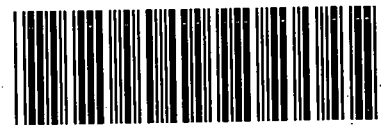


Registered number: OC334333

Langholm Capital 2008 LLP

**Report and financial statements
For the year ended 30 June 2014**

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DESIGNATED MEMBERS AND ADVISERS

Designated Members

A.E.B. Wiegman
J.C. Lorenzen
N.J. Evans

Members

A.C. Sills

Registered office

1st Floor Charles House
5-11 Regent Street
London
SW1Y 4LR

Banker

Coutts & Co.
440 Strand
London
WC2R 0QS

Auditor

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Solicitor

Macfarlanes
20 Cursitor Street
London
EC4A 1LT

Registered number

OC334333

MEMBERS' REPORT

The members present their report and the financial statements for the year ended 30 June 2014 for Langholm Capital 2008 LLP ("the LLP").

Activities

The principal activity of the LLP during the year was the management of Langholm Capital II LP, a private equity fund ("the Fund"). The principal activities of the LLP's subsidiaries were respectively to act as General Partner to the Fund and its associated partnership. The members anticipate that these will continue to be the principal activities for the foreseeable future.

Review of business

During the year, the LLP has continued to seek investment opportunities for the Fund, whilst developing the performance of existing investments. The Fund was 46% invested at the year end.

Principal subsidiaries

The LLP's principal subsidiaries are shown in Note 9 to the accounts.

Results for the year and allocation to members

The profit for the year to be attributed to members was £267,378 (2013: £302,501)

Designated Members

The following were Designated Members at the year end:

J.C. Lorenzen
A.E.B. Wiegman
N.J. Evans

The other members during the year were A.C. Sills and O.Q.J. Wyncoll. On 1 February 2014, N.J. Evans was appointed as a Designated Member, whilst on 31 March 2014, P.D. Richings and O.Q.J. Wyncoll resigned as Members.

Capital contributions of £74,250 were made to the LLP by its Members during the year, with £74,250 repaid to Members during the year (2013: £Nil).

MEMBERS' REPORT (continued)

Policy with respect to Members' drawings and subscription and repayment of amounts subscribed or otherwise contributed by Members

Certain of the Members are permitted to make drawings ("guaranteed drawings") in anticipation of future profits that will be allocated to them. The Limited Liability Partnership Agreement (the "LLPA") determines the amount of such drawings. ✓

Profits (up to the aggregate of members' guaranteed drawings) are allocated and paid to the Members entitled to guaranteed drawings pro rata to those drawings.

There follows a discretionary allocation of profit to the Members.

The nature of any remaining profits determines whether they are allocated between Members pro rata to their Income Profit or Capital Profit Sharing Percentages.

Losses for any financial year are allocated between the members at the discretion of the Management Committee, but with the presumption they will be allocated between members pro rata to their Income Profit or Capital Profit Sharing Percentages, as appropriate.

In preparing the annual accounts, the LLP shall reserve out of profits before distribution, such amounts as the Management Committee shall determine in order to provide further working capital for the business. These amounts may subsequently be distributed as the LLP's working capital needs change.

Auditor

KPMG LLP expressed their willingness to act as auditors of the Partnership.

Approved by the members
And signed on their behalf



A.E.B. Wiegman
Designated Member
25 September 2014

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

The members are responsible for preparing the Members' Report and the group and LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare group and LLP financial statements for each financial year. Under that law the members have elected to prepare both the group and LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 the LLP and of the profit or loss of the group for that period. In preparing each of the group and LLP financial statements, the members 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. 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 LANGHOLM CAPITAL 2008 LLP

We have audited the group and LLP financial statements ("the financial statements") of Langholm Capital 2008 LLP for the year ended 30 June 2014 set out on pages 9 to 27. 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 members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 6, the members 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 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 Financial Reporting Council'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 and LLP's affairs as at 30 June 2014 and of its profit of the group 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulation 2008.

