Standard Life European Private Equity Trust PLC

Report and Accounts
for the year ended 30 September 2013

Managed by
SL Capital Partners

Contents

This document is important and requires your immediate attention. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in Standard Life European Private Equity Trust PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Objective

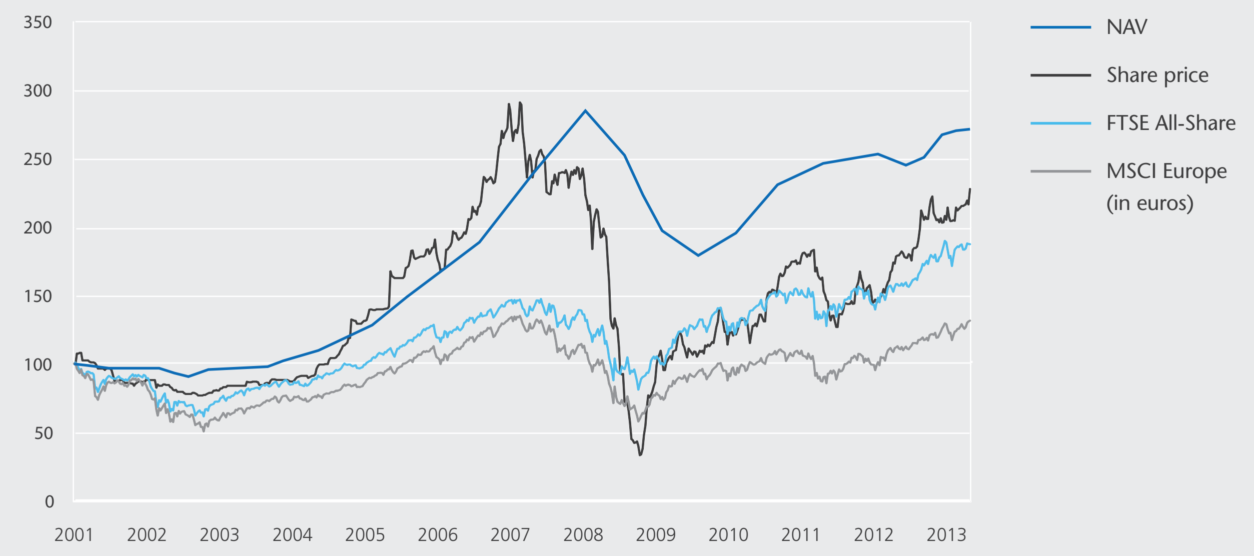
To achieve long-term capital gains through holding a diversified portfolio of private equity funds investing predominantly in Europe.

Company Summary

Investment policy	Full details of the Company's investment policy can be found on page 17.
Investment manager	SL Capital Partners LLP (''the Manager'')
Shareholders' funds	£401.2 million at 30 September 2013
Market capitalisation	£325.3 million at 30 September 2013
Capital structure at 30 September 2013	**164,290,213 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. **907,081 founder A shares of 0.2p each** The above founder shares do not carry any right to vote, except in the case of changes to class rights. The above founder shares confer rights to convert into an equivalent number of ordinary shares. The last date for the conversion of founder A shares is 31 December 2013.
Management and incentive fees	The base management fee is 0.8% per annum of the net assets of the Company. In addition, there is an incentive fee payable, which is calculated on the basis of 10% of the growth in the diluted net asset value total return in excess of an 8% hurdle rate, measured over the five year period ending 30 September 2016 (more details are provided on pages 19 and 39). The notice period is twelve 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 (Total Return) since launch to 30 September 2013



Performance (Capital Only)	At 30 September 2013	At 30 September 2012	% Change
Net asset value per ordinary share ("NAV") (undiluted)	244.2p	227.6p	7.3
NAV (diluted)	243.4p	224.9p	8.2
Share price	198.0p	162.4p	21.9
FTSE All-Share Index[1]	3,443.9	2,998.9	14.8
MSCI Europe Index (in euros)[1]	106.2	92.6	14.7
Discount (difference between share price and diluted net asset value)	18.6%	27.8%	

Performance (Total Return)[2]	1 year %	Annualised 5 year %	Annualised since launch %[3]
Share price	23.4	5.0	6.7
NAV (diluted)	9.1	1.4	8.3
FTSE All-Share Index[1]	18.9	10.7	5.1
MSCI Europe Index (in euros)[1]	18.8	7.5	2.2

High/low for the year ended 30 September 2013	High	Low
Share price (mid)	203.0p	157.5p

[1] The Company has no defined benchmark; the indices above are solely for comparative purposes.
[2] Includes dividends reinvested.
[3] The Company was listed on the London Stock Exchange in May 2001.

Summary financial information

NAV and share price	Net assets £m	NAV (undiluted) p	NAV (diluted) p	Share price p	Premium/ (discount) to diluted NAV %
At 30 September 2004	168.6	105.9	105.9	94.50	(10.8)
At 30 September 2005	228.3	143.5	143.5	156.25	8.9
At 30 September 2006	289.8	182.1	179.6	183.50	2.1
At 30 September 2007	385.7	241.3	237.7	226.50	(4.7)
At 30 September 2008	375.5	234.8	231.4	161.00	(30.4)
At 30 September 2009	265.6	164.9	163.4	112.25	(31.3)
At 30 September 2010	315.2	195.3	193.3	113.75	(41.2)
At 30 September 2011	369.4	228.7	225.9	134.00	(40.7)
At 30 September 2012	369.7	227.6	224.9	162.38	(27.8)
At 30 September 2013	401.2	244.2	243.4	198.00	(18.6)

Performance and dividends	NAV total return %	Share price total return[1] %	Dividend paid[2] £m	Dividend paid per ordinary share p	Expense ratio[3] %
Year to 30 September 2004	13.8	16.0	0.9	0.55	1.04
Year to 30 September 2005	36.9	67.3	1.9	1.20	1.01
Year to 30 September 2006	26.6	18.7	2.9	1.80	1.01
Year to 30 September 2007	35.4	24.8	3.8	2.40	0.97
Year to 30 September 2008	(1.3)	(27.8)	5.6	3.50	0.94
Year to 30 September 2009	(29.2)	(29.5)	0.6	0.70	0.92
Year to 30 September 2010	18.4	1.4	0.1	0.10	1.02
Year to 30 September 2011	17.0	18.0	0.2	0.20	1.02
Year to 30 September 2012	0.1	22.4	1.0	1.30	0.97
Year to 30 September 2013	9.1	23.4	1.3	2.00	0.99

[1] Data supplied by Fundamental Data.
[2] Represents the cash dividend paid during the year, declared for the previous financial year.
[3] The expense ratios follow the AIC's recommended methodology for calculating Ongoing Charges.

Investment exposure	Fund manager as a % of net assets		Fund investments as a % of net assets		
	Top 5 %	Top 10 %	Top 10 %	Top 20 %	Top 30 %
At 30 September 2004	48.6	76.1	64.9	86.7	89.1
At 30 September 2005	44.9	75.5	60.7	78.3	81.4
At 30 September 2006	40.9	67.4	50.3	74.0	81.4
At 30 September 2007	41.0	66.5	42.5	64.8	80.4
At 30 September 2008	54.5	84.6	55.1	84.0	102.4
At 30 September 2009	55.5	87.2	61.1	93.8	109.0
At 30 September 2010	62.1	96.4	67.9	101.0	116.2
At 30 September 2011	57.9	89.1	69.0	95.4	106.8
At 30 September 2012	51.2	80.2	63.5	87.4	97.9
At 30 September 2013	44.9	68.4	51.7	76.5	86.8

Chairman's Statement

Edmond Warner, OBE

Results and performance

In the first six months of the Company's financial year listed financial markets rose strongly, before experiencing some volatility, as the gathering economic recovery in the United States and Europe raised investor concerns about an eventual tightening of monetary policy. Against this background the European private equity market remained relatively subdued. For the year ended 30 September 2013 the Company's NAV rose by 7.3% to 244.2p (diluted NAV – rose by 8.2% to 243.4p), from 227.6p at 30 September 2012 (diluted NAV – 224.9p). Including the dividend paid in February 2013, the NAV total return for the year was 9.1%. At 30 September 2013 the Company's net assets were £401.2 million (30 September 2012 – £369.7 million).

The closing mid-market price of the Company's ordinary shares on 30 September 2013 was 198.0p, a rise of 21.9% over the year. The share price discount to the Company's diluted NAV was 18.6% at the year end. This discount, while still high, continues to narrow, along with many of the Company's peers.

The Board's strategy has been, and remains, one of reinvestment and to pay a dividend marginally in excess of the minimum required to maintain investment trust status. Following the receipt of significant income from the Company's fund investments during the year, most notably from Advent Global Private Equity V, the Board is recommending a final dividend of 5.0p per ordinary share (year ended 30 September 2012 – 2.0p). Subject to shareholder approval at the forthcoming Annual General Meeting, this dividend will be paid on 30 January 2014 to shareholders on the Company's share register at 10 January 2014. In light of the Company's strong liquidity and the position taken by some institutional bodies on the issue of shares by way of a scrip dividend at a discount to a company's last reported NAV, the Board has decided not to offer a scrip dividend this year.

Private equity is a long-term asset class and should be viewed over equivalent time periods. Over the last ten years the Company's NAV and share price, both on an annualised total return basis, rose by 10.8% and 10.2% respectively, while the FTSE All-Share Index and the MSCI Europe Index (in euros), on a similar total return basis, were up 9.2% and 7.4% respectively.

Investment activity

The last year saw a fall in the number, but a rise in the value, of new private equity investments completed in Europe. The volume and value of all new buy-out transactions completed in the European private equity market during the year ended 30 September 2013 was 406 transactions and €72.0 billion (year ended 30 September 2012 – 453 and €58.0 billion respectively). While the volume of transactions remained low by historical standards, the rise in value reflected improving liquidity in debt markets which allowed larger transactions to be funded. As for the exit environment for private equity backed companies, this continued to improve, as corporates became more active buyers and IPO activity picked up materially.

Further to the above trends the Company received distributions from its fund interests of £69.3 million and paid £37.6 million in draw downs during the year (year ended 30 September 2012 – distributions of £76.9 million and draw downs of £40.1 million). The distributions received by the Company generated net realised gains and income of £37.2 million, equivalent to an average return on the acquisition cost of the realised investments of 2.2 times (year ended 30 September 2012 – 2.3 times). In addition, the Company realised a book loss of £6.5 million on the liquidation of two older funds, the Alchemy Investment Plan and the Candover 1997 Fund, where all of the underlying investments had been realised. Importantly, the book loss had been fully provided for previously in the Company's valuation of the respective fund interests. The total return generated over time from the Company's fund interests in the Alchemy Investment Plan and the Candover 1997 Fund was 1.7 times and 1.8 times respectively.

In line with the strategy articulated last December, the Company has been more flexible in the use of its capital resources. As part of a rebalancing exercise and to improve the quality of the Company's exposure by vintage year and to specific underlying investee companies, the Manager sold the entire original fund commitment of €60 million to Charterhouse Capital Partners VIII in two transactions and purchased original fund commitments of €7 million to Charterhouse Capital Partners IX and €10 million to Bridgepoint Europe IV. The fund interest in Charterhouse Capital Partners VIII was sold in two tranches at 11% and 2% discounts to the 30 September 2012 and 31 March 2013 valuations of the fund respectively, while the fund interests in Charterhouse Capital Partners IX and Bridgepoint Europe IV were acquired at 5% and 4% discounts to the 30 June 2012 and 31 December 2012 valuations of these funds respectively. Taken together the four secondary transactions generated net cash of £15.9 million and released the Company from a net £2.2 million of outstanding commitments. The Manager believes the private equity secondary market provides the Company with the opportunity tactically to rebalance and enhance returns from its portfolio.

The Company also acquired 1.95 million ordinary shares in the Company through two share buy-back transactions, for a total of £3.6 million. The ordinary shares were acquired at an average price of 183.3p per share and at a discount to the prevailing NAV of 19.4%. The ordinary shares acquired have been cancelled.

After taking account of the above transactions, management fees, dividends and costs, the Company was £38.8 million cashflow positive during the year and at 30 September 2013 had a cash balance of £42.3 million (year ended 30 September 2012 – £32.0 million and £3.5 million respectively). In addition, the Company continues to have available to it an £80 million syndicated revolving credit facility led by The Royal Bank of Scotland plc that expires in December 2016.

In light of the Company's enhanced liquidity, the Manager made four new fund commitments during the year, with a €20 million commitment to Advent Global Private Equity VII, a €30 million commitment to IK VII, a $35 million commitment to TowerBrook Investors IV and a €30 million commitment to CVC Capital Partners VI. At 30 September 2013 the Company's aggregate outstanding commitments were £178.5 million. As previously reported, a number of the older private equity funds held by the Company have completed their respective investment periods and any future draw downs are likely to be limited. After undertaking a detailed review, the Manager continues to believe that up to £40 million of the Company's existing outstanding commitments are unlikely to be drawn.

Valuation

At 30 September 2013 the Company's portfolio comprised 40 private equity fund interests. The value of this portfolio was £358.5 million, of which net unrealised gains arising during the year were £14.2 million.

Unrealised gains on a constant exchange rate basis were £0.1 million, while positive foreign exchange movements, which principally arose from the 4.7% appreciation in the euro relative to sterling during the year, were £14.1 million.

88.7% by value of the portfolio was valued by the relevant fund manager at 30 September 2013. In undertaking the valuations the fund managers followed the International Private Equity and Venture Capital Valuation Guidelines. In so doing, the principal valuation methodology is to use listed comparable valuation multiples.

Recent activity

During the period from 30 September 2013 to 26 November 2013 the Company funded £5.6 million of draw downs and received £12.7 million of distributions. The Company also made a new commitment of €30 million to Nordic Capital VIII. Accordingly, at 26 November 2013 the Company's total outstanding commitments and cash balance were £198.5 million and £49.5 million respectively.

Investment policy

Given the Company's increasing cash inflow and the low rates of return available on bank deposits and other treasury related investments, the Board would like to widen the Company's investment policy to give the Board and the Manager discretion to invest its cash balances in funds whose principal investment focus is European (including United Kingdom) quoted equities pending investment in private equity funds. Such an amendment requires shareholders' consent and an ordinary resolution to that effect will be proposed at the forthcoming Annual General Meeting.

The Board

In January, the Board was pleased to welcome Christina McComb as a director of the Company. Christina's background is in fund management and she has wide experience of investing in early-stage companies. Christina was appointed as Senior Independent Director in June.

The Board announced the resignation of Donald Workman in June, due to his relocation to the Far East. I would like to thank Donald for his excellent service on behalf of the Company over the past six years and he leaves with our very best wishes for his future career.

