SC216638

STANDARD LIFE INVESTMENTS

Report and Accounts
for the year ended 30 September 2008

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Standard Life European Private Equity Trust PLC

Contents

Objective

To achieve long-term capital gains through holding a diversified portfolio of private equity funds investing predominantly in Europe.

Company Summary

Investment policy	Full details of the Company's investment policy can be found on page 5.
Investment Manager	SL Capital Partners LLP
Shareholders' funds	£375.5 million as at 30 September 2008
Market capitalisation	£257.5 million as at 30 September 2008
Capital structure	159,922,567 ordinary shares of 0.2p each Each ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every ordinary share held. 34,227,433 founder shares of 0.2p each The founder shares do not carry any right to vote, except in the case of changes to class rights. The founder shares confer rights to convert into a maximum of 10% of the ordinary share capital subject to certain performance conditions. The first measurement date for conversion was 30 September 2006 and 4,082,412 founder A shares are now convertible into an equivalent number of ordinary shares. Further details are given on pages 26 and 27.
Management fee	0.8% per annum of the net assets of the Company. The notice period is one year.
Company secretarial and administration fee	£150,000 per annum to be adjusted annually in line with the retail prices index from 1 July 2009. The notice period is three months.
ISA status	The Company's ordinary shares are eligible for Individual Savings Accounts (ISAs).
AIC membership	The Company is a member of The Association of Investment Companies.

Financial Summary

Performance	As at 30 September 2008	As at 30 September 2007	As at 30 September 2003	Launch 29 May 2001
Capital return				
Net asset value per ordinary share (undiluted)	234.8p	241.3p	93.6p	98.7p
Net asset value per ordinary share (diluted)	231.4p	237.7p	93.6p	98.7p
Share price	161.0p	226.5p	82.0p	100.0p
FTSE All-Share Index[1]	2,483.7	3,316.9	2,027.7	2,852.7
MSCI Europe Index (in Sterling)[1]	802.9	1,049.4	586.2	851.3

Performance: percentage change	Year to 30 September 2008 %	5 years to 30 September 2008 %	Since launch %
Capital return			
Net asset value per ordinary share (undiluted)	(2.7)	150.8	137.9
Net asset value per ordinary share (diluted)	(2.7)	147.2	134.5
Share price	(28.9)	96.3	61.0
FTSE All-Share Index[1]	(25.1)	22.5	(12.9)
MSCI Europe Index (in Sterling)[1]	(23.5)	37.0	(5.7)

Income returns, discount and expense ratio	30 September 2008	30 September 2007
Revenue return per ordinary share (undiluted)[2]	0.89p	4.38p
Revenue return per ordinary share (diluted)	0.88p	4.31p
Declared dividend per ordinary share	0.70p	3.50p
Discount (difference between share price and diluted net asset value)	30.4%	4.7%
Expense ratio - as a % of average shareholders' funds	0.99%	0.97%

Highs/Lows in year ended 30 September 2008	High	Low
Share price (mid)	242.0p	161.0p

[1] The Company has no defined benchmark; the indices above are solely for comparative purposes.

[2] The allocation of the management fee and finance costs between the revenue and capital accounts is 10:90.

Results and performance

For the year ended 30 September 2008 the Company's net asset value per ordinary share ("NAV") fell by 2.7% to 234.8p (diluted NAV – 231.4p) (30 September 2007 – undiluted NAV 241.3p; diluted NAV 237.7p). The overall result conceals different underlying performance in each half year; the Company, aided by currency gains, made good progress in the six months to 31 March 2008, thereafter it was impacted by weakness in the financial markets and in the broader European economy.

The closing mid-market price of the Company's ordinary shares on 30 September 2008 was 161.0p (30 September 2007 – 226.5p), a fall of 28.9% over the year. Underlying this fall in the share price was an increase in the discount to NAV, from 4.7% at the start of the year to 30.4% at the year end. The Company's share price has fallen further since 30 September 2008 and the discount to NAV has widened. The rating of the Company's shares, however, has been similar to that of comparable listed private equity vehicles. The Company's share register has also remained stable during the last six months.

Private equity is a long-term asset class and performance must be assessed over appropriate time periods. For the five years ended 30 September 2008 the Company's NAV and share price have out-performed the two most relevant stock market indices, increasing by 147.2% and 96.3% respectively, compared to rises of 22.5% in the FTSE All-Share Index and 37.0% in the MSCI Europe Index (sterling adjusted). The Company's NAV and share price have also out-performed these indices over the period from the Company's listing in May 2001.

The Company's practice has been to pay a final dividend marginally in excess of the minimum required to maintain investment trust status. The fall in income received by the Company during the last year is largely the result of a slow down in realisation activity and means that the Board, in line with historic practice, recommends a final dividend of 0.7p per ordinary share (year ended 30 September 2007 – 3.5p). Subject to shareholder approval at the forthcoming Annual General Meeting, this dividend will be paid on 30 January 2009 to shareholders on the Company's share register as at 5 January 2009. Further to the extraordinary general meeting on 22 September 2008, shareholders may elect to receive the final dividend in the form of ordinary shares. A circular and an election form are enclosed with the Company's annual report and accounts.

Valuation

As at 30 September 2008 the Company's portfolio comprised 49 private equity fund interests. The portfolio rose in value during the year as a result of net new investment activity, partly offset by net unrealised losses. As at 30 September 2008 the value of the portfolio was £412.1 million (30 September 2007 - £322.6 million), of which net unrealised losses arising during the year were £42.8 million (year ended 30 September 2007 - £5.1 million unrealised gains). The net unrealised losses arose from the combined effect of lower comparable listed valuation multiples, partly offset by favourable exchange rate movements and positive trading and cashflow generation at many underlying investee companies.

Given the volatility of financial markets and uncertain trading conditions, particular care has been exercised to ensure that the 30 September 2008 valuation is timely. Around 98.5% by value of the private equity funds held by the Company were valued as at 30 September 2008, either on a detailed holding by holding basis by the relevant fund manager or by the Company's Manager, SL Capital Partners LLP. This latter review led SL Capital Partners to make downward adjustments, as permitted under the Company's accounting policies, to a number of fund valuations to take account of the level of listed markets as at 30 September 2008 in arriving at an appropriate fair value.

Aggregate cash and money market balances fell, particularly during the second half of the year, as a result of the slow down in realisations and a continuing high level of draw downs. Specifically, the Company had cash and money market balances totalling £64.2 million as at 30 September 2007, whilst its net indebtedness was £36.4 million as at 30 September 2008. Subsequent to the year end, the rate of draw downs has fallen and the Company's net indebtedness was £37.1 million as at 24 November 2008.

Exchange rates had a positive impact on NAV, notably during the first half of the year. Over the full year sterling depreciated by 11.4% relative to the euro and by 12.5% relative to the US dollar. Of the Company's gross assets of £415.7 million as at 30 September 2008, £322.0 million (sterling equivalent) comprised euro denominated assets and £50.4 million (sterling equivalent) dollar denominated assets (30 September 2007 - £387.2 million (gross assets), £271.6 million (euro denominated) and £54.1 million (dollar denominated)).

Investment activity

The first nine months of 2008 saw a significant fall in the value of private equity transactions concluded in Europe, most notably amongst the larger deals, as the impact of a weakening macro-economic environment, declining listed markets and a limited availability of debt constrained the completion of transactions in all but the most defensive of sectors. The value of transactions completed in the European private equity market during this nine month period was €76.0 billion (nine months ended 30 September 2007 €166.0 billion). Quantum apart, the other major change was that in structuring transactions private equity managers funded on average around 45% of

Chairman's Statement

the purchase price with equity, compared to an average of 33.6% in 2007. The managers of the funds invested in by the Company were more active than many others during the last year and this, and the factors above, resulted in draw downs of £155.2 million for the year ended 30 September 2008 (30 September 2007 - £137.6 million).

The decline in financial markets and mergers and acquisitions activity resulted in a significant fall to £61.5 million in distributions received by the Company (year ended 30 September 2007 - £156.5 million). Of the distributions received, £36.8 million represented net realised gains and £1.7 million income (year ended 30 September 2007 - £89.1 million and £8.1 million respectively). The average return on the Company's acquisition cost of realised investments remained a healthy 2.7 times (year ended 30 September 2007 – 2.6 times), reflecting the fact that many realised transactions had been acquired originally at lower purchase price multiples and had seen significant value accretion through profit and cashflow improvements.

Three new fund commitments totalling £138.1 million were made during the year, underlining the Manager's previously stated caution in making new fund commitments against a background of difficult market conditions. The new fund commitments were £53.2 million to Advent Global Private Equity VI, £51.2 million to CVC European Equity Partners V and £33.7 million to TowerBrook Investors III. All of these funds are buy-out funds and are the successor funds to existing funds in the Company's portfolio. These fund commitments can be expected to be drawn down over the next 4-5 years. In light of current market conditions and the Company's cashflows, the Board and the Manager are imposing stringent criteria to any further new fund commitments, whilst remaining sensitive to an overly defensive approach which could affect the Company's long-term development.

The Company's aggregate outstanding commitments were £389.2 million as at 30 September 2008 (30 September 2007 - £366.0 million). These commitments will be funded from the Company's existing cash, distributions received from the portfolio of fund investments and the use of the Company's borrowing facility. Since the financial year end the Company has entered into a new £100 million three year syndicated revolving credit facility, led by The Royal Bank of Scotland plc.

The Board

Simon Edwards, who has served on the Board since the Company's listing in 2001, is meeting increased demand on his time from his own successful business and, to the regret of his colleagues, intimated some time ago that he wished to step down from the Board after the Annual General Meeting in January 2009. Simon's extensive knowledge of the fund management business has been of immense value to his colleagues, providing a perspective for private equity in the context of alternative asset classes. We will all miss his significant contribution and I am sure shareholders will join the Board in wishing Simon every success in the future.

The Board has appointed Edmond Warner as a Director. Mr Warner has a background in investment management and research and, more recently, as chief executive of a major UK retail financial services group. He is now a non-executive director of a range of companies and is Chairman of UK Athletics.

Outlook

The valuation of the Company's portfolio and NAV was undertaken as at 30 September 2008. Subsequently there has been a further fall in global stock market indices and a weakening in the macro-economic environment. Both factors are likely to impact negatively on the 31 December 2008 valuation of the Company's portfolio of private equity fund interests. Meantime, the focus of the managers of the fund interests held by the Company is on supporting and developing their underlying investee companies, so as to protect and enhance value in this challenging environment. Looking ahead, historic experience indicates that weak macro-economic conditions, and consequentially lower corporate earnings and valuation multiples, also provide good buying opportunities for private equity.

The Board and the Manager continue to believe that, in an asset class that traditionally has demonstrated a high dispersion of return but one where the best managers have been able to deliver repeated out-performance, appropriate manager selection is vital. In this regard the Manager has a strong track record.

Scott Dobbie CBE
Chairman

28 November 2008

Investment Policy

The objective of the Company is to achieve long-term capital gains through holding a diversified portfolio of private equity funds investing predominantly in Europe.

The principal focus of the Company is the leading European private equity funds investing in mid to large sized buy-outs, typically transactions with an enterprise value of between €200 million and €1.65 billion (approximately £160 million – £1.30 billion sterling equivalent).

The Company invests in private equity funds which themselves invest principally in countries in Europe, which the Manager defines as EU Member States, EU Associate Member States and other western European countries. However, the Company has the flexibility to invest up to 20% of its gross assets, at the time of purchase, in private equity funds which invest principally outside Europe.

The Company's policy is to maintain a broadly diversified portfolio by country, industry sector, maturity and number of underlying investments. The objective is for the portfolio to comprise around 35 - 40 "active" private equity fund investments; this excludes funds that have recently been raised, but have not yet started investing, and funds that are close to or being wound up.

The Company invests only in private equity funds, but occasionally may hold direct private equity investments or quoted securities as a result of distributions in specie from its portfolio of fund investments. The Company's policy is normally to dispose of such assets where they are held on an unrestricted basis.

The Company's non-sterling currency exposure is principally to the euro. The Company does not seek to hedge this exposure into sterling, although any borrowings in euros and other currencies in which the Company is invested would have such a hedging effect.

Cash held pending investment is invested in short dated government bonds, money market instruments, bank deposits or other similar investments.

To maximise the proportion of invested assets it is the Company's policy to follow an over-commitment strategy by making fund commitments which exceed its uninvested capital. In making such commitments, the Manager, together with the Board, will take into account the uninvested capital, the quantum and timing of expected and projected cashflows to and from the portfolio of fund investments and, from time to time, may use borrowings to meet draw downs.

The Company's maximum borrowing capacity is defined in its Articles of Association, and, unless otherwise sanctioned by an ordinary resolution of the Company, is an amount equal to the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of the consolidated reserves of the Company, all based on the latest audited consolidated balance sheet. It is expected that bank borrowings would not exceed more than 30% of the Company's net assets.

To comply with one of the conditions for approval as an investment trust, the Company will ensure that when all of its holdings in private equity funds are aggregated, no one underlying investment will represent, at the time of purchase, more than 15% by value of all of the Company's investments. The Company will not invest more than 15% of its total assets in other listed investment companies or listed investment trusts.

The Board has concluded, after careful consideration, that there is no currently available benchmark which is an appropriate measure of the investment performance of the Company. It has, however, resolved to review this issue at least annually.

Information on how the Company has invested its assets with a view to spreading investment risk in accordance with its investment policy during the year under review is set out in the Manager's Review.

Manager's Review

Executive Summary

- The Manager, SL Capital Partners LLP, is one of Europe's largest private equity investors and comprises a team of 14 investment professionals with over 170 years of combined private equity experience.
- The European private equity market has been impacted by the deteriorating macro-economic environment and limited availability of debt. As a result, both new investment and realisation activity have declined substantially. Market conditions will continue to be challenging for the remainder of 2008 and 2009, but not without opportunity as private equity managers should be able to acquire attractive assets at reduced prices.
- As at 30 September 2008 the Company's net assets were £375.5 million (30 September 2007 - £385.7 million). The Company had interests in 49 private equity funds with a value of £412.1 million (30 September 2007 - 48 funds and £322.6 million). The valuation of the Company's private equity fund interests reflected the difficult market environment with unrealised losses during the year of £42.8 million (year ended 30 September 2007 – £5.1 million unrealised gains).
- A decline in realisations resulted in distributions received by the Company falling to £61.5 million (year ended 30 September 2007 - £156.5 million), of which £38.5 million comprised net realised gains and income (year ended 30 September 2007 - £97.2 million). Distributions represented an average multiple of 2.7 times the acquisition cost of realised investments (year ended 30 September 2007 – 2.6 times).
- Draw downs paid during the year were £155.2 million (year ended 30 September 2007 - £137.6 million).
- New fund commitments totalled £138.1 million to three funds (year ended 30 September 2007 - £191.7 million to six funds).
- Given current market conditions and the Company's cash flows, the Manager remains cautious and will consider carefully the making and timing of any further new fund commitments.
- The effect of the changing drawdown/distribution profile was to reduce aggregate cash and money market balances, particularly during the second half of the year. As at 30 September 2008 net indebtedness was £36.4 million; this compares to a cash and money market balance of £64.2 million as at 30 September 2007.
- Since 30 September 2008 the Company has entered into a new £100 million three year syndicated revolving credit facility, led by The Royal Bank of Scotland plc.

Manager

The Manager of the Company is SL Capital Partners LLP ("SL Capital"), which is based in Edinburgh and comprises a team of 14 investment professionals with over 170 years of combined private equity experience. This team manages approximately £5.0 billion of private equity investments on behalf of over 150 clients worldwide, including Standard Life plc ("Standard Life"). SL Capital, a limited liability partnership, is 60% owned by Standard Life and 40% by its nine senior private equity managers.

Importantly, as one of Europe's largest private equity investors, the Manager is able to invest in Europe's premier private equity funds, where access is often restricted to investors that have long-term relationships with the underlying manager and/or can make sizeable commitments to their funds.

European private equity market

The macro-economic environment deteriorated during the first nine months of 2008, as the global economy started to feel the strains of rising inflation, a lack of liquidity and the start of a downturn in consumer and business demand. Against this background, the positive trends that persisted in the European private equity market through 2006 and most of 2007 have reversed, especially in the buy-out segment of the market. During the first nine months of 2008 the total value of all European private equity transactions was €76.0 billion, down from a record €166.0 billion in the comparable period in 2007. Over the same period, the overall number of buy-out transactions decreased from 616 to 492, with the number of individual transactions in excess of €1.65 billion falling significantly from thirteen to five. The limited availability of debt constrained such larger deals, with the small number of buy-outs in excess of €1.65 billion accounting for 18.1% by value of all buy-out transactions undertaken, a decline from 35.9% in the comparable period in 2007. Those larger transactions that did complete during the period tended to be in defensive sectors, with the most notable of these large buy-outs being the €2.99 billion buy-out of waste management company, Biffa Waste Services, by Montagu and Global Infrastructure Partners.