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 as applied to Limited Liability Partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's individual financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Iain Bannatyne (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB

25 September 2014

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
30 JUNE 2014**

		Year ended 30 June 2014 £	Year ended 30 June 2013 £
	Notes		
Turnover	3	2,600,161	2,776,696
Other operating income		-	13,991
		<u>2,600,161</u>	<u>2,790,687</u>
Staff costs		(201,046)	(254,990)
Depreciation		(60,885)	(90,340)
Other operating expenses		<u>(1,236,958)</u>	<u>(1,112,061)</u>
Operating profit		1,101,272	1,333,296
Interest receivable and similar income		515	1,034
Profit on ordinary activities before taxation	4	1,101,787	1,334,330
Taxation	5	<u>(801)</u>	<u>(854)</u>
Profit for the financial year before members' remuneration and profit shares		1,100,986	1,333,476
Members' remuneration charged as an expense		(833,608)	(1,030,975)
Profit for the financial year available for discretionary division among members		<u>267,378</u>	<u>302,501</u>

All of the above results derive from continuing operations.

The notes on pages 17 to 27 are an integral part of these accounts.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND
LOSSES FOR THE YEAR ENDED 30 JUNE 2014**

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Profit for the financial year available for division among members	267,378	302,501
Currency translation differences on foreign net investment and other differences	198,508	71,345
Total recognised gains for the year	<u>465,886</u>	<u>373,846</u>

The notes on pages 17 to 27 are an integral part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014

	Notes	At 30 June 2014 £	At 30 June 2013 £
Fixed assets			
Intangible fixed assets	7	-	29,840
Tangible fixed assets	8	205,230	243,381
Investments	9	40	208
		<u>205,270</u>	<u>273,429</u>
Current assets			
Debtors: amounts falling due in less than one year	10	164,161	203,268
Cash at bank and in hand		395,052	733,324
		<u>559,213</u>	<u>936,592</u>
Current liabilities			
Creditors: amounts falling due in less than one year	11	(250,882)	(141,613)
Net current assets		<u>308,331</u>	<u>794,979</u>
Total assets less current liabilities		513,601	1,068,408
Provisions for liabilities and charges	12	(55,246)	(40,318)
Net assets attributable to members		<u>458,355</u>	<u>1,028,090</u>
Represented by:			
Members' other interests			
Members' capital classified as equity under FRS 25	13	150,000	150,000
Other members' interests		308,355	878,090
		<u>458,355</u>	<u>1,028,090</u>

The notes on pages 17 to 27 are an integral part of these accounts.

The accounts were approved by the members of the LLP on 25 September 2014 and were signed on its behalf by:



A.E.B. Wiegman
Designated Member

RECONCILIATION OF MEMBERS' INTERESTS – GROUP

	Members' other interests		Loans and other debts due to members	
	Equity per FRS 25 £	Other reserves £	Members' capital and other amounts £	Total £
Balance at 1 July 2013	150,000	660,373	217,717	1,028,090
Member capital contributions	74,250	90	-	74,340
Member capital returns	(74,250)	-	-	(74,250)
Reclassification	-	-	-	-
Members' remuneration charged as an expenses	-	-	833,608	833,608
Profit for the financial year available for discretionary division among members	-	267,378	-	267,378
Members' interests after profit for the year	150,000	927,841	1,051,325	2,129,166
Allocated during the year	-	(834,844)	834,844	-
Drawings	-	-	(1,869,319)	(1,869,319)
Other movements	-	198,508	-	198,508
Balance at 30 June 2014	150,000	291,505	16,850	458,355

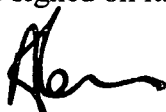
The notes on pages 17 to 27 are an integral part of these accounts.

BALANCE SHEET AS AT 30 JUNE 2014 – LLP

	Notes	At 30 June 2014 £	At 30 June 2013 £
Fixed assets			
Intangible fixed assets	7	-	29,840
Tangible fixed assets	8	205,230	243,381
Investments		5	2
		205,235	273,223
Current assets			
Debtors: amounts falling due in less than one year	10	164,162	203,267
Cash at bank and in hand		373,264	421,822
		537,426	625,089
Current liabilities			
Creditors: amounts falling due in less than one year	11	(250,851)	(141,409)
Net current assets		286,575	483,680
Total assets less current liabilities		491,810	756,903
Provisions for liabilities and charges	12	(50,942)	(36,578)
Net assets attributable to members		440,868	720,325
Represented by:			
Members' other interests			
Members' capital classified as equity under FRS 25	13	150,000	150,000
Other members' interests		290,868	570,325
		440,868	720,325

The notes on pages 17 to 27 are an integral part of these accounts.

The accounts were approved by the members of the LLP on 25 September 2014 and were signed on its behalf by:



A.E.B. Wiegman
Designated Member

RECONCILIATION OF MEMBERS' INTERESTS – LLP

	Members' other interests		Loans and other debts due to members	
	Equity per FRS 25 £	Other £	Members' capital and other amounts £	Total £
Balance at 1 July 2013	150,000	352,608	217,717	720,325
Member capital contributions	74,250	-	-	74,250
Member capital returns	(74,250)	-	-	(74,250)
Reclassification	-	-	-	-
Members' remuneration charged as an expense	-	-	833,608	833,608
Profit for the financial year available for discretionary division among members	-	482,236	-	482,236
Members' interests after profit for the year	150,000	834,844	1,051,325	2,036,169
Allocated during the year	-	(834,844)	834,844	-
Drawings	-	-	(1,595,301)	(1,595,301)
Balance at 30 June 2014	150,000	-	290,868	440,868

The notes on pages 17 to 27 are an integral part of these accounts.

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
30 JUNE 2014**

	Notes	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Net cash inflow from operating activities	a	1,524,454	1,475,736
Returns on investments and servicing of finance			
Interest received		515	1,034
Net cash inflow from returns on investments and servicing of finance		515	1,034
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(22,735)	(761)
Payments to acquire investments		(3)	-
Proceeds on partial disposal of investments		158	-
Net cash outflow from capital expenditure and financial investment		(22,580)	(761)
Transactions with members			
Capital contributions by members		74,340	-
Capital contributions returned to members		(74,250)	-
Payments to members		(1,869,319)	(1,925,905)
Net cash outflow from transactions with members		(1,869,229)	(1,925,905)
Cash outflow before management of financing		(366,840)	(449,896)
Amounts received from / (paid to) Langholm Capital Fund II		28,568	(7,664)
Amounts received from / (paid on behalf of) Langholm Capital LLP and the Langholm Capital Fund I		-	150,945
Net cash inflow / (outflow) from financing		28,568	143,281
Decrease in cash in the year	b/c	(338,272)	(306,615)

The notes on pages 17 to 27 are an integral part of these accounts.

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	Year ended 30 June 2014 £	Year ended 30 June 2013 £	
a. Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit	1,101,272	1,333,296	
Depreciation	60,885	90,340	
Decrease in intangible asset	29,840	68,454	
Decrease / (increase) in debtors	10,541	(13,806)	
Increase / (decrease) in creditors	123,396	(73,879)	
Other differences on consolidation	198,520	71,330	
Net cash inflow from operating activities	1,524,454	1,475,736	
b. Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the year	(338,272)	(306,615)	
Change in net funds resulting from cash flows	(338,272)	(306,615)	
Opening net funds	733,324	1,039,939	
Movement in net funds in the year	(338,272)	(306,615)	
Closing net funds	395,052	733,324	
c. Analysis of net funds	As at 30 June 2013 £	Cash Flow £	As at 30 June 2014 £
Cash in hand, at bank	733,324	(338,272)	395,052

The notes on pages 17 to 27 are an integral part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice *Accounting by Limited Liability Partnerships* issued by the Consultative Committee of Accountancy Bodies, as revised March 2006. The principal accounting policies are described below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Going concern

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the report and financial statements.