Outlook

The improving macro-economic environment across most of northern Europe should be positive for the Company in terms of earnings growth at underlying investee companies and rising fund valuations. Coupled to better liquidity in the European debt markets, it is anticipated that this will also translate into an increase in broader mergers and acquisitions activity. Against such a background, the Manager believes that the Company's strong liquidity position will continue and that further primary fund commitments and secondary purchases will be made.

Edmond Warner OBE
Chairman

27 November 2013

SL Capital Partners

The Manager, SL Capital Partners LLP (''SL Capital''), is headquartered in Edinburgh, United Kingdom and comprises a team of 18 investment professionals with 221 years of combined relevant private equity and investment experience. The Manager has raised approximately £5.4 billion of private equity investments on behalf of over 170 clients worldwide.

SL Capital is a limited liability partnership and is 60% owned by Standard Life plc (''Standard Life'') and 40% by its eight Partners. SL Capital has acted as Manager to the Company since its inception in 2001.

With the exception of the Company, all of the Manager's funds under management are held through limited partnership vehicles, which are structured as either pooled or segregated vehicles for clients. SL Capital's clients range from leading institutional investors in the UK, US, Canada and Europe, to family offices and high net worth individuals globally. The largest clients include Standard Life, the California Public Employees' Retirement System, a large number of UK local authorities and some significant North American pension funds. The Manager is also recommended by many institutional investment and pension fund consultants.

In addition to its Edinburgh investment office, the Manager has investment professionals based in Boston, United States. This team selects and oversees private equity investments in North America.

SL Capital is one of the largest investors in private equity funds and co-investments in Europe. One of the key strengths of the investment team is their extensive fund and direct deal experience, which gives the Manager greater insight into the strategies, processes and disciplines of the funds invested in and allows better qualitative judgements to be made.

The Manager has a detailed and rigorous screening and due diligence process to identify and then evaluate the best private equity fund offerings. The Manager concentrates on opportunities in the buy-out segment of the European private equity market, but, where it is relevant to a particular investment mandate, it also considers funds targeted on the venture, growth and turnaround equity segments, as well as funds focused on particular sectors or geographies.

The private equity asset class has exhibited historically a wide dispersion of returns generated by fund investments and the Manager believes that appropriate portfolio construction and manager selection is vital to optimise investment performance. In that regard, the objective is for the Company's portfolio to comprise around 35 to 40 ''active'' private equity fund investments at any one time, with portfolio diversification being controlled through percentage concentration limits applied at an individual fund and manager level.

Finally, the Manager believes that as one of the largest and most experienced private equity investors in Europe, it is able to find and invest in Europe's premier private equity funds, where knowledge of and access to these funds are sometimes limited.

During the year to 30 September 2013 the Company funded £37.6 million of draw downs and received £69.3 million of distributions.

At 30 September 2013 the Company had £178.5 million of outstanding fund commitments.

Draw downs

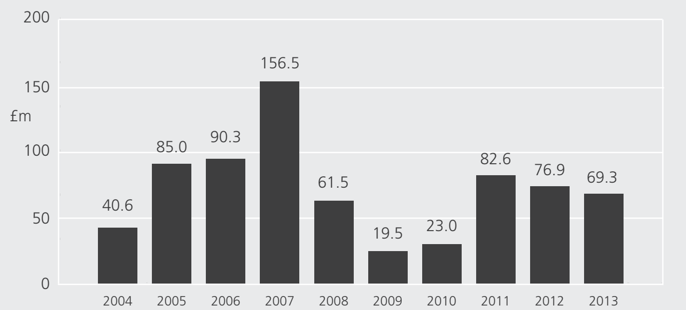
As reported above, the Company funded £37.6 million of draw downs during the financial year. This figure is in line with the prior year but remains below the Company's long-term average, as a result of the relatively low level of outstanding commitments together with the subdued level of new investment activity in the European private equity market. Overall activity continues to be impacted by the weak macro-economic environment, particularly in southern Europe, and political uncertainty. The Manager expects the quantum of draw downs to remain modest during the remainder of 2013 before increasing in 2014, as a result of the new fund commitments made over the past twelve months and as macro-economic uncertainty reduces. The private equity funds to which the Company funded the five largest draw downs during the year are set out in the table below.

5 Largest fund draw downs during the year	Type of fund	Aggregate draw downs £m
BC European Capital IX	Buy-out	9.3
Equistone Partners Europe Fund IV	Buy-out	7.7
IK VII	Buy-out	4.6
Advent Global Private Equity VII	Buy-out	3.9
CVC European Equity Partners V	Buy-out	3.0
Total of 5 largest draw downs		**28.5**
Total of all draw downs during the year		**37.6**

Distributions, gains and income

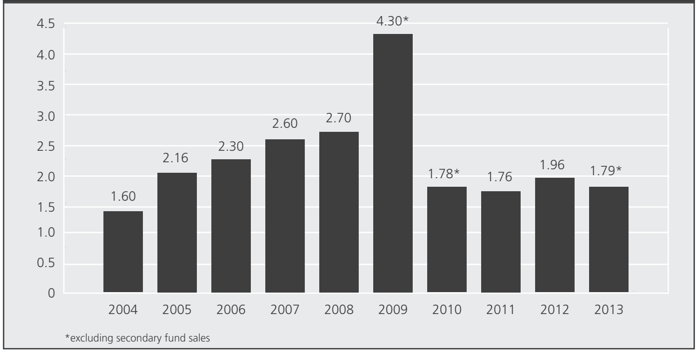
During the year the Company's portfolio of private equity fund interests generated aggregate distributions of £69.3 million, including net realised gains of £25.1 million and income of £12.1 million. The quantum of distributions received reflected the strong level of European private equity exits and it is encouraging to note that nearly all of the individual company realisations were at a premium to the prior valuation. The Manager expects the Company to receive meaningful distributions during the remainder of 2013 and into 2014 as a result of the maturity of the Company's underlying portfolio.

Distribution history (per financial year)



The distributions received by the Company during the year included proceeds from trade sales and secondary buy-outs and, to a lesser extent, refinancings and IPOs.

Average multiple on investment



As shown in the bar chart above, the average return during the year on the Company's acquisition cost of realised investments, including liquidated fund investments, was 1.79 times. The rise in the average return multiple between 2003 and 2009 can be attributed largely to the previous strength of the European private equity, debt and mergers and acquisitions markets and historic profit growth at underlying investee companies. The weaker macro-economic environment over the past few years has resulted in a reduction in the average return for realised investments, in particular for investments made during 2006 and 2007, at generally higher prices and leverage ratios. However, the macro-economic environment in certain geographies appears to be improving and a number of funds are reporting interesting buying opportunities at attractive prices which has the potential to drive future returns.

The five largest distributions received during the year, split into gains and income and broken down by fund, are set out in the table below.

5 Largest fund distributions during the year	Aggregate distributions £m	Aggregate realised gains £m	Aggregate income received £m
Charterhouse Capital Partners VIII	10.7	3.6	2.2
Advent Global Private Equity V	8.0	2.1	4.0
Equistone Partners Europe Fund III	7.1	1.9	0.6
CVC European Equity Partners V	4.9	1.3	1.2
CVC European Equity Partners III	4.8	3.7	0.2
Total of 5 largest distributions	**35.5**	**12.6**	**8.2**
Total of all distributions during the year	**69.3**	**25.1**	**12.1**

Investment Activity

Secondary activity

The private equity secondary market has continued to develop in terms of size and sophistication with an estimated $25 billion of transactions completed during 2012. This has allowed the Manager the opportunity to undertake a number of acquisitions and disposals of fund commitments in order to rebalance the portfolio and enhance returns. Further details of the specific secondary transactions are provided in the Chairman's Statement, however, in aggregate they generated cash proceeds of £15.9 million and released the Company from a net £2.2 million of outstanding commitments.

Commitments

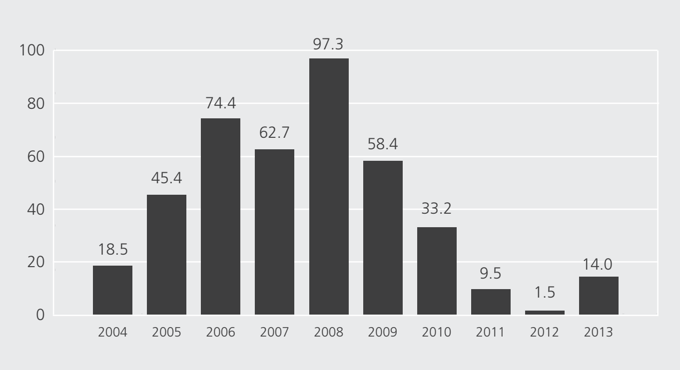
The Company made four new fund commitments during the year, with a €20 million commitment to Advent Global Private Equity VII, a €30 million commitment to IK VII, a $35 million commitment to TowerBrook Investors IV and a €30 million commitment to CVC Capital Partners VI. The Manager anticipates following a prudent schedule of new commitments over the remainder of 2013 and into 2014. These are likely to comprise primary fund commitments and secondary transactions, subject to the Company's cashflows and the broader market environment.

At 30 September 2013 the Company had £178.5 million of outstanding fund commitments, up from £129.0 million at 30 September 2012. The increase is the net result of the Company having made four new fund commitments totalling £88.1 million, having funded £37.6 million of draw downs and the impact of unrealised foreign exchange movements. Since the year end, the Company has made a €30 million commitment to Nordic Capital VIII.

	New/ (reduced) commitments £m	Draw downs £m	Closing outstanding commitments £m
Year to 30 September 2013	80.7	37.6	178.5
Year to 30 September 2012	53.9	40.1	129.0
Year to 30 September 2011	26.5	49.6	126.4
Year to 30 September 2010	(16.7)	48.0	150.3
Year to 30 September 2009	(169.7)	48.3	227.8
Year to 30 September 2008	138.1	155.2	389.2
Year to 30 September 2007	191.7	137.6	366.0
Year to 30 September 2006	200.5	75.3	307.7
Year to 30 September 2005	148.7	59.1	184.8
Year to 30 September 2004	—	39.9	92.1

The Company has followed an over-commitment strategy since late 2001. This is in line with the Manager's objective of maximising the Company's invested assets and avoiding significant cash drag. The Manager believes that such a strategy should enhance the overall returns generated by the Company.

Outstanding commitments in excess of available liquid resources as a percentage of net asset value at each year end (%)



Over the past six years the Company's outstanding fund commitments less its available liquid resources (including any undrawn debt facility), expressed as a percentage of the Company's disclosed net asset value, has varied between 97.3% and 1.5%. The bar chart above shows the relevant percentages at each annual reporting date, from 30 September 2004 to 30 September 2013. The percentage has varied over time according to the quantum of available 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.

The outstanding fund commitments less available liquid resources, expressed as a percentage of the Company's disclosed net asset value at 30 September 2013 was 14.0%. This remains below the long-term target range of 30-75%, however, the Manager anticipates that it will gradually increase over the next few years as further new fund commitments are made. Notwithstanding, the Manager remains mindful of market conditions and the Company's projected cashflows and will consider carefully the making and timing of any new fund commitments. In addition, following a review of the Company's investment strategy, more emphasis will be placed on buying secondary fund interests which can be used to increase the Company's exposure to attractive funds without adding significantly to outstanding commitments.

Liquidity management

The Board is asking shareholders to approve the widening of the Company's investment policy to allow investment in quoted equities. The objective is to ensure that cash awaiting investment in private equity funds does not constitute a drag on overall performance. In practice, the Manager will invest surplus cash in liquid European (including United Kingdom) index tracker funds, with the intention that the invested exposure broadly replicates that of the MSCI Europe Index. It is not intended that quoted equity investment becomes a core long-term constituent of the Company's overall portfolio.

At 30 September 2013 the Company's net assets were £401.2 million. The Company had interests in 40 private equity funds with a value of £358.5 million.

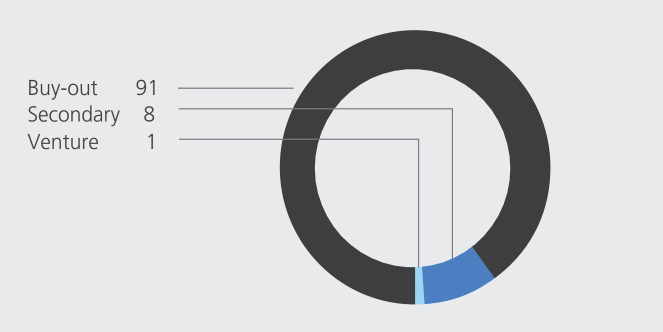
The effect of draw downs and distributions over the year was to increase net cash from £3.5 million at 30 September 2012 to a net cash balance of £42.3 million at 30 September 2013.

Portfolio composition and performance

At 30 September 2013 the Company's portfolio comprised 40 private equity fund interests with a value of £358.5 million which, together with its current assets less liabilities, resulted in the Company having net assets of £401.2 million. This represented an undiluted NAV of 244.2p (diluted NAV 243.4p). A breakdown of the £7.4 million movement in the Company's portfolio valuation during the year is detailed in the valuation bridge shown opposite.

The split of the Company's portfolio by type of private equity fund is set out in the pie chart below. Details of all of the Company's private equity fund interests, and more detailed information on the ten largest fund investments and thirty largest underlying portfolio companies, can be found on pages 12 to 15.

Type of fund (% of 30 September 2013 valuation)



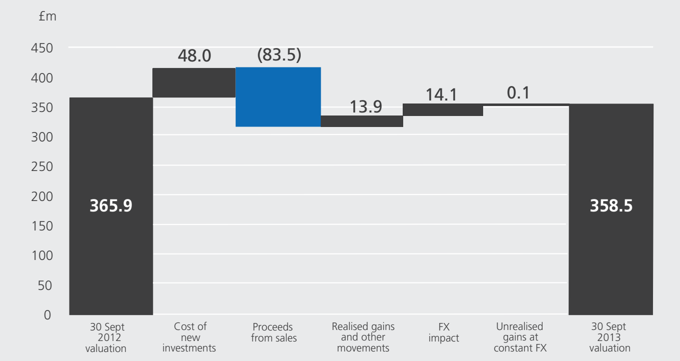
The valuation of the Company's private equity fund interests at the year end was carried out by the Manager and has been approved by the Board in accordance with the accounting policies set out on pages 38 and 39. In undertaking the valuation, the most recent valuation of each fund prepared by the relevant fund manager has been used, adjusted where necessary for subsequent cashflows. The fund valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation guidelines.

These guidelines require investments to be valued at ''fair value'', which is the price at which an orderly transaction would take place between market participants at the reporting date. In addition, through its advisory board relationships and contacts with the relevant fund managers, the Manager is able to consider the appropriateness of the valuation methodologies employed.

Portfolio review

Of the 40 private equity funds in which the Company is invested, 36 of the funds, or 88.7% of the portfolio by value, were valued by their fund managers at 30 September 2013. The Manager continues to believe that the use of such timely valuation information is important.

Valuation bridge



The value of the Company's portfolio of private equity fund interests decreased from £365.9 million at 30 September 2012 to £358.5 million at 30 September 2013. The decrease was driven by £83.5 million of realisation proceeds, including £26.2 million from the sale of fund interests. This decrease was partially offset by £48.0 million of new investments, £14.1 million of unrealised foreign exchange gains, £13.9 million of net realised gains and other movements, and £0.1 million of unrealised gains on the investment portfolio at constant foreign exchange rates.

Information on the valuation movement for the Company's portfolio for each of the last ten financial years is set out on page 10. This table provides a useful summary of the individual changes and the underlying trends in the Company's portfolio over time.

Portfolio Review

Valuation movement on unquoted investments	Cost of new investments £m	Return of cost £m	Unrealised movement £m	Closing valuation £m
Year to 30 September 2013	48.0*	(69.6)	14.2	358.5
Year to 30 September 2012	40.1	(39.1)	(32.5)	365.9
Year to 30 September 2011	49.6	(47.0)	25.2	397.4
Year to 30 September 2010	48.0	(19.4)	47.9	369.6
Year to 30 September 2009	48.3	(96.5)	(70.8)	293.1
Year to 30 September 2008	155.2	(22.9)	(42.8)	412.1
Year to 30 September 2007	137.6	(59.4)	5.1	322.6
Year to 30 September 2006	75.3	(39.2)	16.6	239.3
Year to 30 September 2005	59.1	(39.4)	16.6	186.6
Year to 30 September 2004	39.9	(26.5)	10.0	150.3

* Including secondary fund purchases

During the year, sterling depreciated against the euro by 4.7% and appreciated against the US dollar by 0.3%. This had a positive impact on the Company's NAV. The sterling/euro exchange rate at 30 September 2013 was £1/€1.1963 and the sterling/dollar exchange rate was £1/$1.6194. The combined effect of foreign exchange movements on the valuation of the portfolio over the year was an 8.7p increase in NAV.

The Manager and the 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 and bank indebtedness are generally held in sterling, euro and US dollars, broadly in proportion to the currency of the Company's outstanding fund commitments.

Valuation and leverage multiple analysis

The bar charts below show the valuation and leverage multiples of the fifty largest underlying portfolio companies held by the Company's private equity fund interests at 30 June 2013, which account for 48.0% of the Company's net assets. This analysis is at 30 June 2013 due to the fact that most private equity funds provide detailed information on the underlying portfolio companies twice a year, in June and December, rather than quarterly.

The valuation multiples of each underlying portfolio company are derived by the fund manager using relevant listed comparable companies, adjusted where appropriate, in line with the International Private Equity and Venture Capital Valuation guidelines.

The median valuation and leverage multiples for the top fifty underlying portfolio companies at 30 June 2013 were 9-10x EV/EBITDA and 3-4x Debt/EBITDA respectively. These remain unchanged from the median valuation and leverage multiples for the top fifty underlying portfolio companies at 30 June 2012. The Manager believes that these valuation and leverage multiples are in line with the European private equity market for similar sized deals and vintages.

Diversification

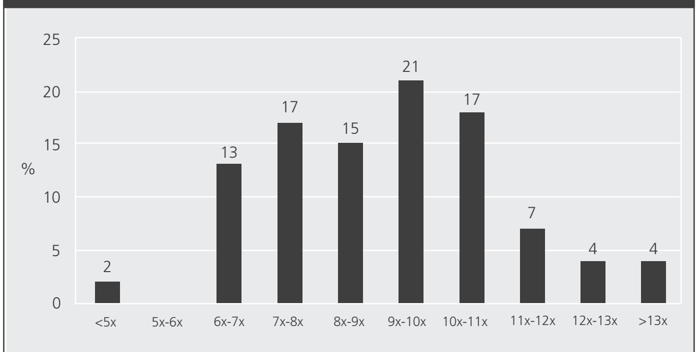
The Board has agreed, and regularly reviews, diversification limits with the Manager regarding the Company's net asset value and commitment exposure to both individual private equity funds and their managers. The Manager also monitors the Company's exposure to the underlying investments held by the different private equity funds in which the Company is invested. At 30 September 2013, the Company was invested in 40 different private equity funds, which collectively had interests in 541 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 value relative to original cost. Such information is used by the Manager in reviewing the exposure of the Company's portfolio, in assisting it to make new investment decisions and in having a better understanding of the timing of prospective cashflows.

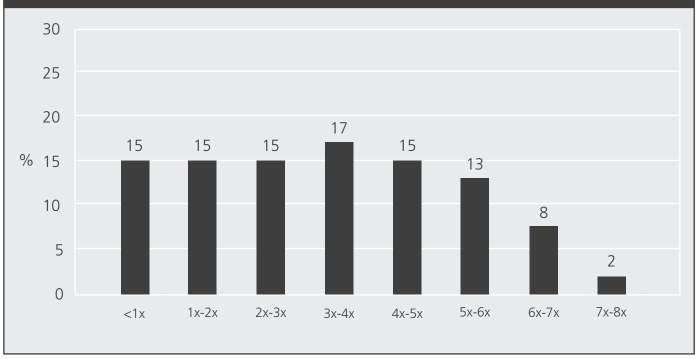
The diversification of the Company's private equity fund interests, at 30 September 2013 and 2012, is set out in the four bar charts shown on page 11.

The charts demonstrate the broad diversification that applies by geography and by sector within the Company's underlying portfolio of investments.

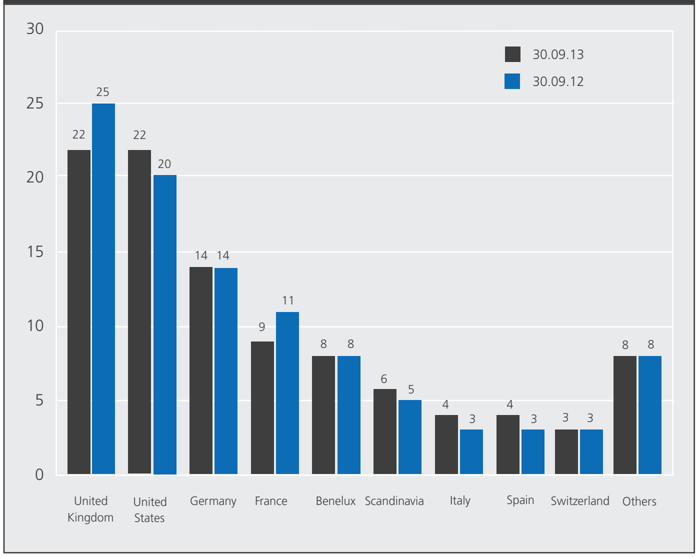
EV/EBITDA Multiple



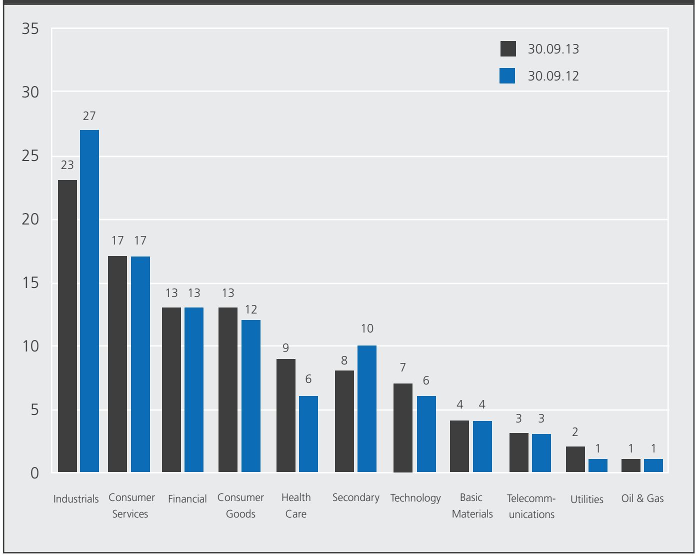
Debt/EBITDA Multiple



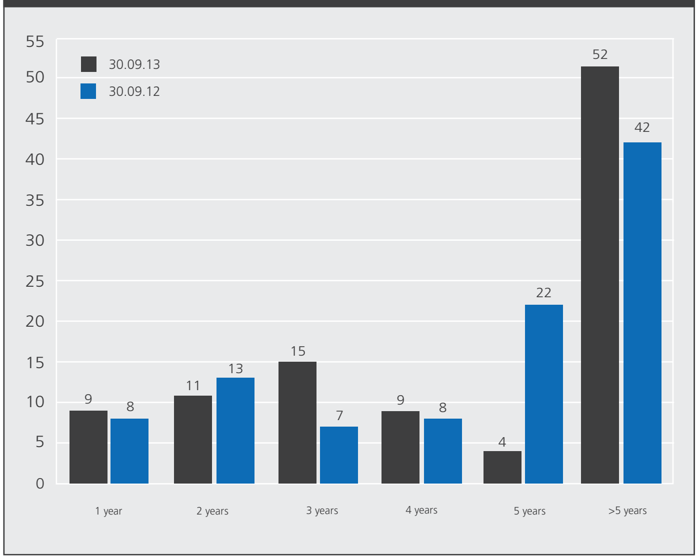
Geographic exposure (% of valuation)



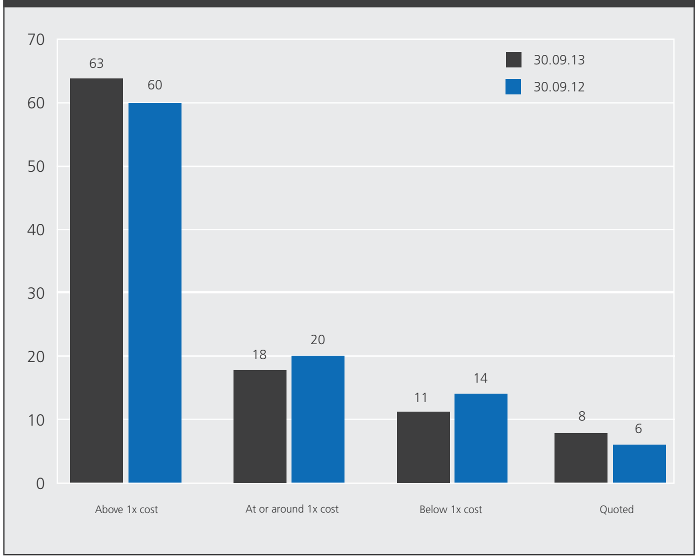
Sector exposure (% of valuation)



Maturity exposure (% of valuation)



Value relative to original cost (% of valuation)



The UK and the US are the joint largest geographic exposures. The UK exposure has fallen from 64% at the time of the Company's listing to 22% at 30 September 2013, as other European private equity markets continue to develop. Over the same period the US exposure has increased due to the fact that a number of European managers to which the Company has commitments have become more active in the US market.

At 30 September 2013, the Company had six fund investments – Pomona Capital V, Pomona Capital VI, Coller International Partners IV, Coller International Partners V, Towerbrook Investors II and Tower Brook Investors IV - which are likely to invest a significant proportion of their capital outside Europe. In total, these funds represent 9.6% of the Company's gross assets. The broad diversification in sectors like industrials, consumer services and financials helps to mitigate the effect of volatility in any individual sector.

The chart showing the maturity exposure of underlying investments highlights the maturity of the portfolio, as a result of the lower level of private equity activity over the last five years. The chart showing value relative to the original cost of underlying investments illustrates that the portfolio remains healthy, with 81% of the portfolio valued at or above cost.

SL Capital Partners LLP

27 November 2013

Fund Investments

at 30 September 2013

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:

Vintage year of fund	Fund	Type	Number of investments	Valuation date*	Outstanding commitments '000	Cost £'000	Valuation £'000	Net multiple† GBP (X)	% of net assets
2007	Industri Kapital 2007	Buy-out	17	30.09.13	1,451	34,537	39,344	1.1	9.8%
2007	Equistone Partners Europe Fund III	Buy-out	24	30.09.13	5,298	28,850	25,773	1.4	6.4%
2007	Apax Europe VII	Buy-out	26	30.09.13	4,379	22,591	24,612	1.2	6.1%
2005	Candover 2005 Fund	Buy-out	7	30.06.13	—	41,260	20,106	0.6	5.0%
2008	CVC European Equity Partners V	Buy-out	22	30.09.13	7,799	17,569	19,179	1.3	4.8%
2006	3i Eurofund V	Buy-out	22	30.09.13	2,626	21,121	17,027	1.0	4.2%
2006	Terra Firma Capital Partners III	Buy-out	6	30.06.13	1,301	24,667	15,827	0.7	4.0%
2006	Coller International Partners V	Secondary	55	30.09.13	5,385	9,340	15,793	1.4	3.9%
2006	Cinven Fourth Fund	Buy-out	13	30.09.13	2,204	12,218	15,623	1.7	3.9%
2011	BC European Capital IX	Buy-out	4	30.09.13	15,272	12,590	14,258	N/D	3.6%
2006	Permira IV	Buy-out	19	30.09.13	1,091	13,690	14,052	1.1	3.5%
2012	Equistone Partners Europe Fund IV	Buy-out	10	30.09.13	12,029	13,104	13,703	1.1	3.4%
2005	Advent Global Private Equity V	Buy-out	9	30.09.13	1,317	4,198	12,346	2.8	3.1%
2008	Advent Global Private Equity VI	Buy-out	26	30.09.13	543	8,099	11,386	1.6	2.9%
2011	Montagu IV	Buy-out	6	30.09.13	15,976	8,991	9,318	1.0	2.3%
2005	Pomona Capital VI Fund	Secondary	40	30.09.13	1,686	8,905	8,704	1.5	2.2%
2006	TowerBrook Investors II	Buy-out	7	30.09.13	3,574	6,085	8,558	1.8	2.1%
2006	HgCapital 5	Buy-out	8	30.09.13	1,011	8,597	8,234	1.6	2.1%
2009	Bridgepoint Europe IV	Buy-out	19	30.09.13	1,593	7,523	7,637	1.0	1.9%
2005	CVC European Equity Partners IV	Buy-out	9	30.09.13	1,715	4,951	5,351	2.2	1.3%
2004	Industri Kapital 2004	Buy-out	4	30.09.13	14	6,973	5,251	2.2	1.3%
2012	Advent Global Private Equity VII	Buy-out	7	30.09.13	12,831	3,861	4,686	1.2	1.2%
2001	Cinven Third Fund	Buy-out	4	30.09.13	970	6,333	4,528	2.0	1.1%
2002	Charterhouse Capital Partners VII	Buy-out	6	30.09.13	2,539	7,778	4,507	1.9	1.1%
2012	IK VII	Buy-out	2	30.09.13	20,544	4,634	4,496	1.0	1.1%
2005	Equistone Partners Europe Fund II	Buy-out	9	30.09.13	282	9,195	4,107	1.6	1.0%
2006	CVC Tandem Fund	Buy-out	14	30.09.13	641	3,752	4,038	1.5	1.0%
2009	Charterhouse Capital Partners IX	Buy-out	9	30.09.13	2,274	3,410	3,593	1.1	0.9%
2002	Coller International Partners IV	Secondary	37	30.09.13	1,667	270	3,535	1.4	0.9%
2000	CVC European Equity Partners III	Buy-out	5	30.09.13	907	3,455	2,620	2.7	0.7%
2001	Candover 2001 Fund	Buy-out	3	30.06.13	—	7,492	2,400	1.6	0.6%
2001	Scottish Equity Partners II	Venture capital	7	30.06.13	—	3,955	2,147	1.0	0.5%
2001	Pomona Capital V Fund	Secondary	75	30.09.13	105	6,268	1,829	1.4	0.5%
1998	CVC European Equity Partners II	Buy-out	5	30.09.13	1,067	2,602	1,692	2.0	0.4%
2001	MUST 4	Buy-out	1	30.09.13	1,764	3,240	785	2.0	0.2%
2002	Equistone Partners Europe Fund	Buy-out	2	30.09.13	—	587	767	2.5	0.2%
1999	Apax Europe IV	Balanced	2	30.09.13	—	7,176	682	1.1	0.2%
1995	Phildrew Fourth	Buy-out	—	30.09.13	—	—	18	0.3	0.0%
2013	CVC Capital Partners VI	Buy-out	—	30.09.13	25,077	4	—	—	0.0%
2013	TowerBrook Investors IV	Buy-out	—	30.09.13	21,610	19	—	—	0.0%
	Total portfolio investments‡		541		178,542	389,890	358,512		89.4%
	Current assets less liabilities						42,653		10.6%
	Shareholders' funds						401,165		100.0%

* valuation date refers to the date of the last valuation prepared by the manager of the relevant fund.
† the net multiple has been calculated by SL Capital Partners LLP in GBP on the basis of the total realised and unrealised return for the interest held in each fund investment. (N/D – not disclosed due to legal limitations).
‡ the 541 underlying investments represent holdings in 516 separate companies.

Industri Kapital 2007

Industri Kapital 2007 is a €1.7 billion private equity fund focused on northern European buy-outs. The fund is managed by IK Investment Partners, which is headquartered in London, with further offices in Stockholm, Oslo, Paris and Hamburg. IK targets the buy-out of businesses with enterprise values of between €100 million and €500 million.

	30 September 2013	30 September 2012
Value (£'000)	39,344	36,837
Cost (£'000)	34,537	35,294
Commitment (€'000)	50,000	50,000
Amount Funded	96.5%	91.4%
Holding in Fund	3.0%	3.0%
Income (£'000)	60	–

Equistone Partners Europe Fund III

Equistone Partners Europe 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 Equistone Partners Europe, the former private equity arm of Barclays PLC. The manager operates from offices in London, Paris, Munich, Zurich, Birmingham and Manchester with a focus on sourcing investments in the UK, France and Germany.

	30 September 2013	30 September 2012
Value (£'000)	25,773	29,114
Cost (£'000)	28,850	33,158
Commitment (€'000)	60,000	60,000
Amount Funded	89.4%	88.9%
Holding in Fund	3.3%	3.3%
Income (£'000)	574	1,776

Apax Europe VII

Apax Europe VII is a €11.1 billion private equity fund predominantly focused on the European market. The fund is managed by Apax Partners, one of the leading and most experienced private equity managers in Europe. Apax operates from offices in London, Munich, New York and Tel Aviv with further offices across Asia in Hong Kong, Shanghai and Mumbai. The fund pursues a large buy-out strategy, and targets Apax Partners' four chosen sectors of technology and telecoms, healthcare, services, and consumer.

	30 September 2013	30 September 2012
Value (£'000)	24,612	27,651
Cost (£'000)	22,591	23,391
Commitment (€'000)	41,385	41,385
Amount Funded	87.3%	87.5%
Holding in Fund	0.4%	0.4%
Income (£'000)	–	–

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 Arle Capital Partners which, historically, concentrated on larger buy-outs in the UK market. However, investments in continental Europe are a significant part of this fund's strategy.

	30 September 2013	30 September 2012
Value (£'000)	20,106	21,124
Cost (£'000)	41,260	40,284
Commitment (€'000)	60,000	60,000
Amount Funded	100.0%	99.4%
Holding in Fund	1.7%	1.7%
Income (£'000)	–	–

CVC European Equity Partners V

CVC European Equity Partners V is a €10.7 billion private equity fund predominantly focused on European buy-outs. The fund is managed by CVC Capital Partners Europe, one of the leading European private equity managers. CVC operates primarily from offices in London, Paris, Frankfurt, Amsterdam, Brussels, Copenhagen, Madrid, Stockholm, Zurich and Milan in Europe, with further offices in New York and across Asia. CVC targets medium and large sized buy-out transactions.

	30 September 2013	30 September 2012
Value (£'000)	19,179	18,825
Cost (£'000)	17,569	16,938
Commitment (€'000)	35,000	35,000
Amount Funded	73.3%	63.2%
Holding in Fund	0.3%	0.3%
Income (£'000)	1,235	417

Ten Largest Fund Investments

at 30 September 2013

3i Eurofund V

3i Eurofund V is a €5.0 billion private equity fund, including a commitment of €2.8 billion from 3i Group plc, focused on mid to large sized European buy-outs. The fund is managed by 3i Private Equity, a division of 3i Group plc, an investment company listed on the London Stock Exchange. 3i is one of the oldest and most experienced private equity managers in Europe and operates from a network of offices, including Amsterdam, London, Madrid, Paris and Stockholm. 3i targets buy-out transactions with enterprise values of between €100 million and €1.0 billion, across a wide range of sectors.

	30 September 2013	30 September 2012
Value (£'000)	17,027	16,240
Cost (£'000)	21,121	24,475
Commitment (€'000)	40,000	40,000
Amount Funded	92.1%	92.8%
Holding in Fund	0.8%	0.8%
Income (£'000)	290	–

Terra Firma Capital Partners III

Terra Firma Capital Partners III is a €5.4 billion private equity fund focused predominantly on the European market. The fund targets asset-backed businesses operating in resilient and often regulated sectors which are in need of fundamental strategic, operational or management change. The fund is managed by Terra Firma Capital Partners, which was created in 2002 as the independent successor to Nomura Principal Finance Group that was founded in 1994 by Guy Hands, Terra Firma's Chairman and Chief Investment Officer. The manager operates from offices in London, Guernsey and Frankfurt.

	30 September 2013	30 September 2012
Value (£'000)	15,827	13,926
Cost (£'000)	24,667	23,863
Commitment (€'000)	34,000	34,000
Amount Funded	95.4%	92.6%
Holding in Fund	0.6%	0.6%
Income (£'000)	–	–

Coller International Partners V

Coller International Partners V is a $4.5 billion private equity fund focused on secondary private equity opportunities. The fund is managed by Coller Capital, one of the most established managers of secondary funds, which was founded in 1990 and is led by Jeremy Coller. The manager operates from offices in London, Hong Kong and New York and targets secondary positions, which may be either limited partner positions in private equity funds or portfolios of direct investments in private companies.

	30 September 2013	30 September 2012
Value (£'000)	15,793	15,684
Cost (£'000)	9,340	10,394
Commitment ($'000)	40,000	40,000
Amount Funded	78.2%	77.5%
Holding in Fund	0.8%	0.8%
Income (£'000)	–	–

Cinven Fourth Fund

Cinven Fourth Fund is a €6.5 billion private equity fund, targeting large buy-outs of European headquartered companies. Cinven, the manager, operates from offices in London, Frankfurt, Milan and Paris. The team applies a sector based approach by focusing on the business services, consumer, healthcare, industrials, retail & leisure, and telecoms/media/technology sectors. The enterprise value of target companies is generally in excess of €500 million.

	30 September 2013	30 September 2012
Value (£'000)	15,623	16,956
Cost (£'000)	12,218	13,021
Commitment (€'000)	21,000	21,000
Amount Funded	87.4%	86.3%
Holding in Fund	0.3%	0.3%
Income (£'000)	883	301

BC European Capital IX

BC Partners is one of the leading European buy-out firms with a track record that goes back to 1986. The team operates from offices in London, Paris, Hamburg, Milan and New York. BC European Capital IX held its final close in February 2012 with total commitments of €6.7 billion. The fund focuses primarily on buy-outs of larger companies exhibiting defensive growth characteristics. Typical enterprise values are between €300 million to €2 billion, and the main focus is on companies in the business services, consumer/retail, healthcare, media/telecoms and industrial sectors.

	30 September 2013	30 September 2012
Value (£'000)	14,258	4,932
Cost (£'000)	12,590	4,610
Commitment (€'000)	35,000	35,000
Amount Funded	47.8%	15.5%
Holding in Fund	0.5%	0.5%
Income (£'000)	97	1

Top 30 Underlying Investments
at 30 September 2013

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

Entity	Description	Fund	Year of Investment	% of net assets
Parques Reunidos	Amusement parks	Candover 2005 Fund	2007	1.5
Stork	Manufacturing and engineering conglomerate	Candover 2005 Fund	2008	1.5
AWAS/Pegasus	Aircraft lessor	Terra Firma Capital Partners III	2007	1.4
Hugo Boss & Valentino	Fashion group	Permira IV	2007	1.3
Numéricable/Completel	French cable operator	Cinven Third Fund	2005	1.0
Evonik Industries	Chemicals, power generation, real estate	CVC European Equity Partners V & CVC Tandem	2008	1.0
Acromas	Travel assistance and financial services	Charterhouse Capital Partners VII, CVC European Equity Partners IV & CVC Tandem	2004	0.9
Not Disclosed	Supplier of oxo chemicals and derivatives	Advent Global Private Equity V	2007	0.9
Schenck Process	Provides industrial weighing and measuring systems	Industri Kapital 2007	2007	0.9
Action	Non-food discount retailer	3i Eurofund V	2011	0.9
Not Disclosed	Provider of extended warranties	Advent Global Private Equity V	2007	0.9
GHD GesundHeits Deutschland	Home care product sales	Industri Kapital 2007	2010	0.9
Bankrate	Internet based banking and finance network	Apax Europe VII	2009	0.8
Visma	Provider of accounting software and services	HgCapital 5	2006	0.8
Achilles	Provider of data management services	HgCapital 5	2008	0.8
Trader Media Group	Online, mobile and magazine vehicle advertising	Apax Europe VII	2007	0.8
Avio	Aerospace engine component manufacturer	Cinven Fourth Fund	2006	0.8
Partnership Assurance	Provider of retirement solutions	Cinven Fourth Fund	2008	0.8
Not Disclosed	Cable television operator	BC European Capital IX	2011	0.8
Ladder Capital Finance	Commercial real estate finance company	TowerBrook Investors II	2008	0.8
Arysta	Agrochemicals business	Permira IV	2008	0.7
A-Plan Holdings	Retail insurance broking	Equistone Partners Europe Fund III	2008	0.7
Unipex	Pharmaceutical and cosmetic chemicals	Industri Kapital 2007	2012	0.7
Not Disclosed	Cable communications system	BC European Capital IX	2012	0.7
Vistra	Trust, fiduciary, fund and corporate services	Industri Kapital 2007	2009	0.7
Technogym	Provides fitness equipment and wellness products	Candover 2005 Fund	2008	0.7
Tnuva	Food manufacturer and distributor	Apax Europe VII	2008	0.7
Formula One	Organiser of leading motor racing championship	CVC European Equity Partners IV	2006	0.7
Solina	Food ingredients mixer	Industri Kapital 2007	2011	0.7
EverPower	Wind energy development	Terra Firma Capital Partners III	2009	0.7
Grand Total				26.5

Board of Directors

Edmond Warner OBE*

Chairman

Edmond Warner was appointed on 27 November 2008. He is Chairman of UK Athletics, the sport's national governing body, investment bank Panmure Gordon & Co, and online derivatives exchange LMAX. 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 of Clarkson PLC, Grant Thornton UK LLP and BlackRock Commodities Income Investment Trust Plc.

Alastair Barbour †

Director

Alastair Barbour was appointed on 1 April 2011. He is a chartered accountant and was formerly a partner of KPMG and has specialised in financial services with extensive experience in advising on accounting, financial reporting and corporate governance. He is also a non-executive director of RSA Insurance Group plc, Phoenix Group Holdings Limited, Liontrust Asset Management PLC and, overseas, a non-executive director of The Bank of N.T. Butterfield & Son Limited and CATCo Reinsurance Opportunities Fund Ltd.

Christina McComb‡

Director

Christina McComb was appointed on 29 January 2013. Christina's background is in investment management and she has wide experience of investing in early stage growth companies. She is currently Senior Independent Director of the British Business Bank. She is also Deputy Chairman of Engage Mutual Assurance, a non-executive director of Baronsmead VCT2 PLC, Nexeon Ltd, C5 Capital Ltd and a Trustee of The Land Trust. Christina has wide executive experience in both public and private sectors, including 14 years with 3i Group PLC.

David Warnock

Director

David Warnock was appointed on 26 January 2009. He has over 30 years' investment experience in both public and private companies, in both the UK and USA. He co-founded Aberforth Partners LLP and was a partner for 19 years until his retirement from the firm in 2008, prior to which he was with Ivory & Sime plc for four years and before that with 3i Group plc for seven years. He is also a non-executive director of British Polythene Industries PLC, Troy Income & Growth Trust plc and a number of private companies.

* Edmond Warner is Chairman of the Management Engagement and Nominations Committees.
† Alastair Barbour is Chairman of the Audit Committee.
‡ Christina McComb has been nominated as the Senior Independent Director.
All of the directors, except Edmond Warner, are members of the Audit Committee.
All of the directors are members of the Management Engagement and Nominations Committees.

The Strategic Report is designed to replace and improve narrative reporting previously included in the Business Review section of the Directors' Report. The purpose of this report is to provide shareholders with details of the Company's strategy and business model as well as the principal risks and challenges the Company has faced during the year under review.

The Board is responsible for the stewardship of the Company, including overall strategy, investment policy, borrowings, dividends, corporate governance procedures and risk management. Biographies of the directors can be found on page 16.

The Board has contractually delegated the management of the investment portfolio to the Manager, SL Capital Partners LLP ("SL Capital"). A summary of the terms of the Investment Management Agreement is contained in the Directors' Report on pages 19 and 20.

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 current investment policy can be found below and the Portfolio Review section of the Manager's Review on pages 9 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.

Investment Policy

Investment strategy

The principal focus of the Company is to invest in the leading European private equity funds investing in mid to large sized buy-outs, which can be categorised as transactions with enterprise values ranging between €200 million and €2.0 billion.

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 to 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.

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 will not invest more than 15% of its total assets in other listed investment companies or listed investment trusts.

The Company's non-sterling currency exposure is principally to the euro and US Dollar. 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. These investments may be in sterling or such other currencies to which the Company has exposure.

As reported in the Chairman's Statement, the Board is proposing to make certain changes to its investment policy. Details of the proposed amendments can be found on pages 22 and 23 within Resolution 10: Amendments to the Company's Investment Policy.

Benchmark

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 Portfolio Review section of the Manager's Review.

Borrowings

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.

Update on borrowings

On 20 December 2012 the Company entered into a £80,000,000 committed, multi-currency syndicated revolving credit facility led by The Royal Bank of Scotland (''RBS''). The expiry date of this facility is December 2016. Under this facility the Company must repay each loan under the facility on the last day of the specified interest period of the loan, but any such amounts may be reborrowed. If any person or group of persons acting in concert gains control of the Company; or Standard Life plc ceases to be the beneficial owner directly or indirectly through wholly owned subsidiaries of more than 25.01% of the issued share capital of the Company; or Standard Life Investments Limited ceases to control the Manager or to be the beneficial owner directly or indirectly through wholly owned Subsidiaries of more than 50.01% of the issued ordinary share capital of the Manager the Company will be required to notify RBS and the syndicated revolving credit facility may be cancelled. In the event of such cancellation the Company will then have to repay all outstanding loans together with accrued interest. At 30 September 2013, £nil of the loan facility was drawn down.

Review of Performance

An outline of the performance, market background, investment activity and portfolio during the year under review and the performance over the period since listing, as well as the investment outlook, are provided in the Chairman's Statement and the Manager's Review. Details of the Company's fund investments can be found on page 12. The ten largest fund investments are shown on pages 13 and 14 and the top 30 underlying investments are shown on page 15.

Strategy Implementation

SL Capital is one of the largest investors in private equity funds and co-investments in Europe. One of the key strengths of the investment team is their extensive fund and direct deal experience, which gives the Manager greater insight into the strategies, processes and disciplines of the funds invested in and allows better qualitative judgements to be made.

The investment strategy employed by the Manager in meeting the investment objective involves a detailed and rigorous screening and due diligence process to identify and then evaluate the best private equity fund offerings. The Manager concentrates on opportunities in the buy-out segment of the European private equity market, but, where it is relevant to a particular investment mandate, it also considers funds targeted on the venture, growth and turnaround equity segments, as well as funds focused on particular sectors or geographies.

The private equity asset class has exhibited historically a wide dispersion of returns generated by fund investments and the Manager believes that appropriate portfolio construction and manager selection is vital to optimise investment performance. In that regard, the objective is for the Company's portfolio to comprise around 35 to 40 ''active'' private equity fund investments at any one time, with portfolio diversification being controlled through percentage concentration limits applied at an individual fund and manager level.

Finally, the Manager believes that as one of the largest and most experienced private equity investors in Europe, it is able to find and invest in Europe's premier private equity funds, where knowledge of and access to these funds are sometimes limited.

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, which 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 one year and five years ended 30 September 2013, and since listing, are provided in the Financial Summary on page 2. The Company's expense ratio and discount levels are provided on page 3. An analysis of the portfolio cashflows, including draw downs, distributions and fund commitments, is provided in the Investment Activity section of the Manager's Review.

Principal Risks and Uncertainties

The financial risk management objectives and policies of the Company are contained in note 19 to the accounts on page 46. 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 to the accounts on pages 46 to 49.

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. Further information on the Manager's policy on sustainable and responsible investing is provided on page 27. 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. Details of the Investment Management Agreement are provided on pages 19 and 20.

Gender Representation

At 30 September 2013, there were three male directors and one female director on the Board. The Board's policy on diversity is set out on page 24.

By order of the Board

Personal Assets Trust Administration Company Limited
Company Secretary
Edinburgh, 27 November 2013

The directors present their report and the audited financial statements for the year ended 30 September 2013.

Business and Status

The Company carries on business as an investment trust. It has been approved as such by HM Revenue & Customs for all accounting periods commencing on or after 1 October 2012 subject to the Company continuing to meet the eligibility conditions in Section 1158 of the Corporation Taxes Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 Investment Trust (Approved Company) (Tax) Regulations 2011 (Statutory Instruments 2011/2999). The Company's registration number is SC 216638.

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

Share capital

At 30 September 2013, the Company's issued and paid up share capital was £329,544 divided into 164,290,213 fully paid up ordinary shares, 100,000 founder A shares partly paid up as to 0.1p per share and 807,081 founder A shares partly paid up as to 0.107p per share. During the year to 30 September 2013 1,171,747 new ordinary shares were issued as a result of elections received pursuant to the scrip dividend alternative in respect of the 2012 final dividend. 2,689,900 founder A shares were converted into ordinary shares and the Company bought back 1,950,000 ordinary shares for cancellation.

The ordinary shares and founder A shares represent 99.7% and 0.3% 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 on pages 21 and 22. 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 2006 and other legislation applying to the Company from time to time (the ''Statutes'').

Income and final dividend

Income available for dividends was £9,700,000, or 5.96p per ordinary share (30 September 2012 – £3,858,000, or 2.38p per ordinary share). The directors recommend that a final dividend of 5.0p per ordinary share (30 September 2012 – 2.0p) be paid on 30 January 2014 to shareholders on the Company's share register as at the close of business on 10 January 2014.

Directors

In accordance with developing practice, each of the Company's directors will stand for election or re-election at the forthcoming Annual General Meeting. The Board supports the candidature of the directors for the reasons described in the Corporate Governance section below.

On 29 January 2013, following the conclusion of the Annual General Meeting, Scott Dobbie retired as a director and Christina McComb was appointed as a director.

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 Manager to the Company is SL Capital Partners LLP.

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, equal to 0.8% per annum of shareholders' funds at the end of the relevant quarter. Undrawn commitments to limited partnerships and other funds are disregarded when calculating shareholders' funds 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 where there is an entitlement to a fee on that investment.

An incentive fee arrangement is in place in respect of the period from 1 October 2011 to 30 September 2016 (the ''Incentive Period''). No incentive fee is payable unless the Company's adjusted net asset value total return per ordinary share (before any accrual for the incentive fee) has grown by more than 8% compounded per annum over the Incentive Period (the ''Preferred Return''). The Company's adjusted net asset value total return per ordinary share was 225.9p at 1 October 2011, which is equivalent to 331.9p at 30 September 2016, when grown by 8% compounded per annum over the Incentive Period. The incentive fee will be an amount equal to 10% of the growth in the fully diluted net asset value total return per ordinary share in excess of the Preferred Return over the Incentive Period multiplied by the adjusted number of shares in issue.

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 terminates 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 month notice period.

The Manager's appointment under the Investment Management Agreement may be terminated by the Company without compensation for early termination (although all fees (excluding the incentive fee) and other amounts accrued up to the date of termination will remain payable) 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 Peter McKellar and Roger Pim, 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 incentive fee accrued to the date of termination shall remain payable if the termination event is triggered by the death or physical or mental illness of key executives.

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

Alternative Investment Fund Managers Directive (“AIFMD” or “the Directive”)

The Board has been considering the implications of the AIFMD and is taking advice on the best approach for the Company to comply with the Directive. As part of this, the Board has decided in principle to appoint SL Capital Partners LLP to be its manager under the AIFMD. The Directive introduces new reporting obligations as well as a requirement to appoint a depositary to perform an oversight role in relation to the Company's custody and cash management operations. Further information will be announced by the Board as implementation of the Directive progresses.

Greenhouse Gas Emissions

All of the Company's activities are outsourced to third parties. As such it does not have any physical assets, property, employees or operations of its own and does not generate any greenhouse gas or other emissions.

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 30 September 2013 are shown below.

Substantial share interests	No. of ordinary shares	%
Standard Life plc	86,112,583	52.2
F&C Asset Management PLC	11,767,245	7.1
Including: Foreign & Colonial Investment Trust	5,500,000	3.3
Henderson Global Investors	8,618,497	5.2
Quilter & Co. Limited	8,029,904	4.9

There have been no changes notified in respect of the above holdings, and no new holdings notified, since the end of the year.

Significant Agreements

The Company considers the following agreements, each of which may be affected, 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.

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 summarily terminating the Investment Management Agreement in accordance with the terms of that 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 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

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 or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Independent Auditors are aware of that information.

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 A 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.

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.

The founder A shares do not 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 A shares.

Deadlines for Exercising Voting Rights

If an ordinary shareholder wishes 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 not more than 48 hours after it is demanded at a meeting, cannot be more than 48 hours (excluding non-working days) prior to the meeting at which the poll is demanded.

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) in paying to the founder A shareholders the nominal amount paid up on each founder A share which they hold; and then (ii) 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. There were conversions of 2,689,900 founder A shares during the year to 30 September 2013 (2012: nil). A further 807,081 founder A shares were converted on 5 November 2013. As at 27 November 2013, there were 100,000 founder A shares capable of conversion into ordinary shares, representing 0.1% of the Company's fully diluted ordinary share capital.

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

All the founder A shares and founder B shares which were not capable of conversion into ordinary shares were, in accordance with the Company's articles of association, automatically re-classified as deferred shares on 31 March 2012. The deferred shares were cancelled by the Company on 31 March 2013.

The detailed provisions regarding the conversion and re-classification 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 A shareholder who is an individual may only transfer founder A shares to certain close family relations or to trustees to be held in a family trust.

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

Annual General Meeting

The Company's Annual General Meeting will be held at The Balmoral Hotel, 1 Princes Street, Edinburgh at 12.30 p.m. on 28 January 2014.

Resolutions to be considered at the Annual General Meeting

Resolutions 1 to 11 will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 12 and 13 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution. Each of these resolutions is being proposed to comply with the Company's Articles of Association and to obtain certain authorities under the Companies Act 2006 from Shareholders.

Resolution 1: Receive the audited Report and Accounts

Shareholders are being asked to receive the audited accounts for the year ended 30 September 2013.

Resolution 2: Approve the directors' remuneration policy

Shareholders are being asked to approve the Directors' remuneration policy for the three year period ending 30 September 2016.

Resolution 3: Approve the directors' remuneration report

Shareholders are being asked to approve the Directors' remuneration report for the year ended 30 September 2013.

Resolution 4: Final Dividend

Shareholders are being asked to approve the Final Dividend of 5.0p per Ordinary Share for the year ended 30 September 2013. If Shareholders approve the recommended Final Dividend, it will be paid on 30 January 2014 to Shareholders on the Company's register of members at the close of business on 10 January 2014 (the "Record Date").

Resolutions 5 to 8: Election and re-election of Directors

Christina McComb, who, having been appointed as a Director on 29 January 2013 will retire at her first Annual General Meeting and seek election.

Each of the Company's other Directors will stand for re-election.

Biographical details of each Director standing for election and re-election are set out on page 16.

The Board commends to Shareholders the election and re-election of the Directors, each of whom the Board regards as possessing the requisite skills and attributes to continue making significant contributions in their respective roles.

Resolution 9: Re-appointment of auditors

The Company is required to appoint auditors at each general meeting at which accounts are presented to Shareholders and PricewaterhouseCoopers LLP have indicated their willingness to continue in office. Accordingly, Shareholders are being asked to re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are presented to Shareholders and to authorise the Directors to fix their remuneration.

Resolution 10: Amendments to the Company's Investment Policy

The Board is proposing to make certain changes to its investment policy to give the Manager flexibility to invest the Company's cash balances in funds whose principal investment focus is European (including United Kingdom) quoted equities pending investment in private equity funds.

The Company's current investment policy can be found on page 17. The proposed additions to this policy are underlined in the following paragraph:

Cash held pending investment in private equity funds is invested in short dated government bonds, money markets instruments, bank deposits or other similar investments. These investments may be in sterling or such other currencies to which the Company has exposure. Cash held pending investment in private equity funds may also be invested in funds whose principal investment focus is European (including United Kingdom) listed equities.

The prices of quoted equities are outside the control of the Company and there can be no assurance that the Company will avoid investment losses from investing cash balances in funds whose principal investment focus is European (including United Kingdom) quoted equities.

Resolution 11: Authority to allot shares
Resolution 11 will, if approved, give the Directors a general authority to allot new shares in the Company up to an aggregate nominal amount of £109,955 (representing 33.3 per cent. of the total ordinary share capital of the Company in issue as at 27 November 2013 (being the latest practicable date prior to the publication of this document)). The Company holds no Ordinary Shares in treasury. This authority will expire on 30 March 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015.

Resolution 12: Disapplication of statutory pre-emption rights
As noted above, resolution 11 will, if approved, give the Directors a general authority to allot securities up to an aggregate nominal amount of £109,955. Resolution 12 will, if approved, authorise the Directors to allot new Ordinary Shares and existing Ordinary Shares which may be held by the Company in treasury up to an aggregate nominal amount of £16,510 (representing approximately 5 per cent. of the total ordinary share capital of the Company in issue as at 27 November 2013 (being the latest practicable date prior to the publication 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 any Ordinary Shares held in treasury, will expire on 30 March 2015 or, if earlier, the conclusion of the annual general meeting of the Company to be held in 2015. The Directors will only issue new Ordinary Shares pursuant to these authorities, and will only re-issue any 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 net asset value per Ordinary Share.

Resolution 13: Share buy-backs
The existing buy-back authority, granted at the annual general meeting of the Company held on 29 January 2013, permits the Company to make market purchases of up to 14.99 per cent. of the Company's issued ordinary share capital as at 29 January 2013 and expires at the forthcoming Annual General Meeting. During the financial year ended 30 September 2013, the Company purchased for cancellation 1,950,000 Ordinary Shares at an average price of 183.3p per Ordinary Share. The Directors consider that the Company should continue to have the authority to make market purchases of Ordinary Shares for cancellation or to be held in treasury. Resolution 13 is being proposed to authorise the Board to buy-back up to 14.99 per cent. of the Company's issued ordinary share capital (approximately 24,748,000 Ordinary Shares) as at the date on which the resolution is passed. 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 cancelled or held by the Company in treasury.

As at the date of this document, 100,000 founder A shares of 0.2 pence each ("Founder A Shares") are in issue which are convertible into Ordinary Shares. These Founder A Shares represent approximately 0.06 per cent. of the ordinary share capital of the Company in issue. If the authority to purchase Ordinary Shares were exercised in full, the Founder A Shares which are convertible into Ordinary Shares would represent approximately 0.07 per cent. of the ordinary share capital of the Company in issue.

Purchases under any such buy-back authority will only be made through the market for cash at prices below the last published net asset value per Ordinary Share, such that purchases will enhance the net asset value of the remaining Ordinary Shares. The minimum price which may be paid for an Ordinary Share shall be 0.2p (being the nominal value of an Ordinary Share). The maximum price shall be an amount being not more than the higher of (i) 105 per cent. of the average middle market quotation of an Ordinary Share (as derived from the Daily Official List of London Stock Exchange plc) 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 on which the purchase is carried out. This authority will expire on 30 March 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015.

Recommendation of the Board
The Board considers that all the resolutions to be considered at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Your Board will be voting in favour of them in respect of their entire beneficial holdings of Ordinary Shares which amount, in aggregate, to 130,658 Ordinary Shares (representing approximately 0.08 per cent. of the ordinary share capital of the Company in issue) and unanimously recommends that you do so as well.

By order of the Board

Personal Assets Trust Administration Company Limited
Company Secretary
Edinburgh, 27 November 2013

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 UK Corporate Governance Code (''the Governance Code'') issued in September 2012 which is available on the Financial Reporting Council's website www.frc.org.uk. 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 Governance Code and, where appropriate, with the provisions of the AIC Code of Corporate Governance which can be found on the AIC's website at www.theaic.co.uk.

The Board believes that the Company has complied throughout the year ended 30 September 2013 with the provisions of the Governance Code, except for the provision which relates to the combination of the roles of the Chairman and Chief Executive as 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, secretarial and administration agreements and through specific instructions, the day to day management of the Company to the Manager, SL Capital Partners LLP, the secretarial arrangements to Personal Assets Trust Administration Company Limited, and administrative matters to BNP Paribas Securities Services S.A. The Company has no executives or employees. There are a number of matters reserved for the Board's approval which include strategy, investment policy, borrowings, dividend policy and Board composition.

The Board presently consists of four 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 and at the places set out in the Notice of Annual General Meeting on pages 52-54.

The directors have the requisite business and financial experience to enable the Board to provide strategic leadership and proper governance to the Company. The Senior Independent Director (''SID'') is Christina McComb.

The Board meets formally at least five times each year and more frequently where business needs require. 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, borrowings, marketing, forecasts, dividends and communication with shareholders. There is regular contact between the directors and the Manager throughout the year.

The table below 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.

Meetings held and attendance	Board	Audit Committee	Management Engagement Committee	Nominations Committee
Edmond Warner[1]	5/5	2/2	1/1	1/1
Alastair Barbour	5/5	2/2	1/1	1/1
Scott Dobbie[2]	2/2	1/1	n/a	n/a
Christina McComb	3/3	1/1	1/1	1/1
David Warnock	5/5	2/2	1/1	1/1
Donald Workman[2]	3/4	1/2	n/a	n/a

1 Edmond Warner attended the audit committee as a non-voting observer following his appointment as Chairman.

2 Scott Dobbie and Donald Workman retired during the financial year and attended all meetings which they were eligible to attend except Mr Workman who missed one Board meeting and one Audit Committee meeting.

The Board regularly monitors the interests of each director and a register of directors' interests, including potential conflicts of interest, is maintained by the Company. Directors who have potential conflicts of interest will not take part in any discussions which relate to that particular conflict. The Board will continue to monitor and review potential conflicts of interests on a regular basis.

Following the implementation of the Bribery Act 2010, the Board has adopted a zero tolerance approach to bribery and corruption and has implemented appropriate procedures designed to prevent bribery.

Nominations Committee

All of the directors are members of the Nominations Committee and Edmond Warner is the Chairman. The terms of reference, which are available on the Company's website, 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.

The Board believes in equal opportunities and supports the principle that due regard should be had for the benefits of diversity, including gender, when searching for potential candidates. The Board recognises that diversity can bring insights that may make a valuable contribution to its effectiveness and is committed to its diverse composition. 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 will 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 and 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. In line with developing practice and good corporate governance, the Board has implemented annual re-election of all directors. All directors will therefore be seeking election or re-election. The Board believes that each director continues to be effective, bringing a wealth of knowledge and experience to the Board and recommends the election or re-election of each director to shareholders.

Following a review of the Board composition, the Nominations Committee recognised the advantages of having representatives with private equity expertise. Odgers Berndtson, an external consultant, was used to identify potential candidates. This resulted in the appointment of Christina McComb as a non-executive Director on 29 January 2013 and she will offer herself for election by shareholders at the forthcoming Annual General Meeting. Ms McComb was appointed as the Company's SID on 11 June 2013.

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, Personal Assets Trust Administration Company Limited, 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 pages 28 and 29.

Performance evaluation
An 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 individual discussions between each director and the Chairman. The Chairman was assessed by his colleagues in discussions with the SID. 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.

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

The notice of the Annual General Meeting is sent out at least 20 working days in advance of the meeting. Representatives of the Board 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.

Audit Committee
The Audit Committee is chaired by Alastair Barbour and comprises all of the directors with the exception of Edmond Warner. Alastair Barbour is a chartered accountant and a former partner of KPMG. Christina McComb has an MBA and BA Hons. David Warnock has a B.Comm (Hons) and a C.Dip.A.F. The Board is satisfied that the Audit Committee has the necessary skills and experience. The Audit Committee's terms of reference, which are available on the Company's website, 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 BNP Paribas Securities Services S.A. (the "Administrator"). 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 Company's system of internal controls (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 and compliance 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.

All of the responsibilities listed above were reviewed during the year without exception.

Significant accounting matters
The significant issues considered by the Audit Committee during the year in relation to the financial statements of the Company were as follows:

- Valuation of unquoted investments;
- Over-commitment risk; and
- Going concern.

Valuation of unquoted investments
The Company's accounting policy for valuing unquoted investments is set out in note 1 (c) on page 38. The Audit Committee reviewed and challenged the valuation prepared by management taking account of the

latest available information about the Company's fund investments and the Manager's knowledge of the underlying funds through their participation on fund advisory boards etc. and comparison to current market data where appropriate. The Audit Committee satisfied itself that that the valuations of investments had been carried out consistently with prior periods and in accordance with published industry guidelines.

The auditors explained the results of their review of the procedures undertaken by the Manager for the valuation, including the controls in place for reviewing the underlying fund valuations, and their review of the Manager's analysis of funds valued on a full 'bottom up' basis as at 30 September 2013 compared to those valued on a roll forward basis after adjusting for cashflows. On the basis of their audit work, no adjustments that were material were identified by the auditor.

Over-commitment risk

The Board considers and monitors commitments and the risk of over commitment at all board meetings. The Audit Committee reviewed how the Company's commitment risks and cashflows had been managed over the course of the financial year and expectations for the future and reviewed the future cashflow forecasts prepared by the Manager. In particular the Audit Committee considered and questioned the underlying assumptions as to outflows and inflows based on the Manager's knowledge of developments at the underlying funds and historic accuracy of the model in cashflow forecasting. The Audit Committee also considered the auditors' work and conclusions in this area.

Going Concern

The Audit Committee considered the Board's obligation to satisfy itself as to the appropriateness of the adoption of the going concern assumption as a basis for preparing the financial statements taking into account; the £80 million committed, syndicated revolving credit facility with a maturity date in December 2016; the future cashflow projections and that the Company was cashflow positive at the year end. The Audit Committee concluded that the adoption of the going concern basis was appropriate.

The Manager and auditor confirmed to the Audit Committee that they were not aware of any material misstatements in the financial statements. Having reviewed the reports from the Manager and auditor, the Audit Committee is satisfied that the key areas of risk and judgement have been appropriately addressed in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

At the request of the Board the Audit Committee considered whether the 2013 annual report and accounts was fair, balanced and understandable and whether it provided the necessary information for shareholders to assess the Company's performance, business model and strategy. The Audit Committee is satisfied that, taken as a whole, the annual report and accounts is fair, balanced and understandable. In reaching this conclusion the directors have assumed that the reader of the annual report and accounts has a reasonable level of knowledge of the investment industry.

The Audit Committee also received an update on recent and future accounting, auditing and regulatory developments, including the impact of the Alternative Investment Fund Managers Directive ("AIFMD"). Some of these new developments will apply for the financial year 2014 and the Audit Committee will continue to assess the impact on the Company's financial statements.

Auditors

The external auditors, PricewaterhouseCoopers LLP ("PwC"), attend all meetings of the Audit Committee and meets, at least annually, with the Audit Committee in the absence of the Manager. The Audit Committee discusses and agrees the scope of the audit plan for the full year and the auditor's report on their findings at the conclusion of the audit.

The Audit Committee also received a report from the auditor identifying to its satisfaction how their independence and objectivity is maintained when providing non-audit services. Any non-audit services to be provided by the auditor must be approved by the Audit Committee in advance of any work being carried out. During the year, in addition to the audit of the annual financial statements, the auditor reviewed the Company's interim report to shareholders; provided certain tax compliance services and reviewed the calculation of the scrip dividend reference price. Details of the Auditors' fees, including fees for non-audit services which amounted to £23,000 for the year ended 30 September 2013 (2012: £24,000) can be found on page 39. The non-audit services are primarily assurance related, and the Audit Committee believes PwC are best placed to provide them on a cost effective basis. The Audit Committee and the Board consider that the provision of such services does not impair the independence of the auditor.

PwC was appointed at the Company's launch in 2001. The audit engagement partner rotates every five years in accordance with ethical guidelines and 2013 is the third year for the current partner.

The Audit Committee assessed the effectiveness of the audit, the quality of the team and advice received from them through review of interaction with the auditors, reports received from them and discussion with management. The Audit Committee continues to be satisfied with the effectiveness of the work provided by PwC and that they continue to remain objective and independent. The Audit Committee has therefore recommended to the Board that a resolution be put to shareholders for the re-appointment of PwC, and their remuneration in terms of engagement, at the Annual General Meeting.

Internal controls

The respective responsibilities of the directors and the Independent Auditors in connection with the financial statements appear on pages 30 to 33.

The Board is responsible for the Company's system of internal controls 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 2013 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, the Company Secretary and the Administrator. Clear lines of accountability have been established between the Board, the Manager, the Company Secretary and the Administrator and the Board and the Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. 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 financial, operational and compliance controls and risk management. The Board reviews financial reports and performance statistics, including projections and management accounts, from the Manager on a regular basis. Twice a year the Audit Committee carries out an assessment of internal risks and controls. In carrying out its review, the Board has regard to the activities of the Manager, the Company Secretary and the Administrator, including their risk management, internal audit, compliance function and whistle-blowing policies, 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 the 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 Edmond Warner is the Chairman. The Committee reviews the performance of the Manager, the Company Secretary and the Administrator and their compliance with the terms of the investment management, company secretarial and the 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 investment 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 met fully 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 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 agreed terms is in the interests of shareholders.

Sustainable and Responsible Investing (''SRI'')

Standard Life Investments (''SLI'') is a signatory to the United Nations Principles for Responsible Investing. As a subsidiary of SLI, the Manager has embraced the principles of SRI and adopted the following policies:

- SL Capital Partners LLP believes that a company run in the long term interests of its shareholders should manage its relationships with its employees, suppliers and customers, and behave responsibly towards the environment and society as a whole;
- companies that demonstrate a commitment to environmental and social responsibility are likely to enjoy a comparative advantage in the long run;
- companies that fail to maintain adequate processes to manage these issues increasingly risk damage to their reputation, brand and image that can negatively impact their financial performance; and
- SL Capital Partners LLP seeks to encourage its fund managers to adopt best practice standards of environmental and social management with a view to protecting and enhancing the value of the investments made on behalf of its clients.

Although the Manager has no direct influence on the policies and behaviour of investee companies, it seeks to encourage general partners to adhere to SRI guidelines and report on any issues that arise in the portfolio.

No material SRI issues have been brought to the Manager's attention from within the Company's portfolio during the year to 30 September 2013.

By order of the Board

Personal Assets Trust Administration Company Limited
Company Secretary
Edinburgh, 27 November 2013

Directors’ Remuneration Report

Introduction

The Board has prepared this report in accordance with the requirements of section 421 of the Companies Act 2006. Ordinary resolutions for the approval of the directors’ remuneration policy and this report will be put to shareholders at the forthcoming Annual General Meeting. Following a change in regulations, the directors’ are required to seek shareholder approval of the directors’ remuneration policy at this Annual General Meeting and then at intervals of at least every three years. Any change to this policy would also require shareholder approval.

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 31.

Remuneration committee

The Company has four non-executive directors. The Board as a whole fulfils the function of a remuneration committee. The Board has instructed the Manager to provide annually appropriate information to assist the Board in considering the level of directors’ fees. The Board also consider the views expressed by the Company’s shareholders (whether at a general meeting or otherwise) when formulating the directors’ remuneration policy.

Directors shareholdings (audited)

The names of the directors and their shareholdings in the Company are shown in the table below. The Company has not been notified of any changes to the directors’ shareholdings between 30 September 2013 and 27 November 2013.

Directors and their shareholdings in the Company (audited)	Ordinary shares held as at 30 September 2013	2012
Edmond Warner	25,000	25,000
Alastair Barbour	55,658	30,300
Christina McComb	—	—
David Warnock	50,000	50,000

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

Policy on directors’ fees

The Company’s policy is to remunerate directors exclusively by fixed fees in cash 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 period ending 30 September 2016.

The fees for the non-executive directors are determined within the limits set out in the Company’s articles of association. There is no performance related remuneration scheme and therefore the directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

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

At the September 2013 Board meeting, the Board carried out a review of the level of directors’ fees and agreed that directors’ fees should be increased from £46,000 to £47,000 per annum for the Chairman, £30,000 to £31,000 per annum for the Senior Independent Director and Chairman of the Audit Committee and £26,500 to £27,500 per annum for each other Director.

	Year to 30 September 2014	Year to 30 September 2013
Chairman fee	£47,000	£46,000
Non-executive director base fee	£27,500	£26,500
Additional fee for chair of the Audit Committee	£3,500	£3,500
Additional fee for Senior Independent Director	£3,500	£3,500

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 election by shareholders at the first Annual General Meeting after their appointment and stand for re-election every year thereafter. The terms also provide that a director may be removed without notice and that compensation will not be due on leaving office.

Directors’ emoluments for the year (audited)

The rates of Directors’ fees for the financial year to 30 September 2013 were set out in the Directors’ Remuneration Report contained in the Company’s 2012 Annual Report and Accounts. A non-binding ordinary resolution proposing adoption of that Remuneration Report was put to shareholders at the Company’s Annual General Meeting held on 29 January 2013, and was passed by 99.99% of shareholders voting on the resolution.

All directors who served during the year ended 30 September 2013 received the emoluments, in the form of fees, as described in the table below.

Single Total Figure Table

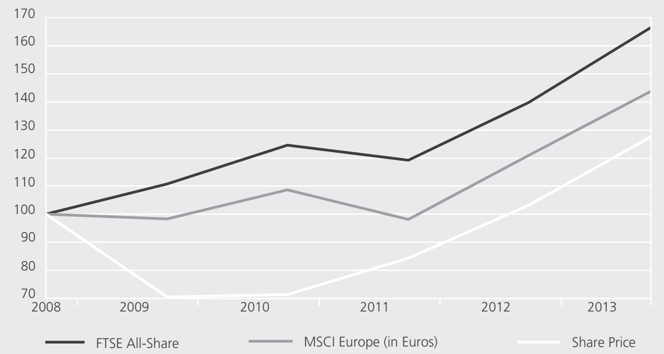
Director	Fees Year to 30 September 2013	Fees Year to 30 September 2012	Total Year to 30 September 2013	Total Year to 30 September 2012
Edmond Warner	£40,750	£25,991	£40,750	£25,991
Alastair Barbour	£30,000	£25,991	£30,000	£25,991
Hamish Buchan (retired on 2 February 2012)	—	£10,173	—	£10,173
Scott Dobbie (retired on 29 January 2013)	£15,273	£42,000	£15,273	£42,000
Christina McComb (appointed 29 January 2013)	£18,841	—	£18,841	—
Jonathan Taylor (resigned on 2 February 2012)	—	£8,138	—	£8,138
David Warnock	£26,500	£24,000	£26,500	£24,000
Donald Workman (resigned 3 June 2013)	£17,939	£24,000	£17,939	£24,000
Total	**£149,303**	**£160,293**	**£149,303**	**£160,293**

Scott Dobbie and Donald Workman received no additional remuneration on retirement.

Total shareholder return

The graph below presents, for the period from 30 September 2008 to 30 September 2013, 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 euros) indices are calculated. These indices, being the two most relevant indices, are chosen for comparative purposes only.

Total cumulative ordinary shareholder return for the five years to 30 September 2013



Source: Thomson Reuters Datastream

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Remuneration Report summarises the major decisions on Directors' remuneration; any substantial changes relating to Directors' remuneration made during the year; and the context in which the changes occurred and decisions have been taken.

For Standard Life European Private Equity Trust PLC

Edmond Warner OBE

Chairman

Edinburgh, 27 November 2013

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements respectively; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. 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.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a company's performance, business model and strategy. In reaching this conclusion the directors have assumed that the reader of the annual report and accounts has a reasonable level of knowledge of the investment industry.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed on page 16 confirm that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the directors' 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 it faces.

For Standard Life European Private Equity Trust PLC

Edmond Warner OBE
Chairman
Edinburgh, 27 November 2013

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 30 September 2013 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say below.

What we have audited

The financial statements, which are prepared by Standard Life European Private Equity Trust PLC (the "Company"), comprise:

- the balance sheet as at 30 September 2013;
- the income statement for the year then ended;
- the reconciliation of movements in shareholders' funds and the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements both individually and on the financial statements as a whole.

Based on our professional judgement, we determined an overall materiality for the financial statements as a whole of £4.0m which is approximately 1% of Net Assets.

Although our audit was designed to identify material misstatements, we agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.2m as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Company is a standalone Investment Trust Company managed by an investment manager, SL Capital Partners LLP (the "Manager").

The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Manager. The Manager has, with the consent of the directors, delegated the provision of certain administrative functions to BNP Paribas Securities Services S.A. (the "Company Administrator").

In establishing the overall approach to our audit we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Manager and Company Administrator, and we assessed the control environment in place at both organisations to the extent relevant to our audit of the Company.

Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Areas of particular audit focus

In preparing the financial statements, the directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the directors' judgements against available evidence, forming our own independent judgements, and evaluating the disclosures in the financial statements.

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

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on pages 25 and 26.

Area of focus	How the scope of our audit addressed the area of focus
Valuation of Unquoted Investments The investments held by the Company are primarily in private equity funds and are accounted for at fair value through the income statement. We focused on this area because the investments are unquoted and illiquid and therefore deriving fair value involves significant judgements by the directors, for example, whether there are factors to warrant adjustments to the independent valuations received.	We read the board meeting minutes and the minutes of the advisory boards of the underlying funds where the Manager was present to understand the directors' and Manager's discussions and decisions over the valuation of investments. We also assessed the appropriateness of the directors' judgements and assumptions over the valuation of unquoted securities by comparing the recorded valuations to independent valuation sources and, together with our understanding of the discussions over the valuation of investments obtained above, we challenged adjustments made to the independent valuations by the Manager to determine whether there was evidence to support adjustments made.
Over-commitment risk We focused on this area as the Company follows a policy of over commitment with outstanding cash commitments to underlying funds in excess of uninvested capital (refer to note 17 to the financial statements). If the Company did not have the ability to meet commitments, this may lead to investments being sold at a discount to their valuation or legal action being taken against the Company.	We evaluated the Company's current level of commitments and future cash flow forecasts for at least 12 months from the date of approval of these financial statements to determine the ability of the Company to meet its future commitments. We assessed and challenged the reasonableness of the Manager's and directors' assumptions used in the cash flow model. Specifically, this included the estimated timings of future cash inflows and outflows, and the review of the Company's loan facility, to assess whether the Company has the ability to meet its commitments as they fall due. In performing our assessment of management's assumptions we assessed the historic accuracy of key assumptions used in the cash flow forecasting.
Risk of management override of internal controls ISAs (UK & Ireland) require that we consider management override of controls.	We tested journal entries to determine that adjustments were supported by evidence and appropriately authorised. We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors that may represent a risk of material misstatement due to fraud. We built an element of "unpredictability" into our detailed testing.

Going Concern

Under the Listing Rules we are required to review the directors' statement, set out on page 26, in relation to going concern. We have nothing to report having performed our review.

As noted in the directors' statement the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Company has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Company's ability to continue as a going concern.

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

Opinions on matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Corporate Governance Statement set out on pages 24 to 27 in the Annual Report with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made, and under the Listing Rules we are required to review certain elements of the report to shareholders by the Board on directors' remuneration. We have no exceptions to report arising from these responsibilities.

Corporate Governance Statement

Under the Companies Act 2006, we are required to report to you if, in our opinion a corporate governance statement has not been prepared by the Company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code ("the Code"). We have nothing to report having performed our review.

On page 26 of the Annual Report, as required by the Code Provision C.1.1, the directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Company's performance, business model and strategy. On pages 25 and 26, as required by C3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the directors is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK &Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Catrin Thomas (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

27 November 2013

Income Statement

		For the year ended 30 September 2013			For the year ended 30 September 2012		
		Revenue	**Capital**	**Total**	Revenue	Capital	Total
	Notes	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Gains/(losses) on investments	9	**—**	**28,161**	**28,161**	—	(583)	(583)
Currency (losses)/gains	14	**—**	**(1,159)**	**(1,159)**	—	1,447	1,447
Income from investments	2	**12,149**	**—**	**12,149**	5,986	—	5,986
Interest receivable and other income	2	**1**	**—**	**1**	1	—	1
Investment management fee	3	**(321)**	**(2,891)**	**(3,212)**	(292)	(2,633)	(2,925)
Administrative expenses	4	**(637)**	**—**	**(637)**	(696)	—	(696)
Net return on ordinary activities before finance costs and taxation		**11,192**	**24,111**	**35,303**	4,999	(1,769)	3,230
Finance costs	5	**(147)**	**(1,328)**	**(1,475)**	(195)	(1,749)	(1,944)
Net return on ordinary activities before taxation		**11,045**	**22,783**	**33,828**	4,804	(3,518)	1,286
Taxation	6	**(1,345)**	**1,218**	**(127)**	(946)	918	(28)
Net return on ordinary activities after taxation		**9,700**	**24,001**	**33,701**	3,858	(2,600)	1,258
Net return per ordinary share	8	**5.96p**	**14.74p**	**20.70p**	2.38p	(1.60p)	0.78p
Diluted net return per ordinary share	8	**5.91p**	**14.62p**	**20.53p**	2.37p	(1.59p)	0.78p

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

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalent.

All revenue and capital items in the above statement are derived 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 5.0p (2012 – 2.0p) per ordinary share.

Reconciliation of Movement in Shareholders' Funds

For the year ended 30 September 2013

	Notes	**Called-up share capital £'000**	**Share premium £'000**	**Special reserve £'000**	**Capital redemption reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Balance at 1 October 2012		**359**	**80,954**	**79,148**	**3**	**199,437**	**9,761**	**369,662**
Total recognised gains		**—**	**—**	**—**	**—**	**24,001**	**9,700**	**33,701**
Conversion of founder A shares		**3**	**2,668**	**—**	**3**	**—**	**—**	**2,674**
Cancellation of deferred shares		**(30)**	**—**	**(30)**	**60**	**—**	**—**	**—**
Buy back of ordinary shares		**(4)**	**—**	**(3,599)**	**4**	**—**	**—**	**(3,599)**
Scrip issue of ordinary shares		**2**	**1,972**	**—**	**—**	**—**	**—**	**1,974**
Dividends paid	7	**—**	**—**	**—**	**—**	**—**	**(3,247)**	**(3,247)**
Balance at 30 September 2013	13,14	**330**	**85,594**	**75,519**	**70**	**223,438**	**16,214**	**401,165**

For the year ended 30 September 2012

	Notes	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2011		357	79,817	79,148	3	202,037	8,002	369,364
Total recognised (losses)/gains		—	—	—	—	(2,600)	3,858	1,258
Scrip issue of ordinary shares		2	1,137	—	—	—	—	1,139
Dividends paid	7	—	—	—	—	—	(2,099)	(2,099)
Balance at 30 September 2012	13,14	359	80,954	79,148	3	199,437	9,761	369,662

Balance Sheet

	Notes	At 30 September 2013 £'000	At 30 September 2013 £'000	At 30 September 2012 £'000	At 30 September 2012 £'000
Non-current assets					
Investments at fair value through profit or loss	9		**358,512**		365,897
Current assets					
Debtors	10	**664**		587	
Cash and short term deposits		**42,272**		3,489	
		42,936		4,076	
Creditors: amounts falling due within one year	11	**(283)**		(311)	
Net current assets			**42,653**		3,765
Total assets less current liabilities			**401,165**		369,662
Capital and reserves					
Called up share capital	13		**330**		359
Share premium	14		**85,594**		80,954
Special reserve	14		**75,519**		79,148
Capital redemption reserve	14		**70**		3
Capital reserves	14		**223,311**		199,437
Revenue reserve	14		**16,341**		9,761
Total shareholders' funds			**401,165**		369,662
Analysis of shareholders' funds					
Equity interests (ordinary shares)			**401,164**		369,628
Non-equity interests (founder shares)	13		**1**		34
Total shareholders' funds			**401,165**		369,662
Net asset value per equity share	16		**244.2p**		227.6p
Net asset value per equity share (diluted)	16		**243.4p**		224.9p

The financial statements on pages 34 to 50 were approved by the board on 27 November 2013 and were signed on its behalf by:

Edmond Warner OBE, Chairman

27 November 2013

Cashflow Statement

	Notes	For the year ended 30 September 2013 £'000	£'000	For the year ended 30 September 2012 £'000	£'000
Net cash inflow from operating activities	15		**8,261**		2,444
Servicing of finance					
Interest paid		**(1,055)**		(1,911)	
Arrangement fee		**(760)**		—	
Net cash outflow from servicing of finance			**(1,815)**		(1,911)
Net cashflow from taxation			**148**		—
Financial investment					
Purchase of investments	9	**(48,004)**		(40,090)	
Disposal of underlying investments by funds	9	**57,304**		71,043	
Disposal of fund investments by way of secondary sales		**26,246**		—	
Net cash inflow from financial investments			**35,546**		30,953
Ordinary dividend paid			**(1,267)**		(960)
Net cash inflow before financing			**40,873**		**30,526**
Conversion of founder A shares`		**2,688**		—	
Buy back of ordinary shares		**(3,599)**		—	
Bank loans repaid		**(9,895)**		(207,333)	
Bank loans drawn down		**9,895**		175,465	
Net cash outflow from financing			**(931)**		(31,868)
Increase/(decrease) in cash			**39,942**		(1,342)
Reconciliation of net cashflow to movement in net funds/(debt)					
Increase/(decrease) in cash as above			**39,942**		(1,342)
Repayment of loan			—		31,868
Currency movements			**(1,159)**		1,447
Movement in net funds/(debt) in the period			**38,783**		31,973
Opening net funds/(debt)			**3,489**		(28,484)
Closing net funds			**42,272**		3,489
Represented by:					
Cash and short term deposits			**42,272**		3,489

Notes to the Financial Statements

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 at fair value through profit and loss, and in accordance with applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (issued January 2009). 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 the Companies Act 2006 and 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 environment.

(b) Revenue, expenses and finance costs

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 effective interest rate basis. Dividends and income from unquoted investments are included when the right to receipt is established. All expenses are accounted for on an accruals basis. Incentive fees are recognised in the Income Statement as they are earned and when the return exceeds the specified hurdle rate.

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;

– 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; and

– any incentive fees payable are allocated wholly to capital, as they are expected to be attributable largely, if not wholly, to capital performance.

(c) Investments

Investments have been designated upon initial recognition as fair value through the profit or loss. On the date of making a legal commitment to invest in a fund, such commitment is recorded and disclosed. When funds are drawn in respect of such fund commitment the resulting investment is recognised in the financial statements. The investment is removed when it is realised or 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 capital reserves.

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 EVCA and the BVCA, 'International Private Equity and Venture Capital Valuation guidelines'. Where formal valuations are not completed as at the balance sheet date the last available valuation from the fund manager is adjusted for any subsequent cashflows 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 manager's 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. Scrip dividends are recognised in the period in which shares are issued.

(e) Capital reserves – Gains or losses on investments realised in the year that have been recognised in the Income Statement are transferred to the ''capital reserve – gains/(losses) on disposal''. In addition, any prior unrealised gains or losses on such investments are transferred from the ''capital reserve – revaluation'' to the ''capital reserve – gains/(losses) on disposal'' on the disposal of the investment. Increases and decreases in the fair value of investments are recognised in the Income Statement and are then transferred to the ''capital reserve – revaluation''.

(f) 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 timing 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 timing differences can be deducted. Timing 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.

1. Accounting policies (continued)

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.

(g) Overseas currencies – Overseas assets and liabilities are translated at the exchange rate prevailing at the Company's balance sheet date. Gains or losses on translation of investments held at the year end are accounted for through capital reserves. Gains or losses on the translation of overseas currency balances held at the year end are also accounted for through capital reserves. Rates of exchange to sterling at 30 September were:

	2013	2012
Euro	**1.1963**	1.2552
US dollar	**1.6194**	1.6148

Transactions in overseas currency are translated at the exchange rate prevailing on the date of transaction.

2. Income	**Year to 30 September 2013 £'000**	Year to 30 September 2012 £'000
Income from unquoted investments	**12,149**	5,986
Interest receivable on cash	**—**	1
Interest from HMRC	**1**	—
Total income	**12,150**	5,987

3. Investment management and incentive fees	**Year to 30 September 2013 Revenue £'000**	**Capital £'000**	**Total £'000**	Year to 30 September 2012 Revenue £'000	Capital £'000	Total £'000
Investment management fee	**321**	**2,891**	**3,212**	292	2,633	2,925

The investment management fee payable to the Manager is 0.8% per annum 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 management agreement between the Company and the Manager is terminable by either party on twelve months written notice.

For an incentive fee to be payable, the Company's net asset value total return must grow by more than 8% compound per annum (before any accrual for the incentive fee) over the five year period to 30 September 2016. Should this hurdle rate be achieved, the Manager will be entitled to an incentive fee of 10% of the growth in NAV (before any accrual for the incentive fee) in excess of the hurdle rate, multiplied by the number of ordinary shares in issue on 1 October 2011 (adjusted in certain circumstances to reflect subsequent share issuance and/or a material reduction in the Company's issued share capital). As at 30 September 2013 the net asset value total return was 246.9p and has not exceeded the 8% per annum compound growth hurdle rate at the same date of 263.5p, as such no provision is required in respect of the incentive fee.

4. Administrative expenses	**Year to 30 September 2013 £'000**	Year to 30 September 2012 £'000
Secretarial and administration fee	**150**	187
Directors' fees	**149**	160
Legal fees	**71**	72
Professional and consultancy fees	**51**	62
Auditors' remuneration – statutory audit	**24**	22
– interim review	**16**	15
– taxation services	**6**	—
– other services	**1**	9
Fees and subscriptions	**23**	22
Other expenses	**146**	147
	637	696

Irrecoverable VAT has been shown under the relevant expense line.

4. Administrative expenses (continued)

The administration fee payable to BNP Paribas Securities S.A. will be adjusted in line with the retail prices index from 30 September 2013. The administration agreement is terminable by the Company on three months' notice.

The secretarial fee payable to Personal Assets Trust Administration Company Limited will be adjusted in line with the retail prices index from 30 September 2013. The secretarial agreement is terminable by the Company on three months' notice.

The emoluments paid to the directors during the year can be found in the Directors' Remuneration Report on pages 28 and 29.

	Year to 30 September 2013			Year to 30 September 2012		
5. Finance costs	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Bank loans	**147**	**1,328**	**1,475**	195	1,749	1,944

	Year to 30 September 2013			Year to 30 September 2012		
6. Taxation	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
(a) Factors affecting the current tax charge for the year						
Return on ordinary activities before taxation	**11,045**	**22,783**	**33,828**	4,804	(3,518)	1,286

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

Return on ordinary activities multiplied by the effective rate of corporation tax in the UK – 23.5% (2012 – 25%)	**2,596**	**5,354**	**7,950**	1,201	(880)	321
Capital gains[1]	**—**	**(5,354)**	**(5,354)**	—	880	880
Non taxable income	**(1,378)**	**—**	**(1,378)**	(255)	—	(255)
Overseas withholding tax	**127**	**—**	**127**	28	—	28
Double tax relief	**—**	**—**	**—**	(28)	—	(28)
Tax relief for expenses taken to capital	**—**	**(1,218)**	**(1,218)**	—	(918)	(918)
Current tax charge/(credit) for the year	**1,345**	**(1,218)**	**127**	946	(918)	28

[1]The Company carries on business as an investment trust company with respect to sections 1158-1159 of the Corporation Tax Act 2010. As such any capital gains are exempt from UK taxation.

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits for the accounting period are taxed at an effective rate of 23.5%.

	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
(b) Analysis of the tax charge throughout the year		
Overseas withholding tax	**127**	28
	127	28

(c) Factors that may affect future tax charges

At the year end there is a potential deferred tax asset of £1,978,000 (2012 – £2,481,000) in relation to excess management expenses carried forward. The deferred tax asset is unrecognised at the year end in line with the Company's stated accounting policy.

The standard rate of corporation tax in the UK is scheduled to change from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. These rate changes have been built into the deferred tax asset calculations.

7. Dividend on ordinary shares	Year to 30 September 2013 £'000	Year to 30 September 2012 £'000
Amount recognised as a distribution to equity holders in the year:		
Dividend paid in the year ended 30 September 2013 of 2.0p (2012 – 1.3p) per ordinary share paid on 1 February 2013 (2012 – paid on 6 January 2012)	**1,267**	960
Scrip dividend issue of 1,171,747 shares, in lieu of the cash dividend, in the year ended 30 September 2013 (2012 – 881,969 shares)	**1,980**	1,139
	3,247	2,099

During the year the Company issued 1,171,747 ordinary shares as a result of elections received following a scrip dividend offer in respect of the 2012 final dividend. One new ordinary share was issued for every 169.0p otherwise payable as a cash dividend.

Set out below are the total dividend paid and proposed in respect of the financial year, which is the basis on which the requirements of sections 1158-1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of a dividend for the year is £9,700,000 (2012 – £3,858,000).

Proposed final dividend of 5.0p per ordinary share (dividend proposed at 30 September 2012 – 2.0p per ordinary share) due to be paid on 30 January 2014 (paid 1 February 2013).	**8,215**	3,248

8. Net return per ordinary share	Year to 30 September 2013 p	Year to 30 September 2013 £'000	Year to 30 September 2012 p	Year to 30 September 2012 £'000
The net return per ordinary share is based on the following figures:				
Revenue net return	**5.96**	**9,700**	2.38	3,858
Capital net return	**14.74**	**24,001**	(1.60)	(2,600)
Total net return	**20.70**	**33,701**	0.78	1,258
Weighted average number of ordinary shares in issue:		**162,828,459**		162,074,937

	Year to 30 September 2013 p	Year to 30 September 2013 £'000	Year to 30 September 2012 p	Year to 30 September 2012 £'000
The fully diluted net return per ordinary share is based on the following figures:				
Revenue net return (fully diluted)	**5.91**	**9,700**	2.37	3,858
Capital net return (fully diluted)	**14.62**	**24,001**	(1.59)	(2,600)
Total net return (fully diluted)	**20.53**	**33,701**	0.78	1,258

Fully diluted net returns have been calculated on the basis set out in Financial Reporting Standard 22 'Earnings per share' ('FRS 22'). For the year ended 30 September 2013, this is based on 164,112,146 shares, comprising the weighted average 162,828,459 ordinary shares and 1,283,687 founder A shares capable of conversion. For the year ended 30 September 2012, this is based on 163,042,162 shares, comprising the weighted average 162,074,937 ordinary shares and 967,224 founder A shares capable of conversion.

9. Investments	30 September 2013 £'000	30 September 2012 £'000
Fair value through profit or loss:		
Opening market value	**365,897**	397,433
Opening investment holding losses	**45,554**	13,078
Opening book cost	**411,451**	410,511
Movements in the year:		
Additions at cost	**48,004**	40,090
Disposal of underlying investments by funds	**(57,304)**	(71,043)
Disposal of fund investments by way of secondary sales	**(26,246)**	—
	375,905	379,558
Gains on disposal of underlying investments	**25,139**	37,753
Losses on liquidation of fund investments	**(6,500)**	(5,860)
Losses on disposal of fund investments by way of secondary sales	**(4,654)**	—
Closing book cost	**389,890**	411,451
Closing investment holding losses	**(31,378)**	(45,554)
Closing market value	**358,512**	365,897

	30 September 2013 £'000	30 September 2012 £'000
Gains on investments:		
Net gains on disposal of unquoted investments	**13,985**	31,893
Net revaluation of unquoted investments	**14,176**	(32,476)
	28,161	(583)

Transaction costs

During the year expenses were incurred in acquiring or disposing of investments. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	30 September 2013 £'000	30 September 2012 £'000
Purchases in respect of new unquoted fund investments	**160**	25
Secondary sales	**60**	—
	220	25

10. Debtors	30 September 2013 £'000	30 September 2012 £'000
Amounts falling due within one year:		
Unamortised loan arrangement fees	**620**	377
Prepayments	**44**	62
Income tax recoverable	—	148
	664	587

11. Creditors: amounts falling due within one year	**30 September 2013 £'000**	30 September 2012 £'000
Management fee	**182**	67
Secretarial and administration fee	**32**	85
Loan interest and commitment fee	**4**	102
Other accruals	**65**	57
	283	311

12. Bank loans

At 30 September 2013, the Company had a £80 million (2012 – £120 million) committed, multi currency syndicated revolving credit facility led by The Royal Bank of Scotland plc of which £nil (2012 – £nil) had been drawn down in euros. The facility expires in December 2016. The interest rate on this facility is LIBOR plus 2.75% and the commitment fee payable on non-utilisation is 1.0% per annum.

13. Called up share capital	**30 September 2013 £**	30 September 2012 £
Issued:		
164,290,213 (2012 – 162,378,566) ordinary shares of 0.2p – fully paid	**328,580**	324,757
907,081 (2012 – 3,596,981) founder A shares of 0.2p – partly paid	**964**	3,653
Nil (2012 – 30,145,021) deferred shares of 0.2p – partly paid	**—**	30,460
	329,544	358,870

On 2 May 2001, 14,835,625 founder A shares were allotted each partly paid up at 0.1p per share and 2,664,375 founder A 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.

On 31 March 2012, the unconvertible founder A shares and all of the founder B shares became deferred shares. On 29 January 2013, £30,000 of the Company's special reserve was used to pay up unpaid nominal amounts on the deferred shares and the deferred shares were subsequently cancelled on 31 March 2013.

At 30 September 2013, 907,081 (2012 – 3,596,981) founder A shares have a right to convert into an equivalent number of ordinary shares at a conversion price of £1 per ordinary share up to 31 December 2013. During the year 2,689,900 (2012: nil) founder A Shares were converted into ordinary shares. The Company also issued 1,171,747 ordinary shares as a result of elections received following a scrip dividend offer in respect of the 2012 final dividend. One new ordinary share was issued for every 169.0p otherwise payable as a cash dividend. The Company also bought back 1,950,000 ordinary shares at a cost of £3,599,000.

14. Reserves	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves: gains/ (losses) on disposal £'000	Capital reserves: revaluation £'000	Revenue reserve £'000
Opening balances at 1 October 2012	80,954	79,148	3	244,991	(45,554)	9,761
Gains on disposal of unquoted investments	—	—	—	13,985	—	—
Management fee charged to capital	—	—	—	(2,891)	—	—
Finance costs charged to capital	—	—	—	(1,328)	—	—
Tax relief on management fees and finance costs above	—	—	—	1,218	—	—
Currency losses	—	—	—	(1,159)	—	—
Revaluation of unquoted investments	—	—	—	—	14,176	—
Scrip issue of ordinary shares	1,978	—	—	—	—	—
Expenses of scrip issue	(6)	—	—	—	—	—
Conversion of founder A shares	2,668	—	3	—	—	—
Cancellation of deferred shares	—	(30)	60	—	—	—
Buy back of ordinary shares	—	(3,599)	4	—	—	—
Return on ordinary activities after taxation	—	—	—	—	—	9,700
Dividends during the period	—	—	—	—	—	(3,247)
Closing balances at 30 September 2013	**85,594**	**75,519**	**70**	**254,816**	**(31,378)**	**16,214**

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 finance costs and taxation to net cash inflow from operating activities	30 September 2013 £'000	30 September 2012 £'000
Net total return before finance costs and taxation	**35,303**	3,230
Adjustment for:		
Gains on disposal of unquoted investments	**(13,985)**	(31,893)
Revaluation of unquoted investments	**(14,176)**	32,476
Currency losses/(gains) on cash balances	**1,159**	(1,447)
Decrease in debtors	**17**	270
Increase/(decrease) in creditors	**70**	(16)
Tax deducted from non – UK income	**(127)**	(176)
Net cash inflow from operating activities	**8,261**	2,444

16. Net asset value per ordinary share	**30 September 2013**	30 September 2012
Basic:		
Ordinary shareholders' funds	**£401,163,734**	£369,627,423
Number of ordinary shares in issue	**164,290,213**	162,378,566
Net asset value per ordinary share	**244.2p**	227.6p
Diluted:		
Ordinary shareholders' funds	**£402,070,815**	£373,224,404
Number of ordinary shares in issue	**165,197,294**	165,975,547
Net asset value per ordinary share	**243.4p**	224.9p

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 2013 £'000**	30 September 2012 £'000
Outstanding calls on investments	**178,542**	129,041

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 eight 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 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 Standard Life Investments Limited converted its 2,427,490 founder A shares into an equal number of ordinary shares.

During the year ended 30 September 2013 the Manager charged management fees totalling £3,212,000 (2012 – £2,925,000) to the Company in the normal course of business. The balance of management fees outstanding at 30 September 2013 was £182,000 (2012 – £67,000).

No other related party transactions were undertaken during the year ended 30 September 2013.

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 2013 £'000	30 September 2012 £'000
Financial assets		
Financial assets at fair value through profit or loss:		
Fixed asset investments – designated as such on initial recognition	**358,512**	365,897
Loans and receivables:		
Current assets:		
Debtors (accrued income and other debtors)	**664**	587
Cash and short-term deposits	**42,272**	3,489
	401,448	369,973
Financial liabilities		
Measured at amortised cost:		
Creditors: amounts falling due within one year:		
Accruals	**283**	311
	283	311

Fair values of financial assets and financial liabilities

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 the market rates.

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 terms which incorporate 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.

19. Risk management, financial assets and liabilities (continued)

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 listed financial markets and hence potentially affecting 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 financial exchanges. A 10% increase in the valuation of unquoted investments at 30 September 2013 would have increased the net assets attributable to the Company's shareholders and the total return for the year by £35,851,000 (2012 – £36,590,000); a 10% change in the opposite direction would have decreased the net assets attributable to the Company's shareholders and the total return 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. 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.

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

	30 September 2013		30 September 2012	
	Local Currency '000	**Sterling Equivalent £'000**	Local Currency '000	Sterling Equivