

SISU CAPITAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

MONDAY



L4CIAY5E

LD2

27/07/2015

#61

COMPANIES HOUSE

SISU Capital Limited
Registered No: 03413843

Directors

Joy Seppala
Dermot Coleman

Secretary

Joy Seppala

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

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

Strategic and Directors' report

The directors present their report and consolidated financial statements for the year ended 31 March 2015.

Results and dividends

The Group's results for the year are set out in the consolidated profit and loss account on page 6.

During 2015 turnover reduced to £1,148,586 (2014: £2,041,890). This is due to redemptions from the SISU hedge funds, leading to a reduction in management fees. It is also due to there being no payment of Priority Profit Share (PPS) during the year from SISU Capital Partners LLP (SCP LLP).

Subsequent to the period end, agreement in principle has been reached for the sale of an asset owned by Sconset Capital LP, a Private Equity vehicle to which the Company provides investment management services. The sale, which the Directors are confident will complete shortly, would give rise to the payment of a significant distribution of PPS from SCP LLP.

Principal activity and review of the business

The principal activity is the provision of fund management services. The redemptions during the year were agreed by the directors as part of the restructuring of the SISU Capital Fund, which will become a principal-owned investment vehicle. Alongside this transition, the Group's focus will remain on extracting value from the portfolios of the ARVO Fund and the Private Equity Funds.

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.

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 a previous senior employee 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.

SISU Capital Limited
Registered No: 03413843

Strategic and Directors' Report (Continued)

Directors and their interests

The directors at 31 March 2015 and their interests in the share capital of the Company were as follows:

| | At 31 March 2015 Ordinary shares | At 31 March 2014 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 Conduct Authority (FCA).

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors' at the time when the report is approved confirms that:

- So far as each director is aware, there is no relevant audit information of which the Company auditors are unaware; and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any information and to establish that the Company's auditors are aware of that information.

AUDITORS

BDO LLP has expressed its willingness to continue in the office as auditors and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

Strategic and Directors' Report (Continued)

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

The directors are responsible for preparing the Strategic and Directors' Reports 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).

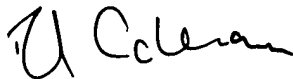
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period.

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.

On behalf of the board



Dermot Coleman
Director

Date 24th July, 2015

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 2015 which comprise consolidated and company profit and loss account, consolidated and company balance sheet, consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic and directors' reports 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.

RDO LLP

Vanessa-Jayne Bradley (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

55 Baker Street

London

W1U 7EU

Date: *24th July 2015*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Consolidated Profit & Loss Account
For the year ended 31 March 2015**

| | Notes | 2015 £ | 2014 £ |
|---|-------|-------------|-------------|
| Turnover | 1,2 | 1,148,586 | 2,041,890 |
| Administrative expenses | | (1,436,301) | (1,488,273) |
| Operating (Loss)/Profit | 3 | (287,715) | 553,617 |
| Bank interest receivable | | 64 | 105 |
| (Loss)/Profit on ordinary activities before taxation | | (287,651) | 553,722 |
| Taxation on (Loss)/Profit on ordinary activities | 6 | 0 | 0 |
| (Loss)/Profit on ordinary activities after taxation | | (287,651) | 553,722 |
| Minority Interests | 13 | (109,147) | (359,808) |
| Retained (Loss)/Profit for the year | 14 | (396,798) | 193,914 |

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 11 to 19 form part of these financial statements.

**Company Profit and Loss Account
For the year ended 31 March 2015**

| | Notes | 2015 £ | 2014 £ |
|---|-------|-------------------------|-----------------------|
| Turnover | 1,2 | 1,012,177 | 1,662,203 |
| Administrative expenses | | <u>(1,409,039)</u> | <u>(1,468,378)</u> |
| Operating (Loss)/Profit | 3 | (396,862) | 193,825 |
| Bank interest receivable | | <u>64</u> | <u>89</u> |
| (Loss)/Profit on ordinary activities before taxation | | (396,798) | 193,914 |
| Taxation on (Loss)/Profit on ordinary activities | 6 | <u>0</u> | <u>0</u> |
| (Loss)/Profit on ordinary activities after taxation | 14 | <u><u>(396,798)</u></u> | <u><u>193,914</u></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 11 to 19 form part of these financial statements.