Basis of consolidation

The group financial statements consolidate the financial statements of Langholm Capital 2008 LLP and its subsidiaries. Intra group transactions and profits are eliminated on consolidation. No profit and loss account is presented for the LLP as is permitted by section 408 of the Companies Act 2006.

A subsidiary of the group manages as General Partner, a private equity limited partnership. Investments held through the limited partnership are made with the express intent of capital appreciation.

The LLP consolidates its attributable proportion of the assets and income of the private equity limited partnership which its subsidiary manages as General Partner and in which it has an interest. The partnership is a subsidiary undertaking and under the terms of the Companies Act 2006 should be consolidated in full. However, the members 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, except to the extent that they are proportionally consolidated, 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 year by £2.4m (2013: £0.5m); to reduce investments by £55.1m (2013: £53.6m); to increase other net assets by £96k (2013: £11k), and to reduce the minority interest in the balance sheet by £55.2m (2013: £55.6m).

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write-off the cost, less estimated residual value, of assets on a straight line basis over their expected useful lives at the following annual rates:

Leasehold improvements – over the life of the lease – 10%
Software and computer and communications equipment – 33.3%
Furniture and office equipment - 20%

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

Fixed Asset Investments

Investments in subsidiaries are included at cost less provision for any impairment.

Members' remuneration

The LLP agreement provides that fixed amounts be paid to members, irrespective of the profits of the LLP. These amounts are included within 'Members' remuneration charged as an expense.

A member's share in the profit or loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

Turnover

Turnover is derived from ordinary activities, and is stated net of VAT, and net of any rebates repayable to investors in Langholm Capital II L.P. Management fees and monitoring fees are accounted for on an accruals basis. Transaction fees may be earned and are then invoiced when a deal is completed.

Expenses

Expenses are accounted for on an accruals basis.

Pension costs

Contributions to defined contribution schemes on behalf of employees are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Taxation

Income tax, being the individual liability of each member, is not provided for in the accounts of the LLP.

Corporation tax payable by companies within the group is accounted for on an accruals basis.

Deferred corporation tax is provided for in accordance with FRS 19. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax

assets is limited to the extent that the group anticipates it will make sufficient taxable profits in the future to absorb the reversal of the underlying difference. Deferred tax balances are not discounted.

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Assets and liabilities of Group entities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. The trading results of Group entities are also translated at the rate of exchange prevailing at the balance sheet date. Any differences arising on the consolidation of the Group's results is dealt with as an adjustment to reserves.

Realised foreign exchange gains/losses on forward contracts are taken to the profit and loss account. Unrealised gains/losses are not taken to profit and loss account as the LLP has not adopted FRS26 and has sufficient projected cash flows to meet the contracted obligation.

2. Employee information

The average number of persons employed by the Group during the year was:

	Year ended 30 June 2014	Year ended 30 June 2013
Investment professionals	2	2
Administration	3	5
	<u>5</u>	<u>7</u>
	<hr/>	<hr/>
	Year Ended 30 June 2014 £	Year Ended 30 June 2013 £
Staff costs for the above persons were:		
Wages and salaries	172,115	219,790
Social security costs	19,256	25,157
Pension costs	9,675	10,043
	<u>201,046</u>	<u>254,990</u>
	<hr/>	<hr/>

The LLP operates a defined contribution pension scheme on behalf of certain of its employees (at 30 June 2014: 2 employees; at 30 June 2013: 2 employees). No contributions were outstanding as at 30 June 2014 (2013: £Nil).

