261,838)
Net current assets		<u>761,485</u>	<u>807,036</u>
Total assets less current liabilities		2,848,309	2,860,597
Provision for liabilities			
Employee benefit trust	11	(2,036,701)	(2,036,701)
Net assets		<u>811,608</u>	<u>823,896</u>
Capital and reserves			
Share capital	12	876,025	851,025
Share premium		125,000	0
Profit and loss reserves	14	<u>(189,416)</u>	<u>(27,130)</u>
Shareholders' funds	15	<u>811,608</u>	<u>823,896</u>

The notes on pages 13 to 21 form part of these financial statements

The financial statements were approved by the board on 6 August 2012 and were signed on its behalf by


Joy Seppata
Director

Registered No 3413843

SISU Capital Limited

Consolidated Cash Flow Statement
For the year ended 31 March 2012

	2012	2011
	£	£
Reconciliation of operating profit to net cash inflow from operating activities		
Operating loss	(19,291)	(121,213)
Depreciation charges	13,956	28,576
Other non cash balance	541	(598)
(Increase)/Decrease in debtors	316,847	(157,762)
Decrease in creditors	(123,552)	(5,033)
Non cash movement of investment	25	3
<u>Net cashflow from operating activities</u>	188,529	(256,027)
Return on investments and servicing of finance		
Interest received	335	550
<u>Net cashflow</u>	335	550
Tax paid as part of investigation	(58,064)	0
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(47,220)	(3,863)
Proceeds from disposal	-	559
SCIL investment into SCL	150,000	-
<u>Net cashflow from capital expenditure</u>	102,780	(3,304)
Minority interests		
Minority interests paid	(139,000)	(145,202)
<u>Net cashflow to minorities</u>		
<u>Increase /(Decrease) in net cash during the period</u>	94,578	(403,983)

The notes on pages 13 to 21 form part of the financial statements

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Notes to the accounts at 31 March 2012

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom

Basis of consolidation

The consolidated accounts include the Company and all its subsidiaries (except for those excluded subsidiaries as described below) Intra-group sales and profits are eliminated on consolidation

The Company consolidates SISU Capital Partners LLP ("SCP") as a subsidiary on the basis that, under SCP's Limited Liability Partnership deed, the Company has a sufficient level of control in respect of decisions which are material to the business of SCP

The Company also consolidates SISU Capital Limited Partnership ("SCLP") and SISU Capital Limited Partnership II ("SCLPII") as subsidiaries on the basis that the company is the General Partner in these partnerships and has control in respect of decisions in the business of SCLP and SCLPII

The group also controls Scarba Limited, a Cayman registered company which is consolidated at year end

Limited Partnerships

The Group, in its capacity as General Partner manages various private equity limited partnerships, details of which are given in note 8 Investments held through the limited partnerships are made with the express intention of capital appreciation

The Group consolidates its attributable proportion of the assets and income of the private equity limited partnerships which it manages as General Partner and in which it has a minority interest

These partnerships are subsidiary undertakings and under the terms of the Companies Act 2006 should be consolidated in full However, the directors consider the accounts would not give a true and fair view if the assets and income as a whole were to be consolidated since the Group's interest in these assets is merely that of investment manager The effect of this departure is to decrease both profit before tax and the minority interest in the profit for the period by £12 million and to reduce fixed asset investments by £92 million, other net assets by £2 million

Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows

Software	- 25%
Office equipment	- 25%
Fixtures and fittings	- 25%

Investments

Fixed asset investments are stated at cost less provision for diminution in value

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of

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exchange ruling at the balance sheet date. All differences are taken to the profit & loss account.

Pensions

The Group operates a defined contribution pension scheme. Contributions are charged to the profit & loss account as they become payable in accordance with the rules of the scheme. These contributions are invested separately from the Group's assets.

Leasing commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Classification of financial instruments issued by the company

The company has considered the implications of FRS25 on its financial statements and details of the impact are provided under note 18.

2 Turnover

Turnover is stated net of value added tax and is accounted for when it becomes due.

		Group		Company	
		2012	2011	2012	2011
		£	£	£	£
Reimbursement of expenses	(i)	2,021,201	2,881,050	1,859,768	2,715,112
Investment management fees	(ii)	115,615	194,522	115,615	194,522
		<u>2,136,816</u>	<u>3,075,572</u>	<u>1,975,383</u>	<u>2,909,634</u>

(i) As General Partner of SISU Capital Limited Partnership and SISU Capital Limited Partnership II the company is entitled to the reimbursement of expenses incurred on their behalf.

(ii) The Group is entitled to receive fees in relation to the provision of investment management and general administration services to certain limited partnerships and hedge funds.

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3. Operating loss

This is stated after charging/(crediting)

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Depreciation of owned fixed assets	13,956	28,576	13,956	28,576
Amounts receivable by auditors & their associates in respect of.				
Audit of these financial statements	29,600	29,600	29,600	29,600
Audit of Financial statements of subsidiaries pursuant to legislation	20,475	20,475	-	-
Other services pursuant to such legislation	4,306	7,442	-	-
Tax Services	39,257	28,300	39,257	28,300
Operating lease rentals:				
Land and buildings	218,485	308,335	218,485	308,335
Maintenance	73,134	97,077	73,134	97,077
(Gain)/Loss Foreign exchange	1,901	(21,265)	1,426	(20,990)

4 Staff costs

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Wages and salaries	850,230	1,493,911	850,230	1,493,911
Social security costs	156,924	279,797	156,924	279,797
	<u>1,007,154</u>	<u>1,773,708</u>	<u>1,007,154</u>	<u>1,773,708</u>

The average monthly number of employees (including directors) during the year was as follows

	2012	2011	2012	2011
	No	No	No	No
Administration/ compliance	11	15	11	15
Fund management	9	10	9	10
Total	<u>20</u>	<u>25</u>	<u>20</u>	<u>25</u>

5 Directors' emoluments

Emoluments paid to or due to both directors in respect of the year totalled £24,000 (2011 £24,000) The aggregate emoluments paid to the highest paid director were £12,000 (2011 £12,000)

Directors did not receive any allocation of profits as Members of SISU Capital Partners LLP Directors received drawings from SISU Capital Limited Partnership and SISU Capital Limited Partnership II, in which they are partners, amounting to £139,000 (2011 £145,202)

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6 Taxation

	Group		Company	
	2012	2011	2012	2011
Current tax	-	58,064	-	58,064
Deferred tax	-	103,688	-	103,688
Total	-	161,752	-	161,752

Factors affecting tax charge for the year

The consolidated subsidiaries SISU Capital Partners LLP, SISU Capital Limited Partnership, SISU Capital Limited Partnership II do not pay tax on profits earned, as the liability to any tax on profits of the partnership is with the members and partners. The tax assessed for the period is lower than the standard smaller companies rate of corporation tax in the UK (26%). The differences are explained below

	Group and Company 2012 £	Group and Company 2011 £
Loss on ordinary activities before tax	(18,957)	(120,663)
Current tax at 26% (2011 28%)	(4,929)	(31,372)
Effects of Tax not provided on SCP, SCLP and SCLPII profits	(37,342)	(44,453)
Disallowed expenses	2,584	33,587
Tax losses carried forward	-	42,238
Adjustments to tax charge in respect of investigation	-	161,752
Tax losses not utilised	39,687	
Total current tax charge for the year	0	161,752

The tax paid during the year was the final settlement of an enquiry by HMRC which was concluded during the year ended 31st March 2011

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7. Tangible fixed assets Group & Company

	Software	Office Equipment	Furniture & Fixtures	Total
Cost	£	£	£	£
At 31 March 2011	113,296	209,447	0	322,743
Additions/(Disposal)	0	689	46,531	47,220
At 31 March 2012	113,296	210,136	46,531	369,963
Depreciation				
At 31 March 2011	110,237	196,271	0	306,508
Charge for the year	966	10,741	2,249	13,956
At 31 March 2012	111,203	207,012	2,249	320,464
Net Book Value				
At 31 March 2012	2,093	3,124	44,282	49,498
At 31 March 2011	3,059	13,176	0	16,235

8 Investments

Investments held by Employee Benefit Trust

	Group	Company
Cost	£	£
At 1 April 2011	2,036,701	2,036,701
At 31 March 2012	2,036,701	2,036,701

Investments in subsidiary undertakings

	Group	Company
	£	£
At 1 April 2011	-	625
Additions	-	-
At 31 March 2012	-	625

Investment in non-subsidiary

	Group	Company
	£	£
At 1 April 2011	442	-
Revaluation	(25)	-
At 31 March 2012	417	-

Total investments

	Group	Company
	£	£
At 31 March 2012	2,037,118	2,037,326
At 1 April 2011	2,037,143	2,037,326

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(i) Subsidiaries

The company's subsidiaries, and their principal activities, are as follows

	Principle Activity	Capital held by SISU Capital Ltd	The percentage of capital held by SISU Capital Ltd
SISU Capital Partners LLP	General Partner	£225	75%
SISU Capital Limited Partnership	General Partner	£200	25%
SISU Capital Limited Partnership II	General Partner	£200	20%
SISU Capital Carry Partners Limited	Carry Vehicle	1 x £1 ordinary share	100%
Scarba Limited	General Partner	1 x £1 ordinary share	100%

(ii) SISU Capital Private Equity Funds

The Group acts as the General Partner of, and holds investments of €100 each as a Limited Partner, in SISU Capital Private Equity Funds A-E LP, all of which are registered in England and Wales. Scarba Limited, a subsidiary of the Company, is the General Partner of Sconset Capital LP, a Cayman Islands exempt limited partnership

Limited Partnership	General Partner
SISU Capital Private Equity Fund A LP	SISU Capital Partners LLP
SISU Capital Private Equity Fund B LP	SISU Capital Partners LLP
SISU Capital Private Equity Fund D LP	SISU Capital Partners LLP
SISU Capital Private Equity Fund C LP	SISU Capital Partners LLP
SISU Capital Private Equity Fund E LP	SISU Capital Partners LLP
Sconset Capital LP	Scarba Limited

The investment manager of the SISU Capital Private Equity Funds, from inception, is SISU Capital Limited

9. Debtors

	Group 2012 £	2011 £	Company 2012 £	2011 £
Amounts owed from group undertakings	-	-	124,576	213,862
Other debtors	392,497	624,267	176,335	248,498
Prepayments and accrued income	69,847	154,924	69,847	154,924
	<u>462,344</u>	<u>779,191</u>	<u>370,758</u>	<u>617,284</u>

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10. Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	113,635	153,319	47,166	21,312
Other creditors	39,719	55,729	39,719	55,729
Corporation tax	-	58,064	-	58,064
Accruals and deferred income	85,725	153,584	56,000	126,734
	<u>239,079</u>	<u>420,695</u>	<u>142,885</u>	<u>261,838</u>

11 Employee Benefit Trust

In accordance with FRS5 "Reporting the substance of the transaction", the company has provided £2,036,701 (2011 £2,036,701) to reflect both the rights and obligations of the trust at the year end. The asset has been reflected in note 8 and the liability is reflected as a provision for liabilities and charges.

12. Share capital

Company

	Authorised No 2012	Issued and fully paid 2012	Authorised No 2011	Issued and fully paid 2011
Ordinary shares of £1 each	1,250,000	261,025	1,250,000	236,025
Redeemable shares of £1 each	750,000	615,000	750,000	615,000
Total	<u>2,000,000</u>	<u>876,025</u>	<u>2,000,000</u>	<u>851,025</u>

The redeemable shares are only redeemable at the discretion of the directors Dermot Coleman and Joy Seppala. The shares do not carry any voting rights and are entitled to a dividend at the discretion of the directors.

Share Premium

Company

	2012 £	2011 £
Share Premium	125,000	0
Total	<u>125,000</u>	<u>0</u>

13 Minority interests

	2012 £	2011 £
At 1 April 2011	305,486	299,622
Allocated profits	143,872	151,065
Drawings	<u>(139,000)</u>	<u>(145,202)</u>
At 31 March 2012	<u>310,358</u>	<u>305,486</u>

Joy Seppala & Dermot Coleman are directors of SISU Capital Limited and received drawings during the year of £139,000 in respect of their partnership interests in SISU Capital Limited Partnership, which is a subsidiary undertaking of SISU Capital Limited.

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14 Statement of movements on profit & loss account

	Group £	Company £
At 1 April 2011	(27,130)	(27,130)
Retained loss for the year	(162,287)	(162,287)
At 31 March 2012	<u>(189,417)</u>	<u>(189,417)</u>

15. Reconciliation of movements in shareholders funds

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Loss for the financial year	(162,287)	(434,080)	(162,287)	(434,080)
Additional capital	150,000	0	150,000	0
Opening shareholders funds	823,895	1,257,975	823,895	1,257,975
Closing shareholders funds	<u>811,608</u>	<u>823,895</u>	<u>811,608</u>	<u>823,895</u>

16 Other financial commitments

At 31 March 2012 the Group and Company had annual commitments under non-cancellable operating leases as set out below

	Land and Buildings 2012 £	Other 2012 £	Land and Buildings 2011 £	Other 2011 £
Operating lease commitments which expire within 6 months	-	19,045	41,111	15,789
Operating lease commitment which expire in more than one year	<u>183,620</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>183,620</u>	<u>19,045</u>	<u>41,111</u>	<u>15,789</u>

17 Reconciliation of net cash flow to movement in net funds

Group	2012 £	2011 £
Increase /(Decrease) in net cash during the year	94,578	(403,985)
Net funds at 1 April 2011	754,207	1,158,192
Net funds at 31 March 2012	<u>848,785</u>	<u>754,207</u>

The Group had no debt or other liquid capital during the year. The change in net funds is therefore represented by the increase/(decrease) in net cash as set out above.

18 Classification of financial instruments issued by the company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of

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the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

19 Related Party Transactions

Transactions in the period with related parties were as follows:

- (i) SISU Capital International Limited, a company controlled by the directors Joy Seppala and Dermot Coleman, made payments in the year amounting to £2,021,201 (2011: £2,881,050) to the SISU Capital Limited Partnerships, in respect of management services.
- (ii) During the year SisU Capital International Limited subscribed for 25,000 £1 ordinary shares in the Company at a subscription price of £6 per share.
- (iii) The Group has taken advantage of the exemption under FRS8 "Related Party Disclosures" from disclosing all transactions or balances between Group entities that have been eliminated on consolidation.

20. Control

The ultimate controlling parties are Joy Seppala and Dermot Coleman whose interests are shown in the directors' report.