Market conditions during the first nine months of 2008 were unfavourable for exits and re-capitalisations. As the availability of debt on generous multiples and terms has declined, secondary buy-outs are now a less common exit route, while falls in listed equity markets have essentially suspended private equity backed initial public offerings. In general, vendors of companies have been slow to accept that the market has changed and that valuations will be lower. Private equity managers are focusing on their portfolio companies, which are being carefully managed to protect and enhance value, and where possible, to support growth plans. This approach may require additional follow-on investments and will inevitably lead to longer investment holding periods.

As a result of the credit crisis, debt availability is much more limited for buy-out transactions, with facilities offered at only considerably increased margins and on far more stringent terms and conditions. Fortunately, it is the largest, or 'mega', deals that are being affected the most. Mid to large sized buy-out transactions, the Manager's principal area of focus, continue to have some access to debt facilities, often from a syndicate of local banks. The quantum of debt available as a multiple of a target company's earnings has declined, which over time should help reduce the acquisition price of companies. In the interim, however, private equity managers have increased the proportion of the purchase price funded with equity from an average of 33.6% in 2007 to around 45% in 2008.

This change in market conditions is likely to continue to slow the pace of new transactions over the coming months. Consequently, some managers will not return to the market with their next fund raising for three to four years, compared to the two to three year fund raising cycle we have seen in recent years.

Portfolio composition and performance
As at 30 September 2008 the Company's portfolio comprised 49 private equity fund interests and no direct private equity holdings (30 September 2007 – 48 private equity fund interests and no direct private equity holdings). As at that date the Company had six fund investments - Pomona Capital V, Pomona Capital VI, Coller International Partners IV, Coller International Partners V, Towerbrook Investors II and Towerbrook Investors III which are likely to invest a majority of their capital outside Europe. In total these funds represent 9.5% of the Company's gross assets.

Table 1

Movement in net assets	Investment portfolio £'000	Cash and other net assets £'000	Total net assets £'000
Opening balance	**322,633**	**63,074**	**385,707**
Draw downs unquoted investments	155,184	(155,184)	—
Opening cost of unquoted realisations during the period	(22,947)	22,947	—
Realised gains on unquoted investments		36,833	36,833
Income earned		1,690	1,690
Realised gains on 'AAA', & income cash/other assets		3,882	3,882
Conversion of founder shares		95	95
Unrealised losses at constant exchange rate	(80,483)	—	(80,483)
Impact of foreign exchange rates	37,697	(24)	37,673
Expenses and tax		(4,287)	(4,287)
Dividend paid		(5,597)	(5,597)
Closing balance	**412,084**	**(36,571)**	**375,513**

The split of the Company's portfolio by type of private equity fund is set out in the bar chart on page 6. Details of all of the Company's private equity fund investments, and more detailed information on the ten largest fund investments and thirty largest underlying portfolio companies, can be found on pages 13 to 16.

As at 30 September 2008 the value of the Company's portfolio of private equity fund interests was £412.1 million (30 September 2007 - £322.6 million) which, together with its current assets less liabilities, resulted in the Company having net assets of £375.5 million (30 September 2007 - £385.7 million). This represented an undiluted NAV of 234.8p (diluted NAV - 231.4p) (30 September 2007 – undiluted NAV 241.3p; diluted NAV 237.7p). A breakdown of the £10.2 million movement in the Company's net assets during the year is detailed in Table 1.

The valuation of the Company's private equity fund interests for the year ended 30 September 2008 was carried out by the Manager and has been approved by the Board in accordance with the accounting policies set out on page 35. In undertaking the valuation, the most recent valuation of each fund prepared by the relevant fund manager has been used, adjusted where necessary for subsequent cash flows. The fund valuations are generally prepared in accordance with the European Private Equity and Venture Capital Association's ("EVCA") and the British Private Equity and Venture Capital Association's ("BVCA") valuation guidelines. Revised valuation guidelines were issued by the EVCA and the BVCA at the beginning of 2005 in recognition of changes to international accounting standards. These revised guidelines require investments to be valued at "fair value", which is an estimate of the amount that an asset could be exchanged for between knowledgeable, willing parties in an arm's length transaction. Fair value may be calculated in a number of ways and, where appropriate, a marketability discount should be applied.

Manager's Review

Of the 49 private equity funds in which the Company is invested, around 98.5% of the portfolio by value was valued as at 30 September 2008, either on a detailed holding by holding basis by the relevant fund manager or by the Company's Manager, SL Capital Partners LLP. The Manager continues to believe that the use of such timely valuation information is important. In undertaking the valuation the Manager has used its discretion, under the Company's accounting policies, to make downward adjustments to ten individual fund manager's valuations. These adjustments were made to take account of the fall in listed markets between 30 June and 30 September 2008 so as to arrive at an appropriate fair value. In aggregate, the downward adjustments amounted to £15.6 million (equivalent to 9.8 pence per share). As market conditions have continued to deteriorate since 30 September 2008, this is likely to have a negative impact on the 31 December 2008 valuation of the Company's portfolio of private equity fund interests.

The movement in the value of the Company's portfolio of private equity fund interests during the year was an unrealised loss of £42.8 million (year ended 30 September 2007 - £5.1 million unrealised gain). The unrealised loss on the portfolio arose largely from lower comparable listed valuation multiples.

Information on the valuation movements and realised gains and income for the Company's portfolio for each of the financial years since the Company's listing is set out on page 12. These tables provide a useful summary of the individual movements and the underlying trends in the Company's portfolio over time.

During the year sterling depreciated against the euro by 11.4% and depreciated against the US dollar by 12.5%. This had a positive impact on the Company's NAV. The closing sterling/euro foreign exchange rate was £1/€1.2690 (30 September 2007 - £1/€1.4326) and the closing sterling/dollar foreign exchange rate was £1/$1.7825 (30 September 2007 - £1/$2.0374). The combined effect of foreign exchange movements on the valuation of the portfolio over the year was a 23.6p uplift in NAV. The Manager and Board do not believe it is appropriate for the Company to undertake any financial hedging of its foreign exchange exposure, given the irregularity in size and timing of individual cashflows to and from its fund interests. Any cash balances are generally held in such currencies so as to be in proportion to the currency of outstanding commitments.

As at 30 September 2008 the Company's net indebtedness was £36.4 million (30 September 2007 - aggregate cash and money market holdings of £64.2 million). Since 30 September 2008 the Company has entered into a new £100 million three year syndicated revolving credit facility, led by The Royal Bank of Scotland plc. This replaced the previous £60 million facility. As at 24 November 2008 the Company's net indebtedness was £37.1 million.

Distributions, gains and income

During the year ended 30 September 2008 the Company's portfolio of private equity fund interests generated aggregate distributions of £61.5 million (year ended 30 September 2007 - £156.5 million), comprising net realised gains of £36.8 million (year ended 30 September 2007 - £89.1 million) and income of £1.7 million (year ended 30 September 2007 - £8.1 million). The significant fall in the quantum of distributions reflected the decline in financial markets and a reduction in European private equity mergers and acquisitions activity during the financial year. It is encouraging to note, however, that many of the individual company realisations were at a significant premium to the last reported valuation.

Private equity managers are using a number of differing exit routes for investments and the distributions received by the Company included proceeds from trade sales and, to a lesser extent, flotations, re-capitalisations and secondary buyouts. The average return during the year on the Company's acquisition cost of realised investments was 2.7 times (year ended 30 September 2007 – 2.6 times).

The average return for realised investments since the Company's listing has varied from 1.2 times in the period to 30 September 2001 to in excess of 2.0 times for the last four financial years. A bar chart showing the average return multiple in each financial year is set out on page 8. The rise in the average return multiple since the year ended 30 September 2003 can be attributed largely to the previous strength of the European private equity, debt and mergers and acquisitions markets and strong underlying profit growth at the underlying investee companies. The recent significant falls in listed financial markets and a much weaker macro-economic environment is likely to see a reduction in the average return for realised investments. In particular, investments made during 2006 and 2007, at generally higher prices, will be most affected.

The largest distributions, gains and income, broken down by fund, received during the year ended 30 September 2008 are set out in Table 2.

Commitments

As reported in the Chairman's Statement, the Company adopted a more cautious approach to making new commitments during the second half of the financial year ended 30 September 2008. New fund commitments totalled £138.1 million to three funds during the year ended 30 September 2008. This follows on from an active commitment programme in the previous financial year, when £191.7 million was committed to six funds. Details of the new fund commitments made in the year ended 30 September 2008 are set out in Table 3.

The objective is for the Company to be fully invested on a cash basis. This requires estimates of the speed and size of distributions from investee funds, as well as projections of their rate of draw downs. Given the Manager's view on projected cashflows, the Company has been able to make and finance significant new fund commitments. As at 30 September 2008 the Company had £389.2 million of outstanding fund commitments (30 September 2007 - £366.0 million). As at 24 November 2008, the Company had £413.8 million of outstanding fund commitments.

Over the period since listing the Company has made £896.7 million of new fund commitments and has funded draw downs of £561.0 million. During this time the Company's outstanding fund commitments less its liquid resources (AAA rated money market funds, cash and short term deposits), expressed as a percentage of the Company's disclosed net asset value has varied between 23.7% and 102.7%. A bar chart setting out the relevant percentages at each annual reporting date, from listing to 30 September 2008, is set out on page 9.

The bar chart demonstrates that the Company has been over-committed since late 2001, in line with the Manager's objective of maximising the invested assets. This over-commitment strategy has helped enhance overall returns generated by the Company. The percentages shown in the bar chart have varied over time according to the quantum of liquid resources held by the Company, the rate of draw downs made and distributions received and, importantly, the fund raising cycle of the leading private equity managers in Europe. Given current market conditions and the Company's cash flows, the Manager remains cautious and will consider carefully the making and timing of any further new commitments.

Table 2

Largest fund distributions during the year	Aggregate distributions £m	Aggregate realised gains £m	Aggregate income received £m
Industri Kapital 2004	8.4	7.2	0.1
Advent Global Private Equity IV	7.7	6.2	—
Candover 2001 Fund	6.3	3.3	0.4
MUST 4	5.9	2.6	—
Advent Global Private Equity V	5.5	4.3	—
Barclays Private Equity European Fund II	4.1	2.7	—
Apax Europe IV	3.1	2.2	—
Third Cinven Fund	3.1	2.0	0.1
Candover 2005 Fund	2.9	2.1	—
Total of largest distributions	**47.0**	**32.6**	**0.6**
Total of all distributions during year	**61.5**	**36.8**	**1.7**

Table 3

New fund commitments	Commitment £m	Type of fund
Advent Global Private Equity VI	53.2	Buy-out
CVC Europe V	51.2	Buy-out
TowerBrook Investors III	33.7	Buy-out
Total	**138.1**	

Draw downs

As previously reported, the Company funded £155.2 million of draw downs during the year ended 30 September 2008 (30 September 2007 - £137.6 million). Over the last 3 years the quantum of draw downs has increased as a result of the high level of new investment activity in the European private equity market and the impact of the Company's growing fund commitments. The Manager expects the quantum of draw downs to reduce significantly during the remainder of 2008 and 2009 as the European private equity market continues to contract. The private equity funds to which the Company made the largest draw downs during the year are set out in Table 4.

Diversification

The Board has agreed, and regularly reviews, diversification limits with the Manager regarding the Company's net asset and commitment exposure to both individual private equity funds and their managers. The Manager also monitors the Company's exposure to the underlying investments held by the different private equity funds in which the Company is invested. As at 30 September 2008, the Company was invested in 49 different private equity funds, which collectively had interests in a total of 580 underlying investments (30 September 2007 – 48 funds and 489 underlying investments).

Analysis of the underlying investments held by the different private equity funds allows the Manager to track the Company's exposure by geography, industrial sector, maturity of investment and valuation methodology employed by the relevant fund managers in valuing their investments. Such information is used by the Manager in reviewing the overall exposure of the Company's portfolio, in assisting it to make new investment decisions and in

Manager's Review

having a better understanding of the timing of prospective cashflows.

As at 30 September 2008 and 2007 the Company's private equity fund interests were diversified as set out in the bar charts shown on page 11.

The charts demonstrate the broad diversification that applies by geography and by sector within the Company's underlying portfolio of investments. The UK still remains the single largest geographic exposure, although it has fallen from 64% at the time of the Company's listing to 31% as at 30 September 2008 as other European private equity markets continue to grow. The broad sectoral diversification helps to mitigate the effect of volatility in any individual sector, while the focus on the services, financials and consumer goods sectors reflects the higher growth rates and free cashflow often associated with businesses in these areas.

Prospects

The European private equity market has entered a significant downturn following a period of sustained growth. Market conditions have continued to deteriorate since 30 September 2008 and this is likely to have a negative impact on the 31 December 2008 valuation of the Company's portfolio of private equity fund interests.

The remainder of 2008 and 2009 is likely to be challenging, but not without opportunity. It is likely that fewer transactions will be concluded and existing investments sold, with a commensurate increase in average holding periods for underlying investments. Only the best private equity managers, namely those who can add value to, and achieve demonstrable change at, underlying investee companies will continue to produce strong performance through the careful selection of investments and implementation of value enhancement plans. Notwithstanding such changes in the market, experience has shown that weaker economic conditions can create investment opportunities at reduced prices that should be realised eventually in a stronger environment.

SL Capital Partners LLP
28 November 2008

Table 4 Largest fund draw downs during the year	Type of fund	Aggregate draw downs £m
Candover 2005 Fund	Buy-out	16.6
Barclays Private Equity European Fund III	Buy-out	15.0
Charterhouse Capital Partners VIII	Buy-out	11.9
CVC Tandem	Buy-out	11.3
Fourth Cinven Fund	Buy-out	10.6
Apax Europe VII	Buy-out	10.3
Industri Kapital 2007	Buy-out	8.9
CVC Europe V	Buy-out	7.6
3i Eurofund V	Buy-out	7.1
Permira IV	Buy-out	7.0
Total of largest draw downs		**106.3**
Total of all draw downs during the year		**155.2**

Historical Summary

The tables below provide information on the valuation movements, realised gains and income, and outstanding fund commitments for the Company's private equity portfolio for the annual reporting periods since the Company's listing.

Valuation movements

Unquoted investments	Opening valuation £m	Draw downs £m	Return of cost £m	Unrealised movement £m	Closing valuation £m
Period to 30 September 2001	80.7	5.3	(6.3)	(8.1)	71.6
Year to 30 September 2002	71.6	36.0	(10.4)	(10.5)	86.7
Year to 30 September 2003	86.7	52.6	(10.2)	(2.2)	126.9
Year to 30 September 2004	126.9	39.9	(26.5)	10.0	150.3
Year to 30 September 2005	150.3	59.1	(39.4)	16.6	186.6
Year to 30 September 2006	186.6	75.3	(39.2)	16.6	239.3
Year to 30 September 2007	239.3	137.6	(59.4)	5.1	322.6
Year to 30 September 2008	322.6	155.2	(22.9)	(42.8)	412.1

Realised gains and income

Unquoted investments	Distributions £m	Realised gain/loss £m	Income £m	Realisation MOI* x
Period to 30 September 2001	7.5	1.2	—	1.19
Year to 30 September 2002	15.5	3.9	1.2	1.49
Year to 30 September 2003	13.6	2.5	0.9	1.35
Year to 30 September 2004	40.6	11.7	3.5	1.60
Year to 30 September 2005	85.0	40.5	5.1	2.16
Year to 30 September 2006	90.3	45.2	5.9	2.30
Year to 30 September 2007	156.5	89.1	8.1	2.60
Year to 30 September 2008	61.5	36.8	1.7	2.70

*MOI is the multiple of distributed proceeds relative to the original investment cost.

Outstanding fund commitments

Unquoted investments	Opening outstanding commitments £m	New commitments £m	Draw downs £m	Closing outstanding commitments £m
Period to 30 September 2001	18.4	104.4	(5.3)	117.4
Year to 30 September 2002	117.4	113.3	(36.0)	191.0
Year to 30 September 2003	191.0	—	(52.6)	141.6
Year to 30 September 2004	141.6	—	(39.9)	92.1
Year to 30 September 2005	92.1	148.7	(59.1)	184.8
Year to 30 September 2006	184.8	200.5	(75.3)	307.7
Year to 30 September 2007	307.7	191.7	(137.6)	366.0
Year to 30 September 2008	366.0	138.1	(155.2)	389.2

The above valuations and outstanding commitments are calculated using period end exchange rates, where applicable, as reported in the Company's accounts.