3. Turnover

The Group's consolidated turnover includes the following amounts:

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Management fee due from group companies	<u>2,600,161</u>	<u>2,776,696</u>
	<u>2,600,161</u>	<u>2,776,696</u>

4. Profit on ordinary activities before taxation

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Stated after charging:		
Depreciation	60,885	90,340
Auditor's remuneration	46,196	44,640
Hire of office equipment - operating leases	13,607	16,032
Other - operating leases	446,934	455,992

'Other – operating leases' includes £446,934 paid by the LLP for the rent of its offices (2013: £446,934). The rental agreement expiring in April 2018 is held by Langholm Capital LLP and rental costs are recharged to the LLP.

An additional amount of £29,977 (2013: £21,986) was charged in the accounts of Langholm Capital II LP in respect of the Auditor's remuneration.

5. Tax on profit on ordinary activities

Taxation for the partnership, being the individual liability of each member, is not provided for in the accounts. Total tax payable by the Group for the year is £801 (2013: £854).

Factors affecting the tax charge for the current year

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Current tax		
UK corporation tax at 20%	-	-
Total current tax charge for the year	-	-
Deferred tax		
Origination and reversal of temporary differences in current year	801	854
Effect of decreased tax rate on opening balance	-	-
Tax on profit on ordinary activities	801	854

6. Profit of the LLP

As permitted by s.408 Companies Act 2006 (as modified for application to LLPs), the LLP is exempt from presenting its own profit and loss account. The profit of the LLP for the financial year before members' remuneration amounted to £1,315,844 (2013: £1,383,583).

7. Intangible fixed assets – Group and LLP

	Cost or valuation	Amortisation	Net book value
	£	£	£
At 1 July 2013	172,325	142,485	29,840
Charge for the year	-	29,840	(29,840)
At 30 June 2014	<u>172,325</u>	<u>172,325</u>	<u>-</u>

The intangible assets consist of placement agency fees, amortised over a two year period.

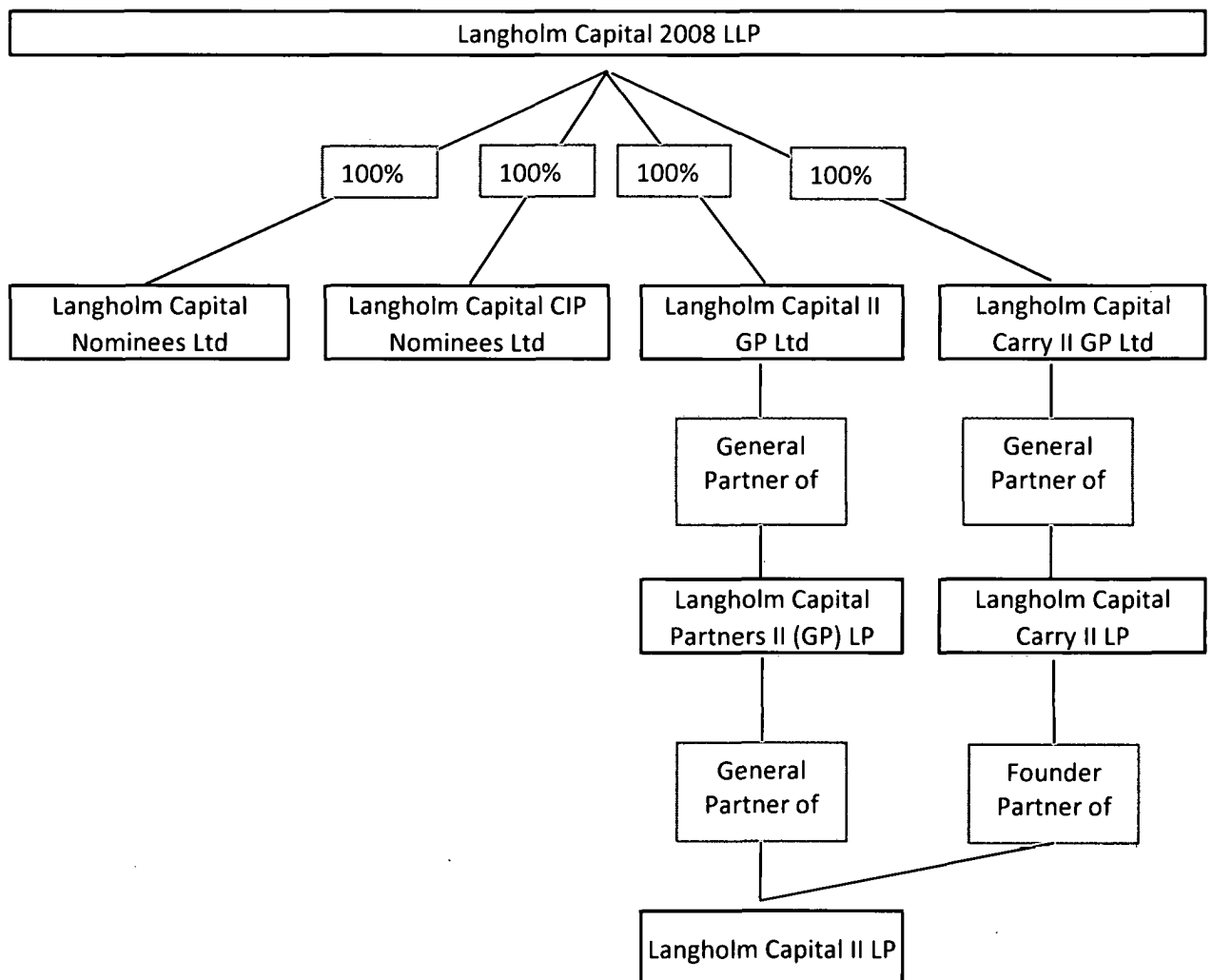
8. Tangible fixed assets – Group and LLP

	Leasehold Improvements	Software and Computer and Communications Equipment	Furniture and Office Equipment	Total
	£	£	£	£
Cost or valuation				
At 1st July 13	457,815	334,254	118,218	910,287
Additions	-	22,735	-	22,735
At 30 June 2014	<u>457,815</u>	<u>356,989</u>	<u>118,218</u>	<u>933,022</u>
Depreciation				
At 1st July 13	228,313	321,900	116,693	666,906
Charge for the year	45,781	14,291	813	60,885
At 30 June 2014	<u>274,094</u>	<u>336,191</u>	<u>117,506</u>	<u>727,791</u>
Net book value				
At 30 June 2014	<u>183,721</u>	<u>20,798</u>	<u>712</u>	<u>205,230</u>
At 30 June 2013	<u>229,502</u>	<u>12,354</u>	<u>1,525</u>	<u>243,381</u>

9. Investments – Group

	Investment in subsidiary undertakings £
At 1 July 2013	208
Acquisition of subsidiaries	3
Partial disposal of subsidiaries	(158)
Revaluation due to change in foreign exchange rate	(13)
At 30 June 2014	<u>40</u>

Langholm Capital 2008 LLP Group Structure



9. Investments – Group (continued)

The LLP has the following investments in subsidiary undertakings:

	Country of registration	Portion of ordinary shares held
Langholm Capital II (GP) Limited	Scotland	100%
Langholm Capital Carry II GP Limited	Scotland	100%
Langholm Capital Nominees Limited	England	100%
Langholm Capital CIP Nominees Limited	England	100%

The nature of the business of Langholm Capital II (GP) Limited and Langholm Capital II Carry GP Limited is to act as General Partner to limited partnerships. Langholm Capital Nominees Limited and Langholm Capital CIP Nominees Limited act to provide nominee shareholding services.

Langholm Capital II LP (“LC II LP”) is a private equity fund. Langholm Capital Partners II (GP) LP, as General Partner of LC II LP, is entitled to receive a priority profit share from LC II LP.

The General Partner has delegated management responsibility for LC II LP to the LLP, which receives a management fee from the General Partner in respect of this service.