**Consolidated Balance Sheet
At 31 March 2015**

| | Notes | 2015 £ | 2014 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 23,045 | 34,084 |
| Investments | 8 | 2,040,428 | 2,040,479 |
| | | <u>2,063,473</u> | <u>2,074,566</u> |
| Current assets | | | |
| Debtors | 9 | 291,505 | 364,440 |
| Cash at bank and in hand | | 419,819 | 807,030 |
| | | <u>711,324</u> | <u>1,171,470</u> |
| Creditors: | | | |
| amounts falling due within one year | 10 | (162,707) | (214,295) |
| Net current assets | | <u>548,617</u> | <u>957,175</u> |
| Total assets less current liabilities | | 2,612,090 | 3,031,741 |
| Provision for liabilities | | | |
| Employee benefit trust | 11 | (2,040,066) | (2,040,066) |
| Net assets | | <u>572,024</u> | <u>991,675</u> |
| Capital and reserves | | | |
| Share capital | 12 | 876,025 | 876,025 |
| Share premium | | 125,000 | 125,000 |
| Profit and loss reserves | 14 | (403,237) | (6,439) |
| Shareholders' funds | 15 | 597,788 | 994,586 |
| Minority interests | 13 | (25,764) | (2,911) |
| | | <u>572,024</u> | <u>991,675</u> |

The notes on pages 11 to 19 form part of these financial statements.

The financial statements were approved by the board on 24th July 2015 and were signed on its behalf by:



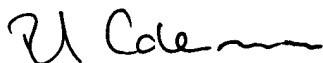
Dermot Coleman
Director

SISU Capital Limited
Registered No: 03413843

**Company Balance Sheet
At 31 March 2015**

| | Notes | 2015 £ | 2014 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 23,045 | 34,087 |
| Investments | 8 | 2,040,491 | 2,040,491 |
| | | <u>2,063,536</u> | <u>2,074,578</u> |
| Current assets | | | |
| Debtors | 9 | 250,066 | 302,741 |
| Cash at bank and in hand | | <u>417,606</u> | <u>792,943</u> |
| | | 667,672 | 1,095,684 |
| Creditors: | | | |
| Amounts falling due within one year | 10 | (93,355) | (135,610) |
| Net current assets | | <u>574,317</u> | <u>960,074</u> |
| Total assets less current liabilities | | 2,637,853 | 3,034,652 |
| Provision for liabilities | | | |
| Employee benefit trust | 11 | (2,040,066) | (2,040,066) |
| Net assets | | <u>597,787</u> | <u>994,586</u> |
| Capital and reserves | | | |
| Share capital | 12 | 876,025 | 876,025 |
| Share premium | | 125,000 | 125,000 |
| Profit and loss reserves | 14 | (403,237) | (6,439) |
| Shareholders' funds | 15 | <u>597,788</u> | <u>994,586</u> |

The financial statements were approved by the board on 24/7/15 and were signed on its behalf by:



Dermot Coleman
Director

The notes on pages 11 to 19 form part of these financial statements.

Consolidated Cash Flow Statement
For the year ended 31 March 2015

| | 2015 | 2014 |
|--|-------------------------|-----------------------|
| | £ | £ |
| Reconciliation of operating profit to net cash inflow from operating activities | | |
| Operating (Loss)/Profit | (287,715) | 553,617 |
| Depreciation charges | 15,325 | 14,809 |
| Other non cash balance | | |
| (Increase)/Decrease in debtors | 72,935 | 136,241 |
| Increase /(Decrease) in creditors | (51,588) | 51,002 |
| Non cash movement of investment | 51 | 9 |
| <u>Net cashflow from operating activities</u> | <u>(250,992)</u> | <u>755,678</u> |
| Return on investments and servicing of finance | | |
| Interest received | 64 | 105 |
| <u>Net cashflow from Investment & servicing of finance</u> | <u>64</u> | <u>105</u> |
| <u>Tax paid during the year</u> | <u>0</u> | <u>0</u> |
| Capital expenditure and financial investment | | |
| Payments to acquire tangible fixed assets | (4,283) | (7,558) |
| Payments to partners (SCLPII) | - | (581) |
| <u>Net cashflow from capital expenditure</u> | <u>(4,283)</u> | <u>(8,139)</u> |
| Minority interests | | |
| Minority interests paid | (132,000) | (420,367) |
| <u>(Decrease)/increase in net cash during the period</u> | <u>(387,211)</u> | <u>327,277</u> |
| Cash at the beginning of the period | <u>807,030</u> | <u>479,753</u> |
| Cash at the end of the period | <u>419,819</u> | <u>807,030</u> |

The notes on pages 11 to 19 form part of the financial statements.

**Notes to the accounts
at 31 March 2015**

1. Accounting policies

Basis of preparation of financial statements

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) and includes the results of The SISU Capital Employee Benefit Trust. 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 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") as a subsidiary on the basis that the company is the General Partner in this partnership and has control in respect of decisions in the business of SCLP.

Limited Partnerships

The Group as their General Partners 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 Partners and in which the group has a minority interest. The Group also consolidates its attributable proportion of the Limited Partnerships which manage the external funds 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 managers. The effect of this departure is to decrease both loss before tax and the minority interest in the loss for the year by £7.5m and increase both net assets and net asset attributable to minority interest by £104m.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business.

Turnover

Turnover for the group represents investment management fee income receivable from SISU Capital International Limited.

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% Straight line |
| Office equipment | - 25% Straight line |
| Fixtures and fittings | - 20% Straight line |

Investments

Fixed asset investments are stated at cost less provision for impairment 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 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 FRS 25 on its financial statements and details of the impact are provided under note 18.

2. Turnover

The whole of the group turnover is attributable to investment management services and general administration services. Turnover is recognised as earned in accordance with underlying agreements.

The whole of the company turnover is attributable to the re-imbursement of expenses from group Companies and is eliminated on consolidation.

All turnover arose within the United Kingdom

3. Operating (Loss)/Profit

This is stated after charging/(crediting)

| | Group 2015 | 2014 | 2015 | Company 2014 |
|---|---------------|--------|--------|-----------------|
| | £ | £ | £ | £ |
| Depreciation of owned fixed assets | 15,325 | 14,809 | 15,325 | 14,809 |
| Amounts receivable by auditors & their associates in respect of: | | | | |
| Audit of these financial statements | 18,250 | 18,250 | 18,250 | 18,250 |
| Audit of Financial statements of subsidiaries pursuant to legislation | 8,000 | 8,000 | - | - |
| Other services pursuant to such legislation | - | - | - | - |
| Operating lease rentals: | | | | |
| Land and buildings | 99,576 | 90,466 | 99,576 | 90,466 |
| Maintenance | | | | |
| Loss on foreign exchange | 27,483 | 5,696 | 27,432 | 5,856 |

4. Staff costs

| | Group 2015 | 2014 | Company 2015 | 2014 |
|-----------------------|----------------|----------------|-----------------|----------------|
| | £ | £ | £ | £ |
| Wages and salaries | 531,400 | 625,261 | 531,400 | 625,261 |
| Social security costs | 63,584 | 70,786 | 63,584 | 70,786 |
| | <u>594,984</u> | <u>696,047</u> | <u>594,984</u> | <u>696,047</u> |

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

| | 2015 No. | 2014 No. | 2015 No. | 2014 No. |
|-------------------------------|-------------|-------------|-------------|-------------|
| Administration/ compliance | 8 | 8 | 8 | 8 |
| Fund management | 5 | 5 | 5 | 5 |
| Total | <u>13</u> | <u>13</u> | <u>13</u> | <u>13</u> |

5. Directors' emoluments

Emoluments paid to or due to both directors in respect of the year totalled £59,565 (2014: £24,000). The aggregate emoluments paid to the highest paid director were £35,909 (2014: £33,623).

Directors did not receive any allocation of profits as Members of SISU Capital Partners LLP. Directors received drawings from SISU Capital Limited Partnership, in which they are partners, amounting to £132,000 (2014: £421,148).

6. Taxation on (loss)/profit on ordinary activities

| | Group | | Company | |
|--------------|---------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Current tax | - | - | - | - |
| Deferred tax | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | <hr/> <hr/> - | <hr/> <hr/> - | <hr/> <hr/> - | <hr/> <hr/> - |

Factors affecting tax charge for the year:

The consolidated subsidiaries SISU Capital Partners LLP and SISU Capital Limited Partnership 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 (23%). The differences are explained below:

| | Group and Company 2015 £ | Group and Company 2014 £ |
|---|-----------------------------------|-----------------------------------|
| Profit/(Loss) on ordinary activities before tax | <hr/> (287,651) | <hr/> 553,722 |
| Current tax at 21% (2014: 23%) | <hr/> (60,407) | <hr/> 127,356 |
| Effects of: | | |
| Tax not provided on SCLLP, SCLP profits | (25,104) | (82,756) |
| Disallowed expenses | 7,863 | 5,283 |
| Tax losses utilised | - | (78,378) |
| Tax losses carried forward | 77,648 | - |
| Total current tax charge for the year | <hr/> <hr/> - | <hr/> <hr/> - |

At 31 March 2015, there was an unrecognised deferred tax of £123,229 (2014: £47,713) in respect of carried forward losses of £616,143 (2014: £227,207).

7. Tangible fixed assets
Group & Company

| | Software | Office Equipment | Furniture & Fixtures | Total |
|----------------------|----------|---------------------|-------------------------|---------|
| Cost: | £ | £ | £ | £ |
| At 1 April 2014 | 117,773 | 220,634 | 46,531 | 384,938 |
| Additions/(Disposal) | - | 4,283 | - | 4,283 |
| At 31 March 2015 | 117,773 | 224,917 | 46,531 | 389,221 |
| Depreciation: | | | | |
| At 1 April 2014 | 115,187 | 214,770 | 20,894 | 350,851 |
| Charge for the year | 2,085 | 3,918 | 9,322 | 15,325 |
| At 31 March 2015 | 117,272 | 218,688 | 30,216 | 366,176 |
| Net Book Value | 501 | 6,229 | 16,315 | 23,045 |
| At 31 March 2015 | | | | |
| At 31 March 2014 | 2,586 | 5,864 | 25,637 | 34,087 |

8. Investments held by Employee Benefit Trust

| | Group | Company |
|-----------------------------------|-----------|-----------|
| Cost: | £ | £ |
| At 1 April 2014 and 31 March 2015 | 2,040,066 | 2,040,066 |

Investments in subsidiary undertakings

| | Group | Company |
|-----------------------|-------|---------|
| | £ | £ |
| At 1 April 2014 | 413 | 425 |
| Currency Translations | (51) | - |
| At 31 March 2015 | 362 | 425 |

Total investments

| | Group | Company |
|------------------|-----------|-----------|
| | £ | £ |
| At 31 March 2015 | 2,040,428 | 2,040,491 |
| At 31 March 2014 | 2,040,479 | 2,040,491 |

(i) **Subsidiaries**

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

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

(ii) **SISU Capital Private Equity Fund**

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 Fund, from inception, is SISU Capital Limited.

9. Debtors

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Other debtors | 267,125 | 285,930 | 225,686 | 224,231 |
| Prepayments and accrued income | 24,380 | 78,510 | 24,380 | 78,510 |
| | <u>291,505</u> | <u>364,440</u> | <u>250,066</u> | <u>302,741</u> |

10. Creditors: amounts falling due within one year

| | Group | | Company | |
|------------------------------|----------------|----------------|---------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Trade creditors | 79,977 | 139,975 | 29,029 | 81,919 |
| Other creditors | 16,851 | 17,701 | 16,867 | 17,701 |
| Accruals and deferred income | 65,879 | 56,619 | 47,459 | 36,000 |
| | <u>162,707</u> | <u>214,295</u> | <u>93,355</u> | <u>135,610</u> |

11. Employee Benefit Trust

In accordance with FRS5 "Reporting the substance of the transaction", the company has provided £2,040,066 (2014: £2,040,066) 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. 2015 | Issued and fully paid 2015 | Authorised No. 2014 | Issued and fully paid 2014 |
|------------------------------|------------------------|-------------------------------|------------------------|-------------------------------|
| Ordinary shares of £1 each | 1,250,000 | 261,025 | 1,250,000 | 261,025 |
| Redeemable shares of £1 each | 750,000 | 615,000 | 750,000 | 615,000 |
| Total | 2,000,000 | 876,025 | 2,000,000 | 876,025 |

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.

13. Minority interests

| | 2015 £ | 2014 £ |
|-------------------|-----------------|----------------|
| At 1 April 2014 | (2,911) | 58,229 |
| Allocated profits | 109,147 | 359,808 |
| Drawings | (132,000) | (420,948) |
| At 31 March 2015 | <u>(25,764)</u> | <u>(2,911)</u> |

Joy Seppala & Dermot Coleman are directors of SISU Capital Limited and received drawings during the year of £132,000 in respect of their partnership interests in SISU Capital Limited Partnership, which is a subsidiary undertaking of SISU Capital Limited.

14. Statement of movements on profit & loss account

| | Group £ | Company £ |
|------------------------------|------------------|------------------|
| At 1 April 2014 | (6,439) | (6,439) |
| Retained Profit for the year | (396,798) | (396,798) |
| At 31 March 2015 | <u>(403,237)</u> | <u>(403,237)</u> |

15. Reconciliation of movements in shareholders funds

| | Group | | Company | |
|----------------------------|-----------|---------|-----------|---------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Profit for year | (396,798) | 193,914 | (396,798) | 193,914 |
| Opening shareholders funds | 994,586 | 800,672 | 994,586 | 800,672 |
| Closing shareholders funds | 597,788 | 994,586 | 597,788 | 994,586 |

16. Other financial commitments

At 31 March 2015 the Group and Company had annual commitments under non-cancellable operating leases as set out below:

| | Land and Buildings | Other | Land and Buildings | Other |
|--|-----------------------|-------|-----------------------|-------|
| | 2015 | 2015 | 2014 | 2014 |
| | £ | £ | £ | £ |
| Operating lease commitments which expire within 1 year | - | - | - | - |
| Operating lease commitment which expire within 2 -5 years | 104,743 | - | 104,743 | - |
| | 104,743 | - | 104,743 | - |

17. Reconciliation of net cash flow to movement in net funds

| Group | 2015 | 2014 |
|--|-----------|---------|
| | £ | £ |
| (Decrease)/increase in net cash during the year | (387,211) | 327,277 |
| Net funds at 1 April 2014 | 807,030 | 479,753 |
| Net funds at 31 March 2015 | 419,819 | 807,030 |

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 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 £1,125,994 (2014: £2,016,258) in respect of management services.
- (ii) 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.

SISU Capital Limited
Registered No: 03413843

The following pages do not form part of the audited financial statements.

Disclosure under Pillar 3 of Capital Requirements Directive

The Company has documented the disclosures required by the FCA under BIPRU 11.3.

Background

SISU Capital Limited ("the Company") is authorised and regulated by the Financial Conduct 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.

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 Firm, SISU Capital Limited falls within Tier 4 of the proportionality guidance notes issued by the Financial Conduct 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 2014 is set out in Note 4: Staff Costs. 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.

SISU Capital Limited
Registered No: 03413843
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 2015 the Company's tier one capital was £597,787 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 2015 the Company's Fixed Overhead Requirement is £342,000

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.