Fund Investments

as at 30 September 2008

The private equity funds in which the Company invests usually take the form of limited partnerships. Contractual commitments are made to the funds and these are drawn down by the managers of the funds as required for investment over time. Details of all of the Company's fund investments, by valuation, and a description of the ten largest fund investments follow:

Year of commitment	Fund	Type	Number of investments	Valuation date*	Outstanding commitments £000	Cost £000	Valuation £000	% of net assets
2005	Candover 2005 Fund	Buy-out	10	30.09.2008	8,836	33,078	30,664	8.2
2006	Charterhouse VIII	Buy-out	10	30.09.2008	12,095	31,194	26,604	7.1
2006	Fourth Cinven Fund	Buy-out	10	30.09.2008	25,400	27,209	23,437	6.2
2007	Barclays Private Equity European Fund III	Buy-out	19	30.09.2008	23,380	22,802	22,381	6.0
2001	Alchemy Investment Plan	Buy-out	8	30.09.2008	-	12,471	21,092	5.6
2005	CVC Europe IV	Buy-out	17	30.09.2008	3,784	16,314	19,186	5.1
2005	Barclays Private Equity European Fund II	Buy-out	25	30.09.2008	3,096	11,225	17,554	4.7
2007	Apax Europe VII	Buy-out	14	30.09.2008	28,133	17,899	15,966	4.3
2004	Apax Europe VI	Balanced	21	30.09.2008	3,054	10,274	15,127	4.0
2006	HG Capital 5	Buy-out	14	30.09.2008	5,429	13,512	14,834	4.0
2006	3i Eurofund V	Buy-out	22	30.09.2008	15,131	14,235	13,869	3.7
2006	CVC Tandem	Buy-out	8	30.09.2008	15,400	16,743	13,624	3.6
2005	Advent Global Private Equity V	Buy-out	17	30.09.2008	2,394	11,524	12,680	3.4
2005	Pomona Capital VI Fund	Secondary	41	30.09.2008	2,584	9,648	11,423	3.0
2005	Montagu III	Buy-out	7	30.09.2008	6,791	9,013	10,246	2.7
2001	Third Cinven Fund	Buy-out	10	30.09.2008	1,567	9,328	9,910	2.6
2007	Industri Kapital 2007	Buy-out	3	30.09.2008	29,992	8,861	9,444	2.5
2001	Candover 2001 Fund	Buy-out	9	30.09.2008	374	10,797	9,327	2.5
2006	Towerbrook Investors II	Buy-out	10	30.09.2008	4,275	8,802	9,163	2.4
2006	Permira IV	Buy-out	10	30.09.2008	18,937	14,898	9,023	2.4
2001	CVC Europe III	Buy-out	12	30.09.2008	1,409	5,728	8,799	2.3
2004	Industri Kapital 2004	Buy-out	8	30.09.2008	228	8,111	7,912	2.1
2002	Duke Street Capital V Fund	Buy-out	6	30.09.2008	763	8,146	7,350	2.0
2008	CVC Europe V	Buy-out	1	30.09.2008	43,753	7,625	7,139	1.9
2002	Coller International Partners IV	Secondary	36	30.09.2008	2,693	1,685	6,919	1.8
2002	Charterhouse VII	Buy-out	7	30.09.2008	3,625	7,933	6,805	1.8
2002	Barclays Private Equity European Fund	Buy-out	11	30.09.2008	1,003	5,052	6,744	1.8
2005	BC European VIII	Buy-out	8	30.06.2008	10,497	6,572	6,114	1.6
2006	Terra Firma III	Buy-out	3	30.09.2008	14,072	11,335	5,632	1.5
2006	Coller International Partners V	Secondary	30	30.09.2008	15,933	4,945	5,551	1.5
2008	Advent Global Private Equity VI	Buy-out	5	30.09.2008	47,608	5,622	5,246	1.4
2001	Advent Global Private Equity IV	Buy-out	7	30.09.2008	1,891	1,184	4,525	1.2
2002	Pomona Capital V Fund	Secondary	75	30.09.2008	207	6,904	4,380	1.2
2001	MUST 4	Buy-out	11	30.09.2008	1,852	4,843	4,011	1.1
1999	Apax Europe IV	Balanced	13	30.09.2008	—	7,879	2,845	0.8
2001	SEP II	Venture capital	21	30.09.2008	—	4,272	2,480	0.7
2008	Towerbrook Investors III	Buy-out	1	30.09.2008	31,014	2,482	1,895	0.5
1999	CVC Europe II	Buy-out	8	30.09.2008	963	2,805	1,695	0.4
1997	Apax UK VI	Balanced	5	30.09.2008	—	3,713	278	0.1
1992	Midland Montagu Investissement FCPR	Buy-out	2	30.09.2008	—	430	68	0.0
1997	HEV III	Buy-out	2	31.12.2007	—	214	40	0.0
1996	Scottish Equity Partnership	Venture capital	14	30.09.2008	14	686	32	0.0
1995	Phildrew Fourth	Buy-out	1	30.09.2008	—	501	27	0.0
1998	Candover 1997 Fund	Buy-out	1	30.06.2008	568	535	17	0.0
1998	Phildrew Fifth	Buy-out	1	30.09.2008	193	5,864	14	0.0
1997	Charterhouse VI	Buy-out	2	30.09.2008	173	1,680	11	0.0
1995	Apax UK V	Balanced	4	30.09.2008	—	—	1	0.0
1995	Granville Private Equity Fund V	Buy-out	—	30.09.2008	93	—	—	—
1997	The Global Rights Development Fund	Development	—	31.12.2007	—	862	—	—
	Total portfolio investments†		580		389,204	427,435	412,084	109.7
	Current assets less current liabilities						(36,571)	(9.7)
	Shareholders' funds						375,513	100.0

*valuation date refers to the date of the last valuation prepared by the manager of the relevant fund.

†the 580 underlying investments represent holdings in 559 separate companies.

Fund Investments

as at 30 September 2007

Year of commitment	Fund	Type	Number of investments	Valuation date*	Outstanding commitments £000	Cost £000	Valuation £000	% of net assets
2001	Alchemy Investment Plan	Buy-out	8	30.09.2007	-	12,619	20,827	5.4
2006	Charterhouse VIII	Buy-out	7	30.09.2007	22,022	19,287	19,780	5.1
2005	Candover 2005 Fund	Buy-out	7	30.09.2007	23,072	17,367	17,616	4.5
2006	Fourth Cinven Fund	Buy-out	5	30.09.2007	32,155	16,648	16,831	4.4
2001	Third Cinven Fund	Buy-out	10	30.09.2007	2,548	9,169	15,762	4.1
2001	Candover 2001 Fund	Buy-out	13	30.09.2007	802	12,807	15,660	4.1
2004	Apax Europe VI	Balanced	21	30.09.2007	3,054	10,177	15,358	4.0
2005	Barclays Private Equity European Fund II	Buy-out	30	30.09.2007	3,631	11,687	14,668	3.8
2005	CVC Europe IV	Buy-out	14	30.09.2007	7,433	12,375	14,003	3.6
2004	Industri Kapital 2004	Buy-out	10	30.09.2007	1,465	7,837	12,972	3.4
2001	Advent Global Private Equity IV	Buy-out	10	30.09.2007	1,675	2,691	10,185	2.6
2005	Advent Global Private Equity V	Buy-out	14	30.09.2007	5,576	8,869	10,079	2.6
2001	CVC Europe III	Buy-out	13	30.09.2007	1,419	5,520	9,497	2.5
2002	Charterhouse VII	Buy-out	8	30.09.2007	3,255	8,438	9,192	2.4
2002	Coller International Partners IV	Secondary	36	30.09.2007	2,650	3,416	8,086	2.1
2005	Pomona Capital VI Fund	Secondary	33	30.09.2007	3,588	8,646	8,072	2.1
2006	3i Eurofund V	Buy-out	12	30.09.2007	19,894	7,144	7,760	2.0
2006	Permira IV	Buy-out	6	30.09.2007	23,276	7,874	7,616	2.0
2002	Barclays Private Equity European Fund	Buy-out	12	30.09.2007	949	5,498	7,566	2.0
2007	Barclays Private Equity European Fund III	Buy-out	5	30.09.2007	34,075	7,807	7,545	2.0
2007	Apax Europe VII	Buy-out	7	30.09.2007	34,134	7,627	7,448	1.9
2006	HgCapital 5	Buy-out	7	30.09.2007	11,840	7,434	7,417	1.9
2001	MUST 4	Buy-out	18	30.09.2007	1,393	8,529	7,110	1.8
2002	Duke Street Capital V Fund	Buy-out	7	30.09.2007	1,311	7,257	6,255	1.6
2005	Montagu III	Buy-out	6	30.09.2007	8,587	6,130	6,149	1.6
2006	CVC Tandem	Buy-out	4	30.09.2007	23,925	5,613	5,735	1.5
1999	Apax Europe IV	Balanced	19	30.09.2007	—	8,543	5,447	1.4
2006	Towerbrook Investors II	Buy-out	8	30.09.2007	6,233	6,201	5,432	1.4
2002	Pomona Capital V Fund	Secondary	70	30.09.2007	574	6,847	4,915	1.3
2006	Terra Firma Capital Partners III	Buy-out	1	30.09.2007	18,294	5,285	4,470	1.2
1999	CVC Europe II	Buy-out	10	30.09.2007	843	2,856	2,585	0.7
2005	BC European VIII	Buy-out	5	30.06.2007	12,690	2,928	2,548	0.7
2006	Coller International Partners V	Secondary	2	30.09.2007	17,375	2,144	2,153	0.6
1997	Charterhouse VI	Buy-out	1	30.09.2007	173	1,680	1,664	0.4
2001	SEP II	Venture capital	22	30.06.2007	193	4,079	1,258	0.3
1996	The Primary Capital No.1 Fund	Buy-out	1	30.09.2007	65	1,095	799	0.2
1989	Apax European Buy-in Fund	Buy-in	1	30.09.2007	—	1,975	798	0.2
1997	Apax UK VI	Balanced	6	30.09.2007	—	3,888	655	0.2
1998	Phildrew Fifth	Buy-out	2	30.09.2007	193	5,921	209	0.0
1998	Candover 1997 Fund	Buy-out	1	30.09.2007	632	535	151	0.0
1992	Midland Montagu Investissement FCPR	Buy-out	2	30.09.2007	—	430	119	0.0
1996	Scottish Equity Partnership	Venture capital	8	31.03.2007	14	686	75	0.0
1995	Apax UK V	Balanced	3	30.09.2007	—	—	75	0.0
1995	Phildrew Fourth	Buy-out	2	30.09.2007	—	563	52	0.0
1997	HEV III	Buy-out	1	30.09.2007	—	214	39	0.0
1995	Granville Private Equity Fund V	Buy-out	—	30.09.2007	93	—	—	—
1997	The Global Rights Development Fund	Development	1	30.09.2007	—	862	—	—
2007	Industri Kapital 2007	Buy-out	—	30.09.2007	34,902	—	—	—
	Total portfolio investments†		489		366,003	295,198	322,633	83.6
	'AAA' rated money market funds						56,645	14.7
	Current assets less current liabilities						6,429	1.7
	Shareholders' funds						385,707	100.0

*valuation date refers to the date of the last valuation prepared by the manager of the relevant fund.

†the 489 underlying investments represent holdings in 460 separate companies.

Ten Largest Fund Investments

as at 30 September 2008

Candover 2005 Fund
The Candover 2005 Fund is a €3.5 billion private equity fund focused on European buy-outs. The fund is managed by Candover Partners Limited, a subsidiary of Candover Investments plc. The Candover 2005 Fund is the manager's ninth fund since being founded in 1983. Historically, Candover has concentrated on larger buy-outs in the UK market, however, investments in continental Europe are now a significant part of the manager's strategy. The manager has opened offices in Paris, Madrid and Milan to support its European expansion.

Charterhouse VIII
Charterhouse Capital Partners VIII is a €4.0 billion private equity fund focused on European buy-outs. The fund is managed by Charterhouse Capital Partners, one of the oldest private equity firms in the UK. The manager operates across western Europe from its London office and has a long track record of delivering superior returns for investors. The investment strategy is to target large corporate buy-outs with an equity requirement of €200-450 million per transaction. Charterhouse prefers to invest the equity requirement for each deal on its own, or together with its limited partners, rather than join syndicated transactions.

Fourth Cinven Fund
The Fourth Cinven Fund is a €6.5 billion private equity fund targeting large buy-outs of European headquartered companies. Cinven Limited, the manager, operates from offices in London, Frankfurt, Milan and Paris and enjoys a strong market postion in the UK. The enterprise value of target companies will typically be in excess of €500 million.

Barclays Private Equity European Fund III
Barclays Private Equity European Fund III is a €1.8 billion private equity fund focused on European middle market buy-outs. The fund is managed, alongside €800 million from Barclays Bank, by Barclays Private Equity Limited, the private equity arm of Barclays PLC. The manager operates from offices in London, Paris, Munich, Zurich, Milan, Birmingham, Manchester and Reading. Just under half of the investments are sourced in the UK.

Alchemy Investment Plan
The Alchemy Investment Plan is a £300 million annual rolling private equity fund. The fund is managed by Alchemy Partners, based in London, and is structured as a rolling investment where investors build their portfolio from the date of commitment. The manager was established in 1997 by Jon Moulton and a number of partners with industrial and private equity experience. The strategy is to invest in complex transactions and turnaround situations in the UK and Ireland. The Company ceased its annual commitment to the fund in June 2004.

CVC Europe IV
CVC European Equity Partners IV is a €6.0 billion private equity fund focused on European buy-outs. The fund is managed by CVC Capital Partners Europe Limited ("CVC"). CVC is a leading pan-European manager of buy-outs with a long track record and operates from offices in London, Paris, Frankfurt, Amsterdam, Brussels, Copenhagen, Madrid, Stockholm, Zurich and Milan. CVC targets medium and large sized buy-out transactions.

Barclays Private Equity European Fund II
Barclays Private Equity European Fund II is a €950 million private equity fund focused on European middle market buy-outs. The fund is managed, alongside €700 million from Barclays Bank, by Barclays Private Equity Limited, the private equity arm of Barclays PLC. The manager operates from offices in London, Paris, Munich, Zurich, Milan, Birmingham, Manchester and Reading. Just under half of the investments are sourced in the UK.

Apax Europe VII
Apax Europe VII is a €11.1 billion private equity fund focused on the European market. The fund is managed by Apax Partners, one of the leading and most experienced private equity managers in Europe, and part of the Apax Partners international network. The manager operates from offices in London, Munich, Milan, Stockholm, New York, Tel Aviv and Madrid and manages in excess of €25 billion. Apax Europe VII focuses on buy-outs and targets Apax Partners' six chosen sectors of information technology, telecommunications, healthcare, media, financial services and retail.

Apax Europe VI
Apax Europe VI is a €4.3 billion balanced private equity fund focused on the European market. The fund is managed by Apax Partners, one of the leading and most experienced private equity managers in Europe, and part of the Apax Partners international network. The manager operates from offices in London, Munich, Milan, Stockholm, New York, Tel Aviv and Madrid and manages in excess of €25 billion. The balanced strategy spans early stage, expansion capital, special situations and buy-outs and targets Apax Partners' six chosen sectors of information technology, telecommunications, healthcare, media, financial services and retail.

HgCapital 5
The manager of the fund, HgCapital, started investing in private equity in 1983 under the name Mercury Private Equity. In January 2006 the manager closed HgCapital 5 with total commitments of €830.4 million. The focus of the fund is small and middle market buy-outs in the UK, Benelux and Germany. The manager operates from offices in London, Amsterdam and Munich.

Top 30 Underlying Investments

The table below summarises the top 30 underlying investments, by value, in the Company's portfolio of private equity funds as at 30 September 2008. The valuations are gross, before any carry provision.

Entity	Description	Fund[†]	% of net assets
Acromas	Provision of financial, insurance, travel & road assistance services	Charterhouse VII & VIII, CVC IV & CVC Tandem	2.4
Parques Reunidos	Amusement parks	Candover 2005	2.0
Univar	Chemicals distributor	CVC IV & CVC Tandem	1.9
Tommy Hilfiger	Branded clothing	Apax Europe VI	1.4
Redac	IT services and systems integration	Alchemy	1.4
EMI	Music publishing	Terra Firma III	1.3
Avio	Aerospace engine component manufacturer	Fourth Cinven	1.2
CompAir	Air compressor manufacturer and distributor	Alchemy	1.1
Spire Healthcare	UK hospital chain	Fourth Cinven	1.1
Amadeus	Travel distribution services	Third Cinven	1.0
Global Refund	Travel related payment services	Barclays European Fund III	1.0
Biffa	Waste management company	Montagu III	1.0
PHS	UK business services	Charterhouse VII	0.9
Stork	Manufacturing and engineering conglomerate	Candover 2005	0.9
Hilding Anders	Bed and mattress manufacturer	Candover 2005	0.9
DX Group	Provider of B2B mail services	Candover 2005	0.9
Vivarte	Footwear & apparel retailer	Charterhouse VIII	0.9
Converteam	Manufacture of power conversion machinery	Barclays European Fund III	0.9
Elster	Manufacturer of utility meters	CVC IV	0.8
Flint (Xsys/BASF)	Manufacturer of printing inks	CVC III	0.8
Elior	Catering provider	Charterhouse VII & VIII	0.8
Samsonite	Design & manufacture of branded luggage	CVC IV & CVC Tandem	0.8
Phadia	Manufacture of blood testing systems	Fourth Cinven	0.8
Evonik Industries	Speciality chemicals, power generation and real estate	CVC V & CVC Tandem	0.8
Springer	Publisher of academic & scientific journals	Candover 2001, Third Cinven	0.8
TDF	French operator of broadcast towers	Charterhouse VIII	0.7
Ferretti Group	Luxury yacht manufacturer	Candover 2005	0.7
Ziggo	Cable operator	Fourth Cinven	0.7
Numericable	French cable operator	Third Cinven	0.7
Kestrel Holdings	Specialist mortgage lending	Alchemy	0.7
Total of top 30 underlying investments			31.3

[†]Full Fund names are shown on page 13.

The tables below provide summary financial information for the annual reporting periods since the Company's listing.

NAV and share price	Net assets £m	NAV (undiluted) p	NAV (diluted) p	Share price p	Premium/ (discount) to diluted NAV %
As at 30 September 2001	151.0	94.3	94.3	96.5	2.3
As at 30 September 2002	143.8	90.3	90.3	82.0	(9.2)
As at 30 September 2003	148.9	93.6	93.6	82.0	(12.4)
As at 30 September 2004	168.6	105.9	105.9	94.5	(10.8)
As at 30 September 2005	228.3	143.5	143.5	156.2	8.9
As at 30 September 2006	289.8	182.1	179.6	183.5	2.1
As at 30 September 2007	385.7	241.3	237.7	226.5	(4.7)
As at 30 September 2008	375.5	234.8	231.4	161.0	(30.4)

Performance and Dividends	NAV total return[1] %	Share Price total return[1] %	Dividend paid[2] £m	Dividend paid per ordinary share	Expense ratio %
Period to 30 September 2001	(4.3)	(10.2)	—	—	0.70[3]
Year to 30 September 2002	(3.8)	(14.6)	0.7	0.45	0.76[3]
Year to 30 September 2003	4.9	1.6	1.9	1.20	1.07
Year to 30 September 2004	13.8	16.0	0.9	0.55	1.04
Year to 30 September 2005	35.2	67.3	1.9	1.20	1.03
Year to 30 September 2006	28.2	18.7	2.9	1.80	1.01
Year to 30 September 2007	33.9	24.8	3.8	2.40	0.97
Year to 30 September 2008	(0.1)	(27.8)	5.6	3.50	0.99

[1]Data supplied by Fundamental Data

[2]Represents the dividend paid during the year, declared for the previous financial year.

[3]For the period from the Company's listing until 1 July 2002, no management fee was charged on the Company's cash or money market holdings.

	Fund Manager as a % of net assets		Fund Investments as a % of net assets		
Investment Exposure	Top 5 %	Top 10 %	Top 10 %	Top 20 %	Top 30 %
As at 30 September 2001	36.0	45.7	39.2	47.1	47.4
As at 30 September 2002	36.6	51.8	42.0	55.5	60.3
As at 30 September 2003	49.1	72.3	61.3	81.9	85.2
As at 30 September 2004	48.6	76.1	64.9	86.7	89.1
As at 30 September 2005	44.9	75.5	60.7	78.3	81.4
As at 30 September 2006	40.9	67.4	50.3	74.0	81.4
As at 30 September 2007	41.0	66.5	42.5	64.8	80.4
As at 30 September 2008	54.5	84.6	55.1	84.0	102.4

Board of Directors

Scott Dobbie CBE
Chairman
Scott Dobbie (69), Chairman, was appointed on 25 April 2001. He has worked with Wood Mackenzie & Co. and its successor companies since 1972 and remains a senior adviser to Deutsche Bank. He is Chairman of the Securities and Investment Institute and of The Edinburgh Investment Trust plc.

Hamish Buchan*
Director
Hamish Buchan (64), was appointed on 25 April 2001. He started with Wood Mackenzie & Co. in 1969, where he was appointed a partner in 1979. Following his retirement in 1999, he has worked as a consultant in the investment company sector and was, until recently, Chairman of the Association of Investment Companies. He is also a non-executive director of Aberforth Smaller Companies Trust plc, JP Morgan American Trust plc (Chairman), Personal Assets Trust plc, Templeton Emerging Markets Investment Trust plc and The Scottish Investment Trust plc.

Simon Edwards
Director
Simon Edwards (45), was appointed on 25 April 2001. He is CEO of Midas Capital PLC. His earlier experience included three years with CSFB in London, three years as equity investment manager for National Provident Fund in New Zealand, three years with AMP Society, also in New Zealand, and seven years with Merseyside Pension Fund.

Clive Sherling
Director
Clive Sherling (59), was appointed on 1 December 2006. He spent 17 years at Arthur Andersen, the last five years as a partner. He joined Apax Partners in 1987 and was for the last ten years, until he retired at the end of 2004, the group chief operating officer. He is chairman of Mosaic Property LLP and a former chairman of the British Venture Capital Association and the Football Licensing Authority and former Vice-Chairman of the Sports Aid Foundation and Wembley National Stadium.

Edmond Warner
Director
Edmond Warner (45), was appointed on 27 November 2008. He is Chairman of both UK Athletics, the sport's national governing body with a mandate to lead it through to London 2012, and Cantos, the online financial broadcaster. He has been a top ranked investment strategist in the surveys of institutional investors, and a leading commentator on financial and business matters in both the press and broadcast media. He is also a non-executive director at Clarkson PLC, the shipbroker, Moneycorp Markets and The Eastern European Trust.

Donald Workman
Director
Donald Workman (56), was appointed on 1 December 2006. He is an employee of The Royal Bank of Scotland, currently seconded to ABN AMRO as Chief Executive of ABN AMRO Global Markets, and is a member of the ABN AMRO Managing Board. Since joining RBS in 1992 his responsibilities have included strategic planning and implementation and head of change management. He is responsible for RBS corporate markets relationship with Bank of China and is also a non-executive director of Bank of China (UK) Ltd and of Star Capital Partners.

* Hamish Buchan has been nominated as the Senior Independent Director and is also Chairman of the Audit Committee.
All of the Directors, except Scott Dobbie, are members of the Audit Committee.
All of the Directors are members of the Management Engagement and Nominations Committees.

The Directors present their report and the audited financial statements for the year ended 30 September 2008.

Business Review

Business and Status

The Company carries on business as an investment trust and has been approved as such by HM Revenue & Customs for the year ended 30 September 2007, subject to their rights to further enquiry under the Finance Act 1998. The Company has subsequently conducted its affairs so as to enable it to continue to seek such approval. The Company is an investment company within the terms of section 833 of the Companies Act 2006.

The Manager of the Company is SL Capital Partners LLP. The Board is independent of the Manager and Standard Life.

Investment Objective

The investment objective is to achieve long-term capital gains through holding a diversified portfolio of private equity funds investing predominantly in Europe. The full text of the Company's investment policy can be found on page 5 and the Manager's Review on pages 6 to 11 explains how the Company has invested its assets with a view to spreading investment risk in accordance with the Company's investment policy during the year under review.

Review of performance over one year and five years

An outline of the performance, market background, investment activity and portfolio during the year under review and the performance over the last five years, as well as the investment outlook, are provided in the Chairman's Statement and the Manager's Review.

Monitoring performance – Key Performance Indicators

At each Board meeting the Directors consider a number of performance indicators to assess the Company's success in achieving its objectives, which include both absolute and relative performance compared to market indices and peer group. The key performance indicators ("KPIs") are established industry measures, covering both the Company and its fund investments, and include:

- Net asset value capital return
- Projected and actual portfolio cashflows
- Discount and discount volatility
- Share price capital return
- Expenses and expense ratio

The net asset value and share price performance for the year and five years ended 30 September 2008 and since listing are provided in the Financial Summary on page 2. The Company's expense ratio and discount levels are also provided on page 2. An analysis of the portfolio cashflows, including drawdowns and distributions, and fund commitments is provided in the Manager's Review.

Principal Risks and Uncertainties

The major focus of the Company is to invest in European private equity funds, which themselves invest in unquoted companies. The Company has the ability to invest up to 20% of its gross assets in funds that operate outside Europe. The aim is to build a portfolio of private equity fund interests diversified by country, industry sector, maturity and number of underlying investments. The financial risk management objectives and policies of the Company are contained in note 19 to the accounts on page 44. The principal risks facing the Company relate to the Company's investment activities and include the following:

- market risk
- currency risk
- over–commitment risk
- liquidity risk
- credit risk
- interest rate risk
- operating and control environment risk

An explanation of these risks and how they are managed is contained in note 19 on page 43 to 47 to the accounts.

Social, Community, Employee Responsibilities and Environmental Policy

As an investment trust, the Company has no direct social, community, employee or environmental responsibilities. Its principal responsibility to shareholders is to ensure that the investment portfolio is properly invested and managed. The Company has no employees and no requirement to report separately on this area as the management of the portfolio has been delegated to the Manager, SL Capital Partners LLP. Details of the Investment Management Agreement are provided on page 20.

Share capital

As at 30 September 2008, the Company's issued and paid up share capital was £354,446, divided into 159,922,567 fully paid up ordinary shares, 14,063,058 founder A shares and 14,835,625 founder B shares partly paid up as to 0.1p per share and 2,664,375 founder A shares and 2,664,375 founder B shares partly paid up as to 0.11p per share. During the year to 30 September 2008 100,000 founder A shares were converted into ordinary shares. The ordinary shares, founder A shares and founder B shares represent 82.37%, 8.62% and 9.01% respectively of the Company's total issued share capital. The ordinary shares are listed, whereas the founder shares are not. Further information on the rights attaching to the different classes of shares in the Company are set out in an appendix which forms part of the Directors' Report.

Income and final dividend

Income available for dividends was £1,426,000, or 0.89p per ordinary share (30 September 2007 – £6,974,000, or 4.38p per ordinary share). The Directors recommend that a final dividend of 0.7p (30 September 2007 – 3.5p) per ordinary share be paid on 30 January 2009 to shareholders on the Company's share register as at the close of business on 5 January 2009. Shareholders are being offered the right to elect to receive shares instead of all or part of the recommended final dividend. A separate circular and form of election relating to the

Directors' Report

scrip dividend alternative are enclosed with this document.

Directors

Mark Tyndall retired from the Board on 28 January 2008. Scott Dobbie retires by rotation at the Annual General Meeting and, being eligible, offers himself for re-election at the Annual General Meeting. Edmond Warner was appointed as a non-executive Director on 27 November 2008 and, in accordance with the Company's articles of association, will retire from the Board and offer himself for election at the Annual General Meeting. Simon Edwards will retire from the Board at the conclusion of the Annual General Meeting. Biographies of the Directors can be found on page 18. The Board supports the candidature of the Directors for the reasons described in the Corporate Governance section below.

The names of the Directors and their shareholdings in the Company are shown in Table 5. The Company has not been notified of any changes to the Directors' shareholdings between 30 September 2008 and 28 November 2008.

No contract or arrangement existed during the period in which any of the Directors had a material interest. No Director has a service contract with the Company.

Directors' and Officers' Liability Insurance/ Directors' Indemnity

The Company maintains insurance in respect of Directors' and officers' liabilities in relation to their acts on behalf of the Company. The Company's articles of association provide that any Director or other officer of the Company is to be indemnified out of the assets of the Company against any liability incurred by him as a Director or other officer of the Company to the extent permitted by law.

Investment Management Arrangements

The investment manager to the Company is SL Capital Partners LLP.

Table 5
Directors and their shareholdings in the Company

	Ordinary shares held as at 30 September 2008	2007
Scott Dobbie	150,000	150,000
Hamish Buchan	25,000	25,000
Simon Edwards	10,000	10,000
Clive Sherling	100,000	60,000
Mark Tyndall (retired 28 January 2008)	—	5,000
Edmond Warner (appointed 27 November 2008)	—	—
Donald Workman	—	—

All of the above ordinary shares are beneficially held by the Directors and their families. No director held any founder shares.

Under the terms of the Company's investment management agreement with the Manager (the "Investment Management Agreement"), the Company pays the Manager a quarterly fee, payable in arrears, equal to 0.8% per annum of the Company's net assets at the end of the relevant quarter. Undrawn commitments to limited partnerships and other funds are disregarded when calculating the net asset value for this purpose. No fee is payable on any investments in any investment trust, collective investment scheme or any other company or fund managed, operated or advised by the Manager or any other subsidiary of Standard Life.

The Manager's appointment may be terminated by either party giving to the other not less than 12 months written notice. In the event that the Company terminated the Investment Management Agreement on less than 12 months written notice, the Manager would be entitled to compensation except in the circumstances noted below.

The maximum compensation which the Manager would be entitled to receive for early termination (that is, if no notice of termination were given by the Company) would be an amount equal to 0.8% of the Company's net asset value at termination. If a period of notice were given by the Company (but less than the required 12 months), the Manager would be entitled to receive a proportion of that maximum compensation, the relevant proportion being the number of days by which the notice given falls short of 365 days expressed as a proportion of the required 12 months notice period.

The Manager's appointment under the Investment Management Agreement may be terminated by the Company without compensation in the following circumstances: the Manager being wound up; an insolvency event occurring in respect of the Manager; the Manager being guilty of negligence, wilful default or fraud in the performance of its duties under the Investment Management Agreement; the Manager's material breach of the Investment Management Agreement; the Manager becoming legally prohibited from carrying on investment business; on a change of control of Standard Life Investments (Private Equity) Limited ("SLIPE") where at that time SLIPE controls the Manager; on a change of control of the Manager (except where it has been approved by the Board); on the Company ceasing to satisfy the conditions for approval as an investment trust by reason of the negligence or wilful default of the Manager; or if less than two "key executives" remain engaged by any member of the Manager's group. The key executives are currently David Currie and Peter McKellar, but the Directors may from time to time accept as a key executive any other employee or member of any entity in the Manager's group who is a member of the Manager's investment committee and who has been proposed by the Manager to the Company as a key executive.

The Investment Management Agreement contains provisions indemnifying the Manager against any liability not due to its wilful default, negligence or fraud.

Corporate Governance

Compliance

The Board and the Manager are committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company applies the principles identified in the Combined Code on Corporate Governance ("the Combined Code 2006"). The Board has established corporate governance procedures, which it believes are appropriate for an investment trust company and which enable the Company to comply with the relevant provisions of the Combined Code and, where appropriate, with the provisions of the AIC Code of Corporate Governance©.

The Board believes that the Company has complied throughout the year ended 30 September 2008 with the provisions of the Combined Code, except for the provision which relates to the combination of the roles of the Chairman and Chief Executive. This provision does not apply as the Company has no executive Directors.

Directors

The Board has overall responsibility for the Company's affairs. It delegates, through the investment management and administration agreements and through specific instructions, the day to day management of the Company to the Manager, SL Capital Partners LLP, and to the Administrator, Aberdeen Asset Management PLC. The Company has no executives or employees. There is a number of matters reserved for the Board's approval which include strategy, investment policy, borrowings, dividend policy and Board appointments.

Table 6

Meetings held and attendance	Board***	Audit Committee	Management Engagement Committee	Nominations Committee
Scott Dobbie†	5/5	2/2	1/1	1/1
Hamish Buchan	5/5	2/2	1/1	1/1
Simon Edwards	4/5	2/2	1/1	1/1
Clive Sherling	5/5	2/2	1/1	1/1
Mark Tyndall*	2/2	1/1	n/a	n/a
Edmond Warner**	—	—	—	—
Donald Workman	4/5	1/2	1/1	1/1

†Scott Dobbie attended the audit committee as a non-voting observer.
* Mark Tyndall retired as a Director on 28 January 2008.
**Not appointed until 27 November 2008.
*** These figures exclude one board meeting held to deal with administrative matters attended only by Scott Dobbie and Donald Workman.

The Board presently consists of six non-executive Directors, one of whom is Chairman. All of the Directors are independent of the Manager and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. The terms and conditions of appointment of the Directors are available at the Company's registered office.

The Directors have the requisite business and financial experience to enable the Board to provide strategic leadership and proper governance of the Company. The Senior Independent Director is Hamish Buchan.

The Board meets formally at least five times each year. There is an annual cycle of Board meetings which is designed to address, in a systematic way, overall strategy, review of investment policy, investment performance, marketing, budgets, dividends and communication with shareholders. There is regular contact between the Directors and the Manager throughout the year.

Table 6 sets out the number of formal Directors' and Committee meetings attended by each Director during the year compared with the total number of meetings that each director was entitled to attend.

Nominations Committee

All of the Directors are members of the Nominations Committee and Scott Dobbie is the Chairman. The terms of reference, which are available at the Company's registered office, include review of the Board, identification and nomination of candidates for appointment to the Board, appraisal of the Chairman and the Board, succession planning and training.

Any future appointments of new Directors will be considered by the Nominations Committee, taking into account the need to maintain a balanced Board. New Directors appointed to the Board will be given an induction meeting with the Manager and be provided with all relevant information regarding the Company and their duties as a Director. Thereafter, regular briefings are provided on changes in regulatory requirements that could affect the Company and the Directors. Professional advisers report from time to time and Directors will, if necessary, attend seminars covering relevant issues and developments.

The Company's articles of association provide that a Director appointed during any period is required to retire and seek election by shareholders at the next Annual General Meeting. The articles also require that every Director submits himself or herself for re-election at least every three years. Directors are appointed to the Board for a specified period, initially three years, and subsequent extensions are, in each case, considered by the Board. Under the Combined Code, Directors with more than nine years service are required to submit themselves for annual re-election.

The Board supports the re-election of Scott Dobbie, who is due to retire by rotation at this year's Annual General Meeting, and recommends his re-election to shareholders. Mr Dobbie has considerable experience of the investment trust sector and has made a significant contribution to the work of the Board, especially in his role as Chairman.

There is a procedure for Directors to take independent professional advice, if necessary, at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretary, Aberdeen Asset Management PLC, which is responsible to the Board for ensuring that Board procedures are followed and that the Company complies with the applicable rules and regulations.

Directors' remuneration is considered by the Board and, therefore, a separate remuneration committee has not been established. Details of remuneration are contained within the Directors' Remuneration Report on page 28.

Performance evaluation

A formal assessment of the operation of the Board and its Committees and of the contribution of each Director, including the Chairman, was undertaken during the year. The process was based upon completion of a self assessment questionnaire by each Director, followed by individual discussions with the Chairman. The Chairman was assessed by his colleagues in discussions with the Senior Independent Director. Overall, the performance of the Board, collectively and individually, continues to be judged as fully satisfactory.

Succession Planning

The Board has agreed a succession planning timetable in order to provide an appropriate balance in future between new blood and continuity, in line with good corporate governance.

Following a review of the Board composition, the Nominations Committee recognised the advantages of having representatives with experience of investment management. A number of candidates were considered and an external consultant was also used to identify potential candidates. This resulted in the appointment of Edmond Warner as a non-executive Director on 27 November 2008. Mr Warner has a background in investment management and research and is a highly regarded investment strategist and a leading commentator on financial and business matters. He will offer himself for election by shareholders at the forthcoming Annual General Meeting and the Board supports his candidature.

Communication with shareholders

The Directors place great importance on communication with the Company's shareholders. The Manager also carries out a programme of regular dialogue and individual meetings with institutional shareholders. The Chairman and the Senior Independent Director welcome correspondence from shareholders, addressed to the Company's registered office. During the year the Board met with representatives of major shareholders.

The notice of the Annual General Meeting, included with this annual report and accounts, is sent out at least 20 working days in advance of the meeting. All Directors intend to be available at the Annual General Meeting and shareholders are encouraged to attend and ask questions of the Board. The Board hopes that as many shareholders as possible will be able to attend the meeting. Proxy voting figures for each resolution are announced to the meeting after voting on a show of hands.

Accountability and audit

The Audit Committee is chaired by Hamish Buchan and comprises all of the Directors with the exception of Scott Dobbie. The Board has taken note of the recommendation that a member of the Audit Committee should have recent and relevant experience and is satisfied that the members of the Audit Committee have the necessary skills and experience. The Audit Committee's terms of reference, which are available at the Company's registered office, are reviewed on an annual basis.

The Audit Committee meets at least twice a year and considers reports from the Independent Auditors, the Manager and the Administrator. In addition, the Audit Committee meets, at least annually, with the Independent Auditors in the absence of the Manager. The main responsibilities of the Audit Committee include:

- monitoring the integrity of the Company's financial statements and appropriateness of its accounting policies;
- reviewing the effectiveness of the internal control systems (including financial, operational and compliance controls and risk management);
- considering the scope of work undertaken by the Manager's and the Administrator's internal audit departments including a review of their 'whistle-blowing' policies; and
- making recommendations to the Board regarding the appointment and independence of the Independent Auditors and the objectivity and effectiveness of the audit process, with particular regard to the level of non-audit fees, if any.

Shareholders have the opportunity at each Annual General Meeting to vote on the election of the Independent Auditors for the forthcoming year.

Table 7 Substantial share interests	No. of ordinary shares	%
Standard Life PLC	80,815,718	50.5
Foreign & Colonial Asset Management PLC	16,515,714	10.3
Including: Foreign & Colonial Investment Trust PLC	5,500,000	3.4
British Assets Trust	5,000,000	3.1
The Alliance Trust PLC	8,000,000	5.0
Merseyside Pension Fund	5,000,305	3.1

The respective responsibilities of the Directors and the Independent Auditors in connection with the financial statements appear on pages 29 and 30.

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the Company's significant business and operational risks and that it has been in place for the year ended 30 September 2008 and up to the date of approval of the annual report and accounts. It is regularly reviewed by the Board and accords with the FRC's Internal Control: Revised Guidance.

Under the terms of the investment management and administration agreements, the day to day management and operation of the Company has been delegated to the Manager and the Administrator. The Manager and the Administrator are responsible for the design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly. The system extends to operational and compliance controls and risk management. Clear lines of accountability have been established between the Board, the Manager and the Administrator and regular reports on controls and compliance issues are provided. In carrying out its review, the Board has regard to the activities of the Manager and the Administrators, including their internal audit functions and whistle-blowing procedures, and the Independent Auditors.

The Board considers that an internal audit function is not required by the Company as the internal control systems operated by the Manager's ultimate parent and Administrator, both of whom have strong internal audit functions, provide sufficient assurance over the effectiveness of internal controls.

Management Engagement Committee

All of the Directors are members of the Management Engagement Committee and Scott Dobbie is the Chairman. The Committee reviews the performance of both the Manager and the Administrator and their compliance with the terms of the investment management and administration agreements respectively. The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed by the Committee on an annual basis. The management agreement is terminable on not less than 12 months' written notice. The Manager's appointment may be terminated by a lesser period of notice, with (save in some exceptional circumstances) compensation in lieu of notice payable by the Company to the Manager.

The Committee considers that the Manager, whose team is well qualified and experienced, has fully met the terms of its agreement with the Company. Investments are carefully identified, screened and monitored, risks rigorously controlled and cashflow projections updated regularly. Written and verbal presentations to the Board are made in a highly professional manner, as is communication to shareholders, City commentators and the media. Company secretarial and support services have also performed well.

A review of management fees, relative to the peer group, indicates that the fees paid by the Company are competitive. Having regard to the foregoing, the Committee, and hence the Board, believes that the continuing appointment of the Manager on the current terms is in the interests of shareholders.

Going concern

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the accounts.

Significant Shareholdings

The significant holdings in the Company's ordinary share capital which had been notified to the Company as at 28 November 2008 are shown in Table 7.

Significant Agreements

The Company considers the following agreements, each of which may be effected, altered or terminated on a change of control of the Company, to be of significance.

Investment Management Agreement

The principal terms of the Investment Management Agreement are summarised above in the section of the Directors' Report entitled "Investment Management Arrangements".

Relationship Agreement with Standard Life

By a letter dated 1 October 2007, Standard Life has irrevocably undertaken to the Company that, at any time when Standard Life and its Associates (meaning any company which is a member of the Standard Life group) are entitled to exercise or control 30% or more of the rights to vote at general meetings of the Company, it will not (and will procure that none of its Associates will) seek to nominate Directors to the Board of the Company who are not independent of Standard Life or take any action which would be detrimental to the Company's shareholders as a whole (for this purpose, any action which has the support or recommendation of a majority of the Directors is deemed not to be detrimental).

These undertakings do not apply where:
(i) an offer is made for the Company, or a reconstruction or winding up of the Company is proposed (other than by Standard Life or any of its Associates), or any hostile corporate action has been initiated in relation to the Company;
(ii) the Manager has been removed or is proposed to be removed as the discretionary investment manager of the Company (save where the removal or proposed removal is instigated by Standard Life or its Associates or is effected by the Company and the Manager in accordance with the terms of the Investment Management Agreement), or material changes have been made or are proposed to be made to the Investment Management Agreement;
(iii) the Company's investment policy is altered or proposed to be altered (with or without shareholder approval) in any material way;
or (iv) there has been any failure of generally accepted corporate governance principles or an increase in the remuneration limit for the Directors is proposed without Standard Life's previous written approval.

Standard Life Name

In the event that Standard Life ceases to have control of the Company's investment manager or there is a takeover of the Company, Standard Life is entitled under the Company's articles of association to require that the name of the Company be changed to a name which does not contain the words "Standard Life" or any confusingly similar words.

Independent Auditors

A resolution to re-appoint the Company's Independent Auditors, PricewaterhouseCoopers LLP, and authorise the Directors to agree their remuneration for the ensuing year will be proposed at the forthcoming Annual General Meeting. The Directors confirm that so far as each Director is aware there is no relevant audit information of which the Company's auditors are unaware. Each Director has also taken all reasonable steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Independent Auditors are aware of that information.

Payment policy

The Company's payment policy is to ensure settlement of suppliers' invoices in accordance with the stated terms. In certain circumstances, settlement terms are agreed prior to business taking place. The Company had no trade creditors at either 30 September 2008 or 30 September 2007.

Annual General Meeting

The resolutions which will be proposed at the forthcoming Annual General Meeting include the following:

Resolution 7: Authority to offer scrip dividends

Recognising that the investment objective of the Company is to achieve long-term capital gains, interest has been expressed by some shareholders in having the option for dividends to be taken in the form of ordinary shares, rather than cash. This may also assist in improving liquidity in the Company's ordinary shares. Renewing this authority would offer the Company and shareholders flexibility and a resolution to this effect is accordingly proposed.

Resolution 8: Section 80 authority to allot shares

Resolution 8, which is an ordinary resolution, will, if approved, give the Directors a general authority to allot new securities up to an aggregate nominal amount of £81,700 (representing approximately 25.54% of the total ordinary share capital of the Company in issue as at the date of this document). This authority will expire on 30 March 2010 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2010. The Directors intend to use this authority *inter alia* to issue new ordinary shares pursuant to the scrip dividend alternative referred to on page 19.

Resolution 9: Disapplication of pre-emption rights

As noted above, resolution 8 will, if approved, give the Directors a general authority to allot securities up to an aggregate nominal amount of £81,700. Resolution 9, which is a special resolution, will, if approved, authorise the Directors to allot new ordinary shares and existing ordinary shares held by the Company in treasury up to an aggregate nominal amount of £15,992 (representing approximately 5% of the total ordinary share capital of the Company in issue as at the date of this document) for cash without first offering such ordinary shares to existing shareholders pro rata to their existing shareholdings.

These authorities, which relate both to the issue of new ordinary shares and to the re-issue by the Company of existing ordinary shares held in treasury, will continue in effect until 30 March 2010 or, if earlier, the conclusion of the Annual General Meeting in 2010. Other than for the purpose of issuing new ordinary shares pursuant to the scrip dividend alternative, the Directors will only issue new ordinary shares pursuant to these authorities, and will only re-issue existing ordinary shares held in treasury pursuant to these authorities, if they believe it is advantageous to the shareholders to do so and where the issue price exceeds the last published NAV. The Company does not, as at the date of this report, hold any ordinary shares in treasury.

Resolution 10: Share buy-backs
The existing buy-back authority, granted at the Annual General Meeting of the Company held on 28 January 2008, permits the Company to make market purchases of up to 14.99 per cent of the Company's issued ordinary share capital as at 28 January 2008 and expires at the forthcoming Annual General Meeting. During the financial year ended 30 September 2008, no ordinary shares were bought back by the Company. Nonetheless, the Directors consider that the Company should continue to have the authority to make market purchases of its ordinary shares for cancellations, or to be held in treasury. The Directors will be proposing resolution 10 as a special resolution to authorise the Board to buy back up to 14.99% of the Company's issued ordinary share capital as at the date on which the resolution is proposed. The making and timing of any market purchases of ordinary shares will be at the absolute discretion of the Board. Any ordinary shares bought back may be held by the Company in treasury, subject to the statutory limit of 10% of the Company's issued ordinary share capital.

Purchases under any such buy-back authority will only be made through the market for cash at prices below the last published NAV of the ordinary shares, such that purchases will enhance the NAV of the remaining ordinary shares. The minimum price which may be paid for an ordinary share shall be 0.2p per ordinary share (being the nominal value of an ordinary share). The maximum price shall be an amount being not more than the higher of (i) 105% of the average middle market quotation of an ordinary share (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to an ordinary share on the trading venue where the purchase is carried out. This authority will expire on 30 March 2010 or, if earlier, at the conclusion of the Annual General Meeting of the Company in 2010.

By order of the Board Valerie Mackenzie

Aberdeen Asset Management PLC
Company Secretary

Edinburgh, 28 November 2008

Appendix to Directors' Report: Rights attaching to shares in the Company

General

The Company's issued share capital comprises ordinary shares, which are listed, and founder A and founder B shares, which are not. The ordinary shares, founder A shares and founder B shares represent 82.37%, 8.62% and 9.01% respectively of the Company's total issued share capital.

The rights attaching to the Company's shares are set out in the Company's articles of association and they are also supplemented by (and are subject to) relevant provisions of the Companies Act 1985, the Companies Act 2006 and other legislation applying to the Company from time to time (the "Statutes").

Dividends

The ordinary shares carry a right to receive dividends which are declared from time to time by an ordinary resolution of the Company (up to the amount recommended by the Directors) and to receive any interim dividends which the Directors may resolve to pay.

The founder shares carry a right to a fixed non-cumulative dividend of 0.05% per annum of the nominal amount paid up on those shares, which accrues daily and is payable annually in arrears on 30 September each year.

The founder A and founder B shares are to be reclassified as deferred shares on the occurrence of certain prescribed events, at which time they would cease to be convertible into ordinary shares (see the section entitled "Conversion of Founder Shares" below for an explanation of the conversion rights attaching to the founder shares). As at 30 September 2008, there were no deferred shares in issue. The deferred shares entitle their holders to a fixed non-cumulative dividend of 1% of their nominal amount but they confer no other right to share in the profits of the Company.

Voting

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company.

Subject to suspension of voting rights in the limited circumstances summarised below in the section entitled "Restrictions on the Rights Attaching to Shares", on a show of hands every ordinary shareholder present in person or by proxy has one vote and on a poll every ordinary shareholder present in person has one vote for every share he holds and a proxy has one vote for every share in respect of which he is appointed.

Neither the founder shares nor the deferred shares carry voting rights, except at separate class meetings in the case of changes to class rights. Any alteration to Part 2 of the Company's articles of association is deemed to be a change to the class rights attaching to the founder shares.

Deadlines for Exercising Voting Rights

If an ordinary shareholder wished to appoint a proxy to vote at a meeting on his behalf, a valid appointment is made if the form of proxy is received by the Company no later than the time specified in the notice convening the meeting, which: (i) cannot be more than 48 hours (excluding non-working days) before the start of the meeting or adjourned meeting; (ii) in the case of a poll taken more than 48 hours after it is demanded, cannot be more than 24 hours before the time appointed for the taking of the poll; or (iii) in the case of a poll taken 48 hours or less after it is demanded, or in the case of an adjourned meeting to be held 48 hours or less after the time fixed for holding the original meeting, is the time of commencement of the meeting or adjourned meeting at which the poll is demanded or, as the case may be, at the original meeting.

Rights to the Capital of the Company on Winding Up

If and when the Company is wound up, the capital and assets of the Company will be distributed as follows: (i) if there are deferred shares in issue, in paying to each deferred shareholder 1p in aggregate; then (ii) in paying to the founder shareholders the nominal amount paid up on each founder share which they hold; and then (iii) the remaining capital and assets will be divided among the ordinary shareholders in proportion to their shareholdings.

Conversion of Founder Shares

Standard Life Investments Limited and individual members of the Manager's investment team were allotted 35,000,000 founder shares on the Company's launch in May 2001. Subject to the performance of the Company measured over two periods from 2001 to 2006 and from 2006 to 2011, the founder shares are convertible into a maximum of 10% of the ordinary share capital of the Company as enlarged by conversion. There are no other convertible classes of shares, convertible instruments, warrants or options to subscribe for equity shares outstanding as at the date of this document.

The first performance period, relating to the conversion of the founder A shares, came to an end on 30 September 2006 and resulted in 4,854,979 founder A shares becoming convertible at any time up to 31 December 2013 into an equal number of ordinary shares. During the year to 30 September 2008, 100,000 founder A shares were converted into ordinary shares. As at 28 November 2008, there were 4,082,412 founder A shares capable of conversion into ordinary shares, representing 2.5% of the Company's fully diluted ordinary share capital (assuming the conversion of all founder A shares capable of conversion.)

The performance condition for the founder B performance period is that the compound annual growth rate on the Company's net asset value per ordinary share, including distributions other than share buy-backs, exceeds 10%. The extent to which the founder B shares are convertible will depend on the total return achieved in excess of the 10% hurdle, with the founder B shares being fully convertible at a compound annual return of 15% into 5% of the enlarged issued ordinary share capital.

The conversion price for each convertible founder A or B share is 100p less the amount already paid up on that founder share, subject to adjustment in certain circumstances.

The detailed provisions regarding the conversion of the founder A and B shares are set out in Part 2 of the Company's articles of association.

Restrictions on the Rights Attaching to Shares
The Company may, by serving a "restriction notice" on a shareholder, place restrictions on the right of a shareholder to vote, receive dividends and transfer his shares if the shareholder (or any other person appearing to be interested in his shares) has been requested by the Company to provide details of any direct or indirect interests held by any person in his shares and he fails to comply with that request within 14 days of the request being made.

From the date of service of the restriction notice, the shares to which the notice relates will be subject to some or all of the following restrictions. Where the shares represent 0.25% or more in number or nominal value of the shares of the Company then in issue, or of any class of share, (i) the shares cease to confer on the shareholder any rights to attend or vote at general meetings of the Company or at class meetings or to exercise any other right to participate in meetings; (ii) any dividends payable in respect of the shares may be withheld by the Company; and (iii) no transfers of the shares (other than by way of an arm's length sale) will be registered. In any other case, the sole restriction is that the shares cease to confer on the shareholder any rights to attend or vote at general meetings of the Company or at class meetings or to exercise any other right to participate in meetings.

Other Restrictions on Transfers of Shares
In accordance with the eligibility requirements for listing, the Company's ordinary shares are freely transferable.

However, in addition to the restrictions noted above (see "Restrictions on the Rights Attaching to Shares"), the Directors may refuse to register a transfer of shares held in certificated form unless the instrument of transfer is (i) lodged at the Company's registered office, accompanied by the relevant share certificate(s) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer; (ii) stamped or adjudged or certified as not chargeable to stamp duty; (iii) in respect of only one class of share; and (iv) not in favour of more than four persons jointly.

The Directors may only decline to register a transfer of an uncertificated share in the circumstances set out in the Statutes and where in the case of a transfer to joint holders the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

If the Directors decline to register a transfer, they are required to send notice of the refusal to the transferee within two months, giving reasons for their decision.

Restrictions on Transfers of Founder Shares
A founder shareholder who is an individual may only transfer founder shares to certain close family relations or to trustees to be held in a family trust. A founder shareholder which is a body corporate may transfer its founder shares to any member of the same group.

Any other proposed transfer of founder shares is subject to the prior approval of the Directors in their absolute discretion.

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Schedule 7A to the Companies Act 1985. An ordinary resolution for the approval of this report will be put to shareholders at the forthcoming Annual General Meeting.

The law requires the Company's Independent Auditors to audit certain of the disclosures provided herein. Where disclosures have been audited, they are indicated as such. The Independent Auditors' opinion is included in their report on page 30.

Remuneration committee
The Company has six non-executive Directors. The Board as a whole fulfils the function of a remuneration committee. The Board has instructed the Manager, SL Capital Partners LLP, to provide annually appropriate information to assist the Board in considering the level of Directors' fees.

Policy on Directors' fees
The Company's policy is to remunerate Directors at a rate which both attracts and retains individuals of the necessary calibre and experience and is comparable to that paid by other companies with similar characteristics. It is intended that this policy will continue for the year ending 30 September 2009 and for subsequent years.

The fees for the non-executive Directors are determined within the limits set out in the Company's articles of association and Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

Table 8 Directors' fees excluding VAT and NI (audited)	2008 £	2007 £
Scott Dobbie	38,500	33,000
Hamish Buchan	27,500	25,000
Simon Edwards	22,000	20,000
George Kershaw (retired 29 January 2007)	—	6,666
Clive Sherling	22,000	16,667
Mark Tyndall (retired 28 January 2008)	7,183	20,000
Edmond Warner (appointed 27 November 2008)	—	—
Donald Workman	22,000	16,667
Total	**139,183**	**138,000**

The annual limit on Directors' fees in the Company's articles of association is £250,000.

The Board carried out a review of the level of Directors' fees during the year and agreed that Directors' fees should be maintained at £38,500 per annum for the Chairman, £27,500 per annum for the Senior Independent Director and Chairman of the Audit Committee and £22,000 per annum for each other Director.

Directors' service contracts
It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that a Director shall retire and be subject to re-election at the first annual general meeting after their appointment and at least every three years thereafter. The terms also provide that a Director may be removed without notice and that compensation will not be due on leaving office.

Total shareholder return
The graph below presents for the period from, 30 September 2003, to 30 September 2008 the total shareholder return, assuming all dividends were reinvested, for a holding in the Company's ordinary shares, compared to the total shareholder return on a notional investment made up of shares of the same kind and number as those by reference to which the FTSE All-Share and MSCI Europe (in sterling) indices are calculated. These indices, being the two most relevant indices, are chosen for comparative purposes only.

Directors' emoluments for the year (audited)
All Directors who served during the year ended 30 September 2008 received the emoluments, in the form of fees, as described in Table 8.

Approval
The Directors' Remuneration Report was approved by the Board of Directors on 28 November 2008.

By order of the Board Valerie Mackenzie

Aberdeen Asset Management PLC
Company Secretary

Edinburgh, 28 November 2008

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they comply with all the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and to detect fraud and other irregularities.

The maintenance and integrity of the Manager's website, upon which these financial statements may be presented, is the responsibilty of the Manager. The work carried out by the Independent Auditors does not involve consideration of these matters and, accordingly, the Independent Auditors accept no responsibility for any changes that may occur to the financial statements once they are presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For Standard Life European Private Equity Trust PLC

Scott Dobbie
Chairman

Edinburgh, 28 November 2008

Independent Auditors' Report to the Shareholders of Standard Life European Private Equity Trust PLC

We have audited the financial statements of Standard Life European Private Equity Trust PLC for the year ended 30 September 2008 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cashflow Statement and the related notes on pages 35 to 47. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

Respective responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's Shareholders as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Manager's Review, Financial Summary and notes to the accounts that is cross referred from the Business Review section of the Directors' Report.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the Combined Code 2006 specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises the Chairman's Statement, the Manager's Review, the Directors' Report and the unaudited part of the Directors' Remuneration Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2008 and of its loss and cashflows for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Edinburgh, 28 November 2008

Income Statement

	Notes	For the year ended 30 September 2008 Revenue £'000	Capital £'000	Total £'000	For the year ended 30 September 2007 Revenue £'000	Capital £'000	Total £'000
(Losses)/Gains on investments	9	—	(3,774)	(3,774)	—	94,094	94,094
Currency gains/(losses) on cash balances	14	—	448	448	—	(56)	(56)
Income from investments	2	2,921	—	2,921	10,781	—	10,781
Investment management fee	3	(325)	(2,929)	(3,254)	(280)	(2,517)	(2,797)
Administrative expenses	4	(526)	—	(526)	(475)	—	(475)
NET RETURN ON ORDINARY ACTIVITIES BEFORE FINANCE COSTS AND TAXATION		2,070	(6,255)	(4,185)	10,026	91,521	101,547
Finance costs	5	(50)	(449)	(499)	(30)	(273)	(303)
NET RETURN ON ORDINARY ACTIVITIES BEFORE TAXATION		2,020	(6,704)	(4,684)	9,996	91,248	101,244
Taxation	6	(594)	586	(8)	(3,022)	837	(2,185)
NET RETURN ON ORDINARY ACTIVITIES AFTER TAXATION		1,426	(6,118)	(4,692)	6,974	92,085	99,059
NET RETURN PER ORDINARY SHARE	8	0.89p	(3.82)p	(2.93)p	4.38p	57.80p	62.18p
DILUTED NET RETURN PER ORDINARY SHARE	8	0.88p	(3.78)p	(2.90)p	4.31p	56.85p	61.16p

The Total column of this statement represents the profit and loss account of the Company.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement.

The dividend which has been recommended based on this Income Statement is 0.70p (2007 - 3.50p).

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 September 2008

	Notes	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve - Realised £'000	Capital reserve - Unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2007		354	78,440	79,148	2	189,597	27,907	10,259	385,707
Total recognised gains/(losses)		—	—	—	—	37,140	(43,258)	1,426	(4,692)
Conversion of founder A shares		—	95	—	—	—	—	—	95
Dividends paid	7	—	—	—	—	—	—	(5,597)	(5,597)
Balance at 30 September 2008	13, 14	354	78,535	79,148	2	226,737	(15,351)	6,088	375,513

For the year ended 30 September 2007

	Notes	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve - Realised £'000	Capital reserve - Unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 September 2006		354	77,775	79,148	1	103,234	22,185	7,105	289,802
Total recognised gains		—	—	—	—	86,363	5,722	6,974	99,059
Conversion of founder A shares		—	665	—	1	—	—	—	666
Dividends paid	7	—	—	—	—	—	—	(3,820)	(3,820)
Balance at 30 September 2007	13, 14	354	78,440	79,148	2	189,597	27,907	10,259	385,707

Balance Sheet

	Notes	As at 30 September 2008 £'000	As at 30 September 2008 £'000	As at 30 September 2007 £'000	As at 30 September 2007 £'000
NON-CURRENT ASSETS					
Investments at fair value through profit or loss	9		412,084		322,633
CURRENT ASSETS					
Investments at fair value through profit or loss	9	—		56,645	
Debtors	10	288		292	
Cash and short term deposits		3,289		7,599	
		3,577		64,536	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(40,148)		(1,462)	
NET CURRENT (LIABILITIES)/ASSETS			(36,571)		63,074
TOTAL ASSETS LESS CURRENT LIABILITIES			375,513		385,707
CAPITAL AND RESERVES					
Called up share capital	13		354		354
Share premium	14		78,535		78,440
Special reserve	14		79,148		79,148
Capital redemption reserve	14		2		2
Capital reserve - realised	14		226,737		189,597
Capital reserve - unrealised	14		(15,351)		27,907
Revenue reserve	14		6,088		10,259
TOTAL SHAREHOLDERS' FUNDS			375,513		385,707
ANALYSIS OF SHAREHOLDERS' FUNDS					
Equity interests (ordinary shares)			375,478		385,672
Non-equity interests (founder shares)	13		35		35
			375,513		385,707
NET ASSET VALUE PER EQUITY SHARE	16		234.8p		241.3p

The financial statements on pages 31 to 47 were approved by the Board on 28 November 2008 and were signed on its behalf by:

Scott Dobbie CBE, Chairman

28 November 2008

Cashflow Statement

	Notes	For the year ended 30 September 2008 £'000	£'000	For the year ended 30 September 2007 £'000	£'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	15		(1,344)		7,461
NET CASH OUTFLOW FROM SERVICING OF FINANCE			(282)		(342)
NET CASH OUTFLOW FROM TAXATION			(772)		(2,501)
FINANCIAL INVESTMENT					
Purchase of investments	9	(180,763)		(266,564)	
Disposal of investments	9	144,183		265,055	
NET CASH OUTFLOW FROM FINANCIAL INVESTMENTS			(36,580)		(1,509)
ORDINARY DIVIDENDS PAID			(5,597)		(3,820)
NET CASH OUTFLOW BEFORE FINANCING			(44,575)		(711)
Net proceeds on issue of ordinary shares		95		666	
Bank loans drawn down		40,000		—	
NET CASH INFLOW FROM FINANCING			40,095		666
DECREASE IN CASH			(4,480)		(45)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS					
Decrease in cash as above			(4,480)		(45)
Drawdown of loan			(40,000)		—
Currency movements			448		(56)
MOVEMENT IN NET DEBT/FUNDS IN THE PERIOD			(44,032)		(101)
Opening net funds			7,599		7,700
CLOSING NET (DEBT)/FUNDS			(36,433)		7,599
REPRESENTED BY:					
Cash and short term deposits			3,289		7,599
Loans			(39,722)		—
			(36,433)		7,599

1 Accounting Policies

(a) Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of investments, and in accordance with applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (issued January 2003 and revised in December 2005). They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The financial statements, and the net asset value per equity share figures, have been prepared in accordance with UK Generally Accepted Accounting Principles ("UK GAAP"). The Directors consider the Company's functional currency to be sterling, as the Company is registered in Scotland, the Company's shareholders are predominantly based in the UK and the Company is subject to the UK's regulatory enviroment.

(b) Revenue, expenses and finance cost

Dividends from quoted investments are included in revenue by reference to the date on which the price is marked ex-dividend. Interest on quoted investments and other interest receivable are dealt with on an accruals basis. Dividends and income from unquoted investments is included when the right to receipt is established. All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account of the Income Statement except as follows:

- transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Income Statement; and
- the Company charges 90% of investment management fees and finance costs to capital, in accordance with the Board's expected long-term split of returns between capital gains and income from the Company's investment portfolio.

(c) Investments

Investments have been designated upon initial recognition as fair value through the profit or loss. Investments are recognised as at the date of the commitment to the fund and removed when the fund is wound up. Subsequent to initial recognition, investments are valued at fair value as detailed below. Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Income Statement and are ultimately recognised in the unrealised reserve.

Unquoted investments are stated at the Directors' estimate of fair value and follow the recommendations of the EVCA and the BVCA. The estimate of fair value is normally the latest valuation placed on a fund by its manager as at the balance sheet date. The valuation policies used by the manager in undertaking that valuation will generally be in line with the joint publication from the BVCA and the EVCA,'International Private Equity and Venture Capital Valuation guidelines. Where formal valuations are not completed as at the balance sheet date the valuation from the fund manager is adjusted for any subsequent cash flows occurring between the valuation date and the balance sheet date. The Company's Manager may further adjust such valuations to reflect any changes in circumstances from the last formal valuation date to arrive at the estimate of fair value.

(d) Dividends payable - Interim and final dividends are recognised in the period in which they are paid.

(e) Realised capital reserve – Gains or losses on investments realised in the year that have been recognised in the Income Statement are transferred to the realised capital reserve. In addition, any prior unrealised gains or losses on such investments are transferred from the unrealised capital reserve to the realised capital reserve on the disposal of the investment.

(f) Unrealised capital reserve – Increases and decreases in the fair value of investments are recognised in the Income Statement and are then transferred to the unrealised capital reserve.

(g) Taxation

i) Current taxation – Provision for corporation tax is made at the current rate on the excess of taxable income net of any allowable deductions.

ii) Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the balance sheet date, measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying temporary differences can be deducted. Temporary differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods.

Due to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

1 Accounting Policies (continued)

(h) Overseas currencies - Overseas assets and liabilities are translated at the exchange rate prevailing at the Company's balance sheet date. Gains or losses on the translation of investments held at the year end are accounted for through the unrealised capital reserve. Gains or losses on the translation of overseas currency balances held at the year end are accounted for through the realised capital reserve.

Rates of exchange to sterling as at 30 September were:

	2008	2007
Euro	1.2690	1.4326
US dollar	1.7825	2.0374

Transactions in overseas currencies are translated at the exchange rates prevailing on the date of the transaction.

2 Income	Year to 30 September 2008 £'000	Year to 30 September 2007 £'000
Income from investments		
Income from unquoted investments	1,690	8,174
Income from 'AAA' rated money market funds	988	2,497
	2,678	10,671
Other income		
Interest receivable on cash	243	108
Other income	—	2
	2,921	10,781

3 Investment management fee	Year to 30 September 2008 Revenue £'000	Capital £'000	Total £'000	Year to 30 September 2007 Revenue £'000	Capital £'000	Total £'000
Investment management fee	325	2,929	3,254	280	2,517	2,797

The investment management fee payable to SL Capital Partners LLP is 0.8% per annum, calculated quarterly in arrears, of the investments and other assets of the Company and any subsidiaries less the aggregate of the liabilities of the Company and any subsidiaries. The investment management fee is allocated 90% to the realised capital reserve and 10% to the revenue account. The investment management agreement between the Company and SL Capital Partners LLP is terminable by either party on one year's notice.

4 Administrative expenses	Year to 30 September 2008 £'000	Year to 30 September 2007 £'000
Secretarial and administration fee	176	164
Directors' fees	140	142
Auditors' remuneration - statutory audit	19	19
- interim review	13	12
Legal fees	34	12
Fees and subscriptions	35	32
Professional and consultancy fees	27	17
Other expenses	82	77
	526	475

4 Administrative expenses (continued)

The secretarial and administration fee is payable to Aberdeen Asset Management PLC ("AAM") at the rate of £150,000 (excluding VAT) per annum and will be adjusted annually in line with the retail prices index from 1 July 2009. The secretarial and administration agreement between the Company and Edinburgh Fund Managers plc was novated to AAM on 27 November 2007 and is terminable by either party on three months notice.

The emoluments of the Chairman, who was the highest paid Director, were £38,500 (2007 - £33,000). The emoluments of each of the other Directors were £22,000 (2007 - £20,000), except for H Buchan who received an additional £5,500 (2007 - £5,000) as the Senior Independent Director and Chairman of the Audit Committee.

Irrecoverable VAT has been shown under the relevant expense line.

5 Finance costs	Year to 30 September 2008 Revenue £'000	Capital £'000	Total £'000	Year to 30 September 2007 Revenue £'000	Capital £'000	Total £'000
Bank loans	50	449	499	30	273	303

6 Taxation	Year to 30 September 2008 Revenue £'000	Capital £'000	Total £'000	Year to 30 September 2007 Revenue £'000	Capital £'000	Total £'000
(a) Factors affecting the current tax charge for the year						
Return on ordinary activities before taxation	2,020	(6,704)	(4,684)	9,996	91,248	101,244

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below.

	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return on ordinary activities multiplied by the effective rate of corporation tax in the UK	586	(1,944)	(1,358)	2,999	27,374	30,373
Capital gains*	—	1,944	1,944	—	(27,374)	(27,374)
Irrecoverable foreign tax	8	—	8	31	—	31
Overprovision from previous period	—	—	—	(8)	—	(8)
Tax relief for expenses taken to capital	—	(586)	(586)	—	(837)	(837)
Current tax charge for the year	594	(586)	8	3,022	(837)	2,185

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1st April 2008.

*The Company carries on business as an investment trust company with respect to section 842 of the Income and Corporation Taxes Act 1988. As such any capital gains are exempt from UK taxation.

	Year to 30 September 2008 £'000	Year to 30 September 2007 £'000
(b) Analysis of the tax charge throughout the year		
Current tax		
UK corporation tax on return on ordinary activities (2007 - 30%)	—	2,162
Irrecoverable foreign tax	8	31
Overprovision from previous period	—	(8)
	8	2,185

(c) Factors that may affect future tax charges

At the year end there is a potential deferred tax asset of £1,357,000 (2007 : £nil) in relation to excess management expenses carried forward. The deferred tax asset is unrecognised at the year end in line with the stated accounting policy.

7 Dividend on ordinary shares	Year to 30 September 2008 £'000	Year to 30 September 2007 £'000
Amount recognised as a distribution to equity holders in the year:		
Dividend paid in the year ended 30 September 2008 of 3.50p (2007 - 2.40p) per ordinary share paid on 1 February 2008 (7 February 2007)	5,597	3,820

The proposed final dividend of 0.70p per ordinary share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Set out below are the total dividends proposed in respect of the financial year, which is the basis on which the requirements of section 842 of the Income and Corporation Taxes Act 1988 are considered. The revenue available for distribution by way of a dividend for the year is £1,426,000 (2007 - £6,974,000).

Proposed final dividend of 0.70p (dividend proposed at 30 September 2007 - 3.50p) per ordinary share due to be paid on 30 January 2009 (paid 1 February 2008)	1,119	5,594

8 Return per ordinary share	Year to 30 September 2008 p	Year to 30 September 2008 £'000	Year to 30 September 2007 p	Year to 30 September 2007 £'000
The return per ordinary share is based on the following figures:				
Revenue return	0.89	1,426	4.38	6,974
Capital return	(3.82)	(6,118)	57.80	92,085
Total return	(2.93)	(4,692)	62.18	99,059
Weighted average number of ordinary shares in issue		159,901,256		159,321,366

	Year to 30 September 2008 p	Year to 30 September 2008 £'000	Year to 30 September 2007 p	Year to 30 September 2007 £'000
The fully diluted return per ordinary share is based on the following figures:				
Revenue return (fully diluted)	0.88	1,426	4.31	6,974
Capital return (fully diluted)	(3.78)	(6,118)	56.85	92,085
Total return (fully diluted)	(2.90)	(4,692)	61.16	99,059

Fully diluted returns have been calculated on the basis set out in Financial Reporting Standard 14 'Earnings per share' ('FRS 14'). For the year ended 30 September 2008 this is based on 162,053,535 shares (2007 - 161,974,327), comprising the weighted average 159,901,256 ordinary shares (2007 - 159,321,366) and 2,152,279 founder A shares capable of conversion (2007 - 2,652,961).

9 Investments	Non Current: Unquoted Investments £'000	Current: 'AAA' Rated Money Market Funds £'000	2008 Total £'000	2007 Total £'000
Fair value through profit or loss:				
Opening market value	322,633	56,645	379,278	283,675
Opening unrealised appreciation	(27,435)	(472)	(27,907)	(22,185)
Opening book cost	295,198	56,173	351,371	261,490
Movements in the year:				
Additions at cost	155,184	25,579	180,763	266,564
Disposal of investments	(59,780)	(84,403)	(144,183)	(265,055)
	390,602	(2,651)	387,951	262,999
Realised gains on investments	36,833	2,651	39,484	88,372
Closing book cost	427,435	—	427,435	351,371
Closing unrealised (depreciation)/appreciation	(15,351)	—	(15,351)	27,907
Closing market value	412,084	—	412,084	379,278

	Year to 30 September 2008 £'000	Year to 30 September 2007 £'000
(Losses)/Gains on investments:		
Net realised gains on investments	39,484	88,372
Net unrealised (depreciation)/appreciation on investments	(43,258)	5,722
	(3,774)	94,094

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments classified as fair value through the profit or loss. These have been expensed through capital and are included within (losses)/gains on investments in the Income Statement. The total costs were as follows:

Purchases in respect of new unquoted fund investments	26	49

10 Debtors	30 September 2008 £'000	30 September 2007 £'000
Amounts falling due within one year:		
Accrued income	20	262
Corporation tax recoverable	250	—
Prepayments	18	30
	288	292

11 Creditors: amounts falling due within one year

	30 September 2008 £'000	30 September 2007 £'000
Taxation	—	522
Management fee	8	778
Secretarial fee	88	44
Other accruals	87	92
Loan interest and commitment fee	243	26
Bank loans (note 12)	39,722	—
	40,148	1,462

12 Bank loans

	30 September 2008 £'000	30 September 2007 £'000
Unsecured bank loans repayable within one year:		
€6,347,500 at 5.925%, repayable 4 November 2008	5,002	—
€18,885,000 at 5.915%, repayable 17 November 2008	14,882	—
€12,542,000 at 5.939%, repayable 28 November 2008	9,883	—
€12,633,000 at 5.965%, repayable 22 December 2008	9,955	—
	39,722	—

As at 30 September 2008, the Company had a £60 million multi currency revolving credit facility with The Royal Bank of Scotland plc of which £40 million had been drawn in euros. The interest rate on this facility was LIBOR plus 0.975% and the commitment fee payable on non-utilisation was 0.475% per annum. After the year end, the Company entered into a new £100 million multi currency syndicated revolving credit facility led by The Royal Bank of Scotland plc which expires on 18 November 2011. The interest rate on this facility is LIBOR plus 2.5% and the commitment fee payable on non-utilisation is 1.0% per annum.

13 Called up share capital

	30 September 2008 £	30 September 2007 £
Authorised:		
200,772,567 ordinary shares of 0.2p	401,545	400,000
16,727,433 founder A shares of 0.2p	33,455	35,000
17,500,000 founder B shares of 0.2p	35,000	35,000
	470,000	470,000
Issued:		
159,922,567 (2007 - 159,822,567) ordinary shares of 0.2p - fully paid	319,845	319,645
16,727,433 (2007 - 16,827,433) founder A shares of 0.2p - partly paid	16,914	17,014
17,500,000 (2007 - 17,500,000) founder B shares of 0.2p - partly paid	17,687	17,687
	354,446	354,346

13 Called up share capital (continued)

On 2 May 2001, 14,835,625 founder A shares and 14,835,625 founder B shares were allotted each partly paid up at 0.1p per share and 2,664,375 founder A shares and 2,664,375 founder B shares were allotted each partly paid up at 0.11p per share. The founder shares are entitled to a fixed non-cumulative dividend of 0.05% per annum on the nominal amount per share paid up. The founder shares do not carry any right to vote, except in the case of changes to class rights.

During the year 100,000 founder A shares were converted into ordinary shares of 0.2p at a cost of £99,900 before deduction of conversion costs of £5,000.

Following the end of the founder A performance period on 30 September 2006, 4,082,412 founder A shares (2007: 4,182,412) have a right to convert into an equivalent number of ordinary shares at any time up to 31 December 2013.

14 Reserves	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000
Opening balances at 1 October 2007	78,440	79,148	2	189,597	27,907	10,259
Realised gains on unquoted investments	—	—	—	36,833	—	—
Net realised gains on sale of 'AAA' rated money market funds	—	—	—	2,651	—	—
Management fee charged to capital	—	—	—	(2,929)	—	—
Finance costs		—	—	(449)	—	—
Tax relief on management fees and finance costs above	—	—	—	586	—	—
Currency gains on cash balances	—	—	—	448	—	—
Movement in unrealised appreciation in unquoted investments	—	—	—	—	(42,786)	—
Movement in unrealised appreciation on 'AAA' rated money market funds	—	—	—	—	(472)	—
Conversion of founder A shares	100	—	—	—	—	—
Expenses of conversion of founder A shares	(5)	—	—	—	—	—
Return on ordinary activities after taxation	—	—	—	—	—	1,426
Dividends paid during the period	—	—	—	—	—	(5,597)
Closing balances at 30 September 2008	78,535	79,148	2	226,737	(15,351)	6,088

Court approval was given on 27 September 2001 for 50% of the initial premium arising on the issue of the ordinary share capital to be cancelled and transferred to a special reserve. The reserve is a distributable reserve and may be applied in any manner as a distribution, other than by way of a dividend.

15 Reconciliation of net return on ordinary activities before taxation to net cash (outflow)/inflow from operating activities	Year to 30 September 2008 £'000	Year to 30 September 2007 £'000
Net total return before finance costs and taxation	(4,185)	101,547
Adjustment for:		
Realised gains on investments	(39,484)	(88,372)
Unrealised gains/(losses) on investments	43,258	(5,722)
Currency (gains)/losses on cash balances	(448)	56
Decrease/(increase) in debtors	254	(103)
(Decrease)/increase in creditors	(731)	86
Tax deducted from non - UK income	(8)	(31)
	(1,344)	7,461

16 Net asset value per ordinary share

	30 September 2008	30 September 2007
Basic:		
Ordinary shareholders' funds	£375,478,000	£385,672,000
Number of ordinary shares in issue	159,922,567	159,822,567
Net asset value per ordinary share	234.8p	241.3p
Diluted:		
Ordinary shareholders' funds	£379,560,412	£389,854,412
Number of ordinary shares in issue	164,004,979	164,004,979
Net asset value per ordinary share	231.4p	237.7p

The net asset value per ordinary share and ordinary shareholders' funds are calculated in accordance with the Company's articles of association.

17 Commitments and contingent liabilities

	30 September 2008 £'000	30 September 2007 £'000
Outstanding calls on investments	389,204	366,003

This represents commitments made to fund investments remaining undrawn.

18 Parent undertaking and related party transactions

The Manager during the year was SL Capital Partners LLP which is 60% owned by Standard Life Investments Limited and 40% by its nine senior private equity managers. Standard Life Investments Limited is a wholly owned subsidiary of Standard Life PLC, the ultimate parent undertaking of the Company. The accounts of the ultimate parent undertaking are the only group accounts incorporating the accounts of the Company. Copies of the accounts of the ultimate parent undertaking can be obtained at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

Standard Life PLC and the Company have entered into a relationship agreement which provides that, for so long as Standard Life PLC and its subsidiaries exercise, or control the exercise, of 30% or more of the voting rights of the Company, Standard Life PLC will not seek to nominate to the Board Directors who are not independent of Standard Life PLC and will not take, in its capacity as a beneficial holder of any ordinary shares, any action which would be detrimental to the general body of shareholders. For this purpose any action which has the support or recommendation of a majority of the Directors shall be deemed not to be detrimental. A more detailed summary of the terms of the relationship agreement are set out in the Directors' Report on page 20.

During the year ended 30 September 2008 the Manager charged management fees totalling £3,254,000 (2007 - £2,797,000) to the Company in the normal course of business. The balance of management fees outstanding at 30 September 2008 was £8,000 (2007 - £778,000)

As at 30 September 2008, the Company had a £60 million committed revolving credit facility with The Royal Bank of Scotland plc ("RBS"). Since the year end, the Company has entered into a new £100 million three year syndicated revolving credit facility led by The Royal Bank of Scotland plc. Standard Life Assurance Limited, a subsidiary of Standard Life PLC, has agreed to participate in the syndicated facility on an arm's length basis and has made a commitment of £40 million. The Company also invests from time to time in 'AAA' money market funds managed by RBS. Donald Workman, who is a director of the Company and an investment director within the Corporate Markets division of RBS, took no part in the Board's deliberations concerning, or its approval of, the existing or new credit facility. Within parameters agreed with the Board, it is Standard Life Investment's treasury team which determines the funds in which the Company's surplus cash is invested from time to time.

No other related party transactions were undertaken during the year ended 30 September 2008.

19 Risk management, financial assets and liabilities

Financial assets and liabilities

The Company's financial instruments comprise fund and other investments, cash balances, loans and debtors and creditors that arise from its operations. The assets and liabilities are managed with the overall objective of achieving long-term capital gains for shareholders.

Summary of Financial Assets and Financial Liabilities by category

The carrying amounts of the Company's financial assets and financial liabilities, as recognised at the balance sheet date of the reporting periods under review, are categorised as follows:

	30 September 2008 £'000	30 September 2007 £'000
Financial Assets		
Financial assets at fair value through profit or loss:		
Fixed asset investment — designated as such on initial recognition	412,084	322,633
Current asset investment — designated as such on initial recognition	—	56,645
Loans and receivables:		
Current assets:		
Debtors (accrued income and other debtors)	38	292
Corporation tax recoverable	250	—
Cash and short-term deposits	3,289	7,599
	415,661	387,169
Financial Liabilities		
Measured at amortised cost:		
Creditors: amounts falling due within one year		
Bank loans	39,722	—
Taxation	—	522
Accruals	426	940
	40,148	1,462

Fair values of financial assets and financial liabilities

All of the Company's financial instruments are stated at their fair values at the year end. The carrying value of the current assets and liabilities is deemed to be fair value due to the short term nature of the instruments and/or the instruments bearing interest at market rates.

19 Risk management, financial assets and liabilities (continued)

Risk management

The Directors manage investment risk principally through setting an investment policy and by contracting management of the Company's investments to an investment manager under a contract which incorporates appropriate duties and restrictions and by monitoring performance in relation to these. The Company's investments are in private equity funds, typically unquoted limited partnerships. These are valued by their managers generally in line with the EVCA and the BVCA guidelines, which provide for a fair value basis of valuation. The funds may hold investments that have become quoted and these will be valued at the appropriate listed price, subject to any discount for marketability restrictions.

As explained in the Company's investment policy, risk is spread by investing across a range of countries and industrial sectors, thereby reducing excessive exposure to particular areas. The Manager's investment review and monitoring process is used to identify and, where possible, reduce risk of loss of value in the Company's investments. Any surplus funds are invested in 'AAA' rated money market funds, which generate securities income rather than interest in order to meet the income requirements of investment trust status. The money market fund investments are monitored by the treasury team of Standard Life Investments for credit risk and interest rate risk.

The Company's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed are market risk, currency risk, over-commitment risk, liquidity risk, credit risk and interest rate risk.

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the Company are discussed below.

Market risk

The Company is at risk of the economic cycle impacting the quoted markets and hence potentially the pricing of new underlying investments, the valuation of existing underlying investments and the price and timing of exits. By having a diversified and rolling portfolio of fund investments the Company is well placed to take advantage of economic cycles.

100% of the Company's investments are in unquoted funds held at fair value. The valuation methodology employed by the managers of these funds may include the application of EBITDA ratios derived from listed companies with similar characteristics. Therefore, the value of the Company's portfolio is indirectly affected by price movements on listed exchanges. A 10% increase in the valuation of unquoted investments at 30 September 2008 would have increased the net assets attributable to the Company's shareholders and the total profit for the year by £41,208,000 (2007: £32,263,000); a 10% change in the opposite direction would have decreased the net assets attributable to the Company's shareholders and the total profit for the year by an equivalent amount.

Currency risk

The Company makes fund commitments in currencies other than sterling and accordingly a significant proportion of its investments and cash balances are in currencies other than sterling. In addition, the Company's syndicated revolving credit facility is a multi currency facility. Therefore, the Company's balance sheet is sensitive to movements in foreign exchange rates. The Manager monitors the Company's exposure to foreign currencies and reports to the Board on a regular basis. It is not the Company's policy to hedge this foreign currency risk. Over time, it is expected that the majority of the Company's commitments and investments will be denominated in euros. Accordingly, the majority of the Company's liquidity and any indebtedness is usually held in that currency. No currency swaps or forwards were used during the year.

19 Risk management, financial assets and liabilities (continued)

The table below sets out the Company's currency exposure.

	30 September 2008 Local Currency '000s	30 September 2008 Sterling Equivalent £'000	30 September 2007 Local Currency '000s	30 September 2007 Sterling Equivalent £'000
Fixed asset investments: unquoted				
Sterling	42,837	42,837	40,333	40,333
Euro	405,346	319,422	346,062	241,562
US Dollar	88,811	49,825	82,998	40,738
Current asset investments: 'AAA' rated money market funds				
Sterling	—	—	19,650	19,650
Euro	—	—	41,080	28,675
US Dollar	—	—	16,950	8,320
Cash and short term deposits:				
Sterling	159	159	1,349	1,349
Euro	3,269	2,577	1,869	1,305
US Dollar	986	553	10,074	4,945
Bank loans: Euro	(50,407)	(39,722)	—	—
		375,651		386,877

All other current assets and liabilities are denominated in sterling.

	30 September 2008 Local Currency '000s	30 September 2008 Sterling Equivalent £'000	30 September 2007 Local Currency '000s	30 September 2007 Sterling Equivalent £'000
Commitments:				
Sterling	8,322	8,322	14,596	14,596
Euro	408,357	321,804	456,606	318,725
US Dollar	105,303	59,078	66,587	32,682
		389,204		366,003

The revenue account is subject to currency fluctuations arising on overseas income. The Company does not hedge this currency risk.

Currency sensitivity

During the year ended 30 September 2008 sterling depreciated by 11.4% relative to the euro (2007: depreciated 2.8%) and by 12.5% relative to the US dollar (2007: appreciated 9.1%).

It is not possible to forecast how much exchange rates might move in the next year, but based on the movements in the currencies above in the last two years, it appears reasonable to assume that rates could change by 10%. If the value of sterling had weakened against both of the above currencies by 10%, the capital loss would have decreased for the year by £30,000 (2007: increase of £30,000 in capital profit); a 10% change in the opposite direction would have increased the capital loss for the year by an equivalent amount.

The calculations are based on the portfolio valuation and cash and loan balances as at the respective balance sheet dates and are not necessarily representative of the year as a whole.

19 Risk management, financial assets and liabilities (continued)

Over-commitment risk

To minimise the "cash drag" on the Company, when a large amount of the Company's net assets are held in cash or 'AAA' rated money market funds rather than unquoted investments, the Board has taken the decision to make commitments to new fund investments which are greater than the current cash and 'AAA' rated money market funds held. As private equity funds generally call monies over a five year period whilst they are making investments, the draw downs for funds which are investing should be offset by more mature funds which are realising their investments and distributing cash back to the Company. The Manager monitors the Company's ongoing cash requirements by the use of cashflow modelling and reports to the Board on a regular basis. To minimise the risk of having an obligation to pay out more cash than is in the bank or on short-term deposit on any particular day, a syndicated revolving credit facility has been arranged with The Royal Bank of Scotland plc. As at 30 September 2008, £40 million of this loan facility had been drawn down (2007:nil).

Liquidity risk

The Company has significant investments in unquoted fund investments which are relatively illiquid. As a result, the Company may not be able to liquidate quickly its investments in these funds at an amount close to their fair value in order to meet its liquidity requirements, including the need to meet outstanding undrawn commitments. The Company manages its liquid investments to ensure sufficient cash is available to meet contractual commitments and also seeks to have cash available to meet other short-term financial needs. Short-term flexibility is achieved, where necessary, through the use of the syndicated revolving credit facility. Liquidity risk is monitored by the Manager on an ongoing basis and on a regular basis by the Board. A maturity analysis of all financial liabilities is included in notes 11 and 12.

Credit risk

Credit risk is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company places funds with authorised deposit takers from time to time and, therefore, is potentially at risk from the failure of any such institution. At the year end, the Company's financial assets exposed to credit risk amounted to the following:

	30 September 2008 £'000	30 September 2007 £'000
Cash and short term deposits	3,289	7,599
Accrued income	20	262
	3,309	7,861

As at 30 September 2008, all of the Company's cash was held by JP Morgan Chase Bank ("JP Morgan") which was rated 'AA' by Standard & Poor. The Board monitors the risk by reviewing the internal control report of JP Morgan annually. Should the credit quality or the financial position of JP Morgan deteriorate significantly the Manager would move the cash balances to another institution.

Interest rate risk

The Company will be affected by interest rate changes as it holds some interest bearing financial assets and liabilities which are shown in the table below, however, the majority of its financial assets are investments in private equity funds which are non-interest bearing. Interest rate movements may affect the level of income receivable on cash deposits and interest payable on the Company's variable rate borrowings. The possible effects on the cashflows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. Derivative contracts are not used to hedge against any exposure to interest rate risk.

19 Risk management, financial assets and liabilities (continued)

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the balance sheet date was as follows:

Floating rate	Weighted average interest rate %	30 September 2008 £000	Weighted average interest rate %	30 September 2007 £000
Financial assets				
Current asset investments: 'AAA' rated money market funds	—	—	4.87	56,645
Cash and short term deposits	3.48	3,289	2.41	3,289
	3.48	3,289	4.74	59,934
Fixed rate				
Financial liabilities				
Bank loans	5.93	39,722	—	—
	5.93	39,722	—	—

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on the bank loans is based on the interest rate payable, weighted by the total value of the loans. The weighted average period for which rates are fixed on the bank loans is 58.9 days (2007: nil). The maturity dates of the bank loans are shown in note 12 to the financial statements.

Interest rate sensitivity

An increase of 1% in interest rates would have increased the net assets attributable to the Company's shareholders and reduced the total loss for the year ended 30 September 2008 by £8,000 (2007: £23,000). A decrease of 1% would have decreased net assets attributable to the Company's shareholders and increased the total loss for the year ended 30 September 2008 by an equivalent amount. The calculations are based on the interest paid and received during the year.

Operating and control environment risk

The Board is responsible for the Company's system of internal control. The Manager and the Administrator have in place control systems which include the custody and safeguard of the Company's assets, compliance with regulations (mainly section 842 of the Income and Corporation Taxes Act 1988, Companies Act and Listing Rules) and the provision of accurate financial reporting. There is a risk that the Manager and Administrator fail to ensure that their controls are performed in a satisfactory manner. The Board monitors the services and systems provided by the Manager and the Administrator and reviews their internal control reports to ensure that an effective system of internal controls is maintained.

Information for Investors

Registered address
This report has been mailed to shareholders at the address shown on the Company's share register. Any change of address should be advised to the Registrars at the following address under the signature of the shareholder:

Equiniti Limited
PO Box 28448
Finance House
Orchard Brae
Edinburgh EH4 1WQ
United Kingdom

Registrars' shareholder helpline: 0871 384 2618*
Registrars' broker helpline: 0906 559 6025

* Calls to this number are charged at 8p per minute from a BT landline. Other telephone providers costs may vary.

If your shares are held via nominees you should contact them with any change of address.

Ordinary share price and net asset value
The Company's ordinary share price is published in the Financial Times, The Scotsman, The Herald and The Daily Telegraph.

The Stock Exchange code for the Company's ordinary shares is SEP. The Company's Sedol number is 3047468 and the ISIN number is GB0030474687.

In view of the unlisted nature of the Company's investment portfolio, the NAV is announced to the Stock Exchange quarterly.

ISA (Individual Savings Accounts)
Lump sum and regular savings ISAs in the Company's ordinary shares are offered by Standard Life Savings Limited. These provide a tax efficient vehicle for investors wishing to invest up to £7,200 per annum. There is an initial charge of 1.25% and no annual management charge for the plans. Further details are available from Standard Life Savings Limited, 12 Blenheim Place, Edinburgh EH7 5ZR, or by telephoning 0845 602 4247.

Investment Manager
SL Capital Partners LLP
1 George Street
Edinburgh EH2 2LL

Telephone: 0131 245 0055
Fax: 0131 245 6105

SL Capital Partners LLP is authorised and regulated by the Financial Services Authority and is a subsidiary of Standard Life Investments Limited. Standard Life Investments Limited may record and monitor telephone calls to help improve customer service.

Financial Calendar

December – Preliminary results for the year announced

December – Annual report and accounts published

January – Annual General Meeting

March – Quarterly trading statement announced

May – Interim results announced

June – Interim report published

September – Quarterly trading statement announced

The Annual General Meeting will be held at The Balmoral Hotel, 1 Princes Street, Edinburgh EH2 2EQ on 26 January 2009 at 12.30pm.

NOTICE IS HEREBY GIVEN that the eighth annual general meeting of Standard Life European Private Equity Trust PLC (the "Company") will be held at The Balmoral Hotel, 1 Princes Street, Edinburgh on 26 January 2009 at 12.30 p.m, for the following purposes:

To consider and, if thought fit, pass the following as ordinary resolutions:

1. That the report and accounts for the year ended 30 September 2008, the Directors' report, the Directors' remuneration report and the independent auditors' report be received.

2. That the Directors' remuneration report for the year ended 30 September 2008 be approved.

3. That a final dividend of 0.7p per ordinary share be declared.

4. That Mr Dobbie, who retires from office by rotation, be re-elected as a Director.

5. That Mr Warner be elected as a Director.

6. That PricewaterhouseCoopers LLP be reappointed as auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company and that their remuneration be fixed by the Directors.

7. That the Board of Directors of the Company be and is hereby authorised to offer the holders of ordinary shares of 0.2 pence each in the capital of the Company ("ordinary shares") (excluding any member holding ordinary shares as treasury shares) and (subject to the terms of article 130 of the Articles of Association of the Company and to such exclusions or other arrangements as the Board may consider necessary or expedient in relation to any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange) the right to elect to receive new ordinary shares credited as fully paid instead of cash in respect of all or part of any dividend declared or paid on ordinary shares after the date of passing this resolution and before the earlier of (a) the conclusion of the next annual general meeting of the Company to be held in 2010 and (b) 30 March 2010.

8. That, in substitution for any existing power under section 80 of the Companies Act 1985 (the "Act"), but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £81,700, such authority to expire on 30 March 2010 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2010, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, pass the following as special resolutions:

9. That, subject to the passing of resolution numbered 8 in the notice of the meeting and in substitution for any existing power under section 95 of the Companies Act 1985 (the "Act"), the Directors be generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of sections 94(2) to 94(3A) of the Act) for cash pursuant to the authority conferred by the resolution numbered 8 in the notice of the meeting as if section 89(1) of the Act did not apply to the allotment. This power:

    (i) expires on 30 March 2010 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2010, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and

    (ii) shall be limited to:

        (a) the allotment of equity securities in connection with an issue in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of a regulatory body or stock exchange; and

        (b) the allotment of ordinary shares for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount equal to £15,992.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in the first paragraph of this resolution 9 the words "pursuant to the authority conferred by the resolution numbered 8 in the notice of the meeting" were omitted.

10. That, in substitution for any existing authority, the Company be generally and unconditionally authorised, in accordance with section 166 of the Companies Act 1985 (the "Act"), to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 0.2p each ("ordinary shares") in the share capital of the Company, provided that:

    (i) the maximum number of ordinary shares hereby authorised to be purchased shall be 14.99 per cent. of the Company's issued ordinary share capital as at the date on which this resolution is passed;

    (ii) the minimum price which may be paid for an ordinary share shall be 0.2p;

    (iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be an amount being not more than the higher of (a) 105 per cent. of the average of the middle market quotations (as derived from the Daily Official List) for the ordinary shares for the five business days immediately preceding the date of purchase and (b) the higher of the price of the last independent trade and the highest current independent bid relating to an ordinary share on the trading venue where the purchase is carried out; and

    (iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 30 March 2010 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2010, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

By order of the board Valerie Nackerte

Aberdeen Asset Management PLC
Company Secretary

Edinburgh, 15 December 2008

Notes:

1. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. Such a proxy need not also be a shareholder of the Company. If appointing more than one proxy, each proxy must be appointed to exercise rights attaching to different shares held by the shareholder.

2. A proxy form for use by shareholders at the meeting is enclosed with this document. Proxies must be lodged with the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR, not less than 48 hours (excluding non-working days) before the time appointed for the meeting together with any power of attorney or other authority (if any) under which it is signed. Completion of the proxy form will not prevent a shareholder from attending the meeting and voting in person.

3. Only those ordinary shareholders having their name entered on the Company's share register not later than 6.00 p.m. on 24 January 2009 or, if the meeting is adjourned, 6.00 p.m. on the day which is two days prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.

4. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those

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corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID 7RA01) by no later than 12.30 pm on 22 January 2009. No such message received through the CREST network after this time will be accepted. The time of receipt will be taken to be the time from which the Registrars are able to retrieve the message by enquiry to CREST.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. As at 10 December 2008, the Company's issued share capital comprised 159,922,567 ordinary shares of 0.2 pence each, 16,727,433 founder A shares of 0.2 pence each and 17,500,000 founder B shares of 0.2 pence each. Only ordinary shareholders are entitled to attend and vote at the meeting. Therefore, as at 10 December 2008, the total number of voting rights exercisable at the meeting is 159,922,567.

7. Any person holding 3 per cent. of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party comply with their respective disclosure obligations under the Disclosure and Transparency Rules.

8 Shareholders may require the Company to publish, on its website, a statement setting out any matter relating to the audit of the Company's accounts, including the Auditors' Report and the conduct of the audit, which they intend to raise at the meeting. The Company will be required to do so once it has received such requests from either (i) shareholders representing at least 5% of the total voting rights of the Company or (ii) at least 100 shareholders who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per shareholder of at least £100.

9 No Director has a service contract with the Company. The terms and conditions of appointment of the Directors will be available for inspection at the Company's registered office during normal business hours and for at least 15 minutes before and during the meeting.

Form of Proxy

Standard Life European Private Equity Trust PLC

For use at the Annual General Meeting of the Company convened for 12.30pm on Monday, 26 January 2009

I/We ____ BLOCK

of ____ CAPITALS

____ PLEASE

being (a) shareholder(s) of Standard Life European Private Equity Trust PLC, hereby appoint the Chairman of the Meeting or (see note 1)

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as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at The Balmoral Hotel, 1 Princes Street, Edinburgh EH2 2EQ on 26 January 2009 at 12.30pm, on the following Resolutions to be submitted to the Meeting and at any adjournment thereof.

☐ Please mark this box to indicate that this proxy appointment is one of multiple appointments being made (see note 4).

Please indicate with an 'X' in the appropriate spaces how you wish your votes to be cast. Unless otherwise instructed, the proxy will vote as he/she thinks fit or abstain.

Ordinary Resolution	For	Against	Vote withheld
1. To receive the report and accounts for the year ended 30 September 2008			
2. To approve the Directors' Remuneration Report for the year ended 30 September 2008			
3. To approve a final dividend of 0.7p per ordinary share			
4. To re-elect Mr Scott Dobbie as a Director			
5. To elect Mr Edmond Warner as a Director			
6. To re-appoint PricewaterhouseCoopers LLP as auditors and to authorise the Directors to determine their remuneration			
7. To renew the authority to offer scrip dividends			
8. To authorise the Directors to allot shares in the Company up to an aggregate nominal amount of £81,700			
Special Resolution	For	Against	Vote withheld
9. To disapply statutory pre-emption rights			
10. To renew the Company's authority to purchase its own ordinary shares			

Signed ______________________________ Date ______________________

Notes:

1. As a shareholder of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. If you wish to appoint as your proxy some person other than the Chairman of the Meeting please insert in block capitals the full name of the person of your choice, delete the words 'the Chairman of the Meeting' and initial the alteration. A proxy need not be a shareholder of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
2. In the case of a corporation, this form of proxy must be executed under seal or signed by an officer, attorney or other person duly authorised to sign it.
3. To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or other authority, must be deposited at the offices of the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZR, not later than 48 hours (excluding non-working days) before the time appointed for the Meeting.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting the Company's registrars, Equiniti Limited on 0871 384 2618 or you may copy this proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which he or she is authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the one envelope.
5. In the case of joint holders, the signature of any one joint holder is sufficient. If more than one joint holder tenders a vote in person or by proxy, the vote of the person whose name stands first in the Company's share register will be accepted to the exclusion of the votes of the other joint holders.
6. Completion of this form of proxy will not prevent a shareholder from attending the Meeting and voting in person should he or she so wish.
7. To have the right to attend and vote at the Meeting (and also for the purpose of determining how many votes a shareholder may cast on a poll), a shareholder must first have his or her name entered on the Company's share register not later than 6.00pm on 24 January 2009 or, if the meeting is adjourned, 6.00pm on the day which is two days prior to the date of the adjourned meeting. Changes to entries in the register after that time shall be disregarded in determining the rights of any shareholder to attend and vote at the Meeting.
8. A "vote withheld" is not a vote in law and will not be counted in the proportion of the votes for and against the resolution.

RESPONSE LICENCE NUMBER
SEA 10850

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EQUINITI LIMITED
ASPECT HOUSE
SPENCER ROAD
LANCING
WEST SUSSEX
BN99 6ZR

Corporate Information

Registered Office
1 George Street
Edinburgh EH2 2LL
United Kingdom

Investment Manager
SL Capital Partners LLP
1 George Street
Edinburgh EH2 2LL
United Kingdom

Company Secretary and Administrator
Aberdeen Asset Management PLC
40 Princes Street
Edinburgh EH2 2BY
United Kingdom

Solicitors
Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF
United Kingdom

Independent Auditors
PricewaterhouseCoopers LLP
PO Box 90
Erskine House
68-73 Queen Street
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United Kingdom

Tax Advisers
Ernst & Young LLP
Ten George Street
Edinburgh EH2 2DZ
United Kingdom

Bankers
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London EC2Y 5AJ
United Kingdom

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