Langholm Capital Carry II LP is the Founder Partner of LC II LP, and holds as nominee its members’ rights to carried interests under the relevant provisions of the limited partnership agreement of the Fund.

10. Debtors

	Group At 30 June 2014 £	LLP At 30 June 2014 £	Group At 30 June 2013 £	LLP At 30 June 2013 £
Amounts owed by subsidiary undertaking	-	22,035	-	19,252
Other debtors	88,222	66,188	128,964	109,711
Prepayments and accrued income	75,939	75,939	74,304	74,304
	164,161	164,162	203,268	203,267

Other debtors include various expenses borne by the LLP on behalf of the Fund and on behalf of its investee companies, and subsequently recharged to them.

11. Creditors: amounts falling due in less than one year

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2014	2014	2013	2013
	£	£	£	£
Trade creditors	63,431	63,431	40,869	40,869
Other creditors, including taxation and social security	24,041	24,010	16,088	15,884
Accruals and deferred income	163,410	163,410	84,656	84,656
	<u>250,882</u>	<u>250,851</u>	<u>141,613</u>	<u>141,409</u>

The LLP's obligations under finance leases and hire purchase contracts were as follows:

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2014	2014	2013	2013
	£	£	£	£
Within 1 year	12,000	12,000	12,000	12,000
In 2 to 5 years	-	-	-	-
	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

12. Provisions for liabilities and charges

	Group	LLP
	At 30 June	At 30 June
	2014	2014
	£	£
At 1 July 2013	40,318	36,578
Charged during the year	<u>14,928</u>	<u>14,364</u>
At 30 June 2014	<u>55,246</u>	<u>50,942</u>

The provision at 30 June 2014 relates to the expected liability for dilapidations on expiry of the lease of the property occupied by the LLP, and a deferred tax provision in the accounts of a subsidiary entity.

13. Members' interests

Capital and loans contributed to the Partnership by members bear no interest. Loans and other debts due to members rank equally with debts due to ordinary creditors in a winding up.

14. Operating lease commitments

At 30 June 2014 the LLP had annual commitments under operating leases as follows:

	At 30 June 2014	At 30 June 2013
	£	£
Obligations under operating leases		
Other assets		
Expiring in 2 to 5 years	13,607	16,032
	<u>13,607</u>	<u>16,032</u>

15. Related party disclosures

The Partnership has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures" not to disclose details of transactions with other Group entities that have been eliminated on consolidation.

The management fees receivable by the Group are all due from investors as limited partners of the limited partnership comprising the underlying private equity fund.

The Group controls Langholm Capital Carry II LP, which holds as nominee the rights to carried interests of the Members of the LLP under the limited partnership agreement. No gains were allocated during the year under the terms of the carried interest provisions within the limited partnership agreement.

Under the terms of the partnership agreement for the Fund, the members of the LLP have an obligation to co-invest in each of the Fund's investee companies an amount up to 1 per cent of the aggregate investment in that company. Co-investments totalling £769 (2013: £2,309) converted at year end exchange rates, were made through these arrangements during the year.

The designated members, A.E.B Wiegman, J.C Lorenzen and N.J Evans are considered to be the controlling parties of the LLP.

16. Financial Instruments

The LLP uses forward foreign exchange contracts to manage its exposure to exchange rate movements. The Designated Members regularly review the LLP's exposures and forward cover. At the year end, the LLP had outstanding forward transactions to hedge foreign currency receipts as follows:

	In currency	Sterling	In currency	Sterling
	2014	equivalents	2013	equivalents
	2014	2014	2013	2013
Quarterly foreign exchange forward contracts	€	£	€	£
Maturing within 1 year	3,000,000	2,600,555	3,000,000	2,615,983
Maturing in 2 to 5 years	-	-	3,000,000	2,600,555
	<u>3,000,000</u>	<u>2,600,555</u>	<u>6,000,000</u>	<u>5,216,539</u>