

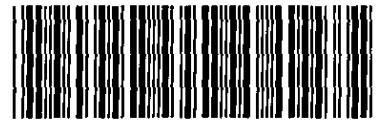
HPEP SCOTLAND GP LIMITED

*C/N BRIDGEPOINT DEVELOPMENT
CAPITAL I FP (GP) LTD*

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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COMPANIES HOUSE

Registered No. SC329560

REGISTERED OFFICE

50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

DIRECTORS

Shane Feeney
Nicola Rutherford
Roderick Selkirk
Justin Ward

SECRETARY

Burness LLP
50 Lothian Road
Festival Square
EH3 9WJ

AUDITORS

Deloitte LLP
London

Directors' Report

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Incorporation

The company was incorporated in Scotland on 20 August 2007.

Liquidity risk and going concern

The General Partner is responsible for ensuring the Partnership is always managed and operated, and that its investment portfolio is operated on a discretionary basis.

Investors have a legal commitment per the Limited Partnership Agreement to pay capital into the fund up to the amount committed. The fund has adequate undrawn capital to meet future commitments, including funding future investments, payment of management fees and other expenses. Any future new investments will only be made after consideration of the sufficiency of undrawn capital to fund these future fund expenses. As a consequence, the General Partner believes that the Partnership is well placed to manage its business risks successfully despite the current economic outlook.

After making enquires, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

Principal Activity

The company's principal activity is to act as General Partner to private equity partnerships.

Results and Dividends

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend.

Auditors

Deloitte LLP have been appointed as auditors to the company.

Directors

The directors during the year ended 31 December 2008 are listed on page 1. None of the directors who held office at the year end had any interest in the share capital of the company.

Directors Responsibilities**STATEMENT ON DISCLOSURE OF INFORMATION TO AUDITORS**

Under Section 234ZA of the Companies Act 1985 the directors, having made enquiries to the company's auditors, can state that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved on 18 May 2009 by the Board of Directors and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'R A Selkirk', written in a cursive style.

R A SELKIRK
DIRECTOR

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HPEP SCOTLAND GP LIMITED

We have audited the financial statements of HPEP Scotland GP Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing 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 in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are 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.

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 read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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. It also includes an assessment of the significant estimates and judgements 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 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.

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 31 December 2008 and of its profit for the year then ended;
- the financial statements 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.

Deloitte LLP
Deloitte LLP

Chartered Accountants and Registered Auditors
 London, United Kingdom

18 May 2009

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

		31 DEC 2008 £	20 AUGUST 2007 TO 31 DEC 2007 £
	NOTE		
Turnover			
Annual share receivable	2	1,000	364
Operating Profit		1,000	364
Interest receivable and similar income	1(c)	26	2
Profit on ordinary activities before taxation		1,026	366
Tax on profit on ordinary activities	6	(177)	(110)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE YEAR		849	256

There are no recognised gains or losses other than the profit on ordinary activities retained for the current year as disclosed above. Accordingly, no statement of total recognised gains and losses is given.

All of the results are derived from continuing operations.

BALANCE SHEET AS AT 31 DECEMBER 2008

	NOTE	2008 £	2007 £
CURRENT ASSETS			
Cash at bank		1,392	2
Debtors	7	<u>1</u>	<u>365</u>
		1,393	367
CURRENT LIABILITIES			
Creditors		(287)	(110)
TOTAL ASSETS, NET CURRENT ASSETS AND NET ASSETS			
		<u>1,106</u>	<u>257</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Retained profit		<u>1,105</u>	<u>256</u>
EQUITY SHAREHOLDERS FUNDS			
	9	<u>1,106</u>	<u>257</u>

The accounts were approved on 18 May 2009 by the Board of Directors, authorised for issue, and signed on its behalf by:



R A SELKIRK
DIRECTOR

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

The principal accounting policies have been summarised below and are on a going concern basis as disclosed in the Manager's report. They have been applied consistently throughout the year.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

(b) Turnover

The General Partner Share is accounted for on an accruals basis.

(c) Interest receivable and similar income

Interest income is recognised on an accruals basis.

(d) Cash flow statement

The company's ultimate parent undertaking produces a cash flow statement in accordance with the Financial Reporting Standard (FRS)1 (Revised 1996), Cash Flow Statements. Accordingly, the company, which is a wholly owned subsidiary, has elected to utilise the exemption provided in FRS1 (Revised 1996), and not produce a cash flow statement.

(e) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. GENERAL PARTNER SHARE

The General Partner is responsible for ensuring the Partnership is always managed and operated, and that its investment portfolio is operated on a discretionary basis. In return for these services the General Partner receives a fee of £1,000 per annum, pro-rata for accounting periods less than one year.

The General Partner has assigned to Hermes Private Equity Limited its right to receive 37.5% of all carried interest allocations and distributions received from HPEP III Founder Partnership LP.

3. AUDIT FEES

The amount of the 2008 statutory audit fee attributable to the company is £5,175 and is borne by those partnerships to which the company provides general partner services.

4. EMPLOYEES

The company had no employees during the year.

5. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments in respect of their services to the company during the year.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (Continued)

6(a). ANALYSIS OF TAX CHARGE FOR THE YEAR

	2008	2007
	£	£
Current tax:		
UK Corporation Tax	213	110
Adjustment in respect of prior period	(36)	-
Total tax charge on profit on ordinary activities	<u>177</u>	<u>110</u>

6(b) The tax charge for the year differs from that resulting from applying the standard rate of corporation tax in the UK of 28.5% (2007 – 30%). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities	<u>1026</u>	<u>366</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 – 30%)	292	110
Adjustment to tax the company at the small companies' rate	(79)	-
Adjustment in respect of prior period	(36)	-
Total tax charge on profit on ordinary activities	<u>177</u>	<u>110</u>

7. DEBTORS

	2008	2007
	£	£
Due from immediate parent undertaking for called up share capital not paid	1	1
Due from HPEP III LP	-	364
	<u>1</u>	<u>365</u>

8. CALLED UP SHARE CAPITAL

	2008	2007
	£	£
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and unpaid:		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (Continued)

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Issued share capital	Retained profit	Total 2008
	£	£	£
At 1 January 2008	1	256	257
Issue of shares	-	-	-
Profit for the year	-	849	849
As at 31 December 2008	<u>1</u>	<u>1,105</u>	<u>1,106</u>

10. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary and consolidated into the financial statements of the BT Pension Scheme. As such, the company has elected not to disclose related party transactions with entities that are part of the BT Pension Scheme group, as it has taken advantage of the exemption in FRS8, available to 90 percent or more owned subsidiaries. There are no other related party transactions.

11. ULTIMATE CONTROLLING PARTY

HPEP Scotland GP Limited acts on behalf of the BT Pension Scheme. The immediate and ultimate parent controlling party and parent of the smallest and largest group into which the company is consolidated is the BT Pension Scheme. Copies of these accounts may be obtained at Lloyds Chambers, 1 Portsoken Street, London E1 8HZ.

12. SUBSEQUENT EVENTS

On 30 March 2009, a sale has been agreed whereby HPEP Scotland GP Limited will relinquish the managerial duties associated with their position as General Partner.

Subject to completion and various conditions, Bridgepoint Capital Limited has been appointed to manage the Partnership moving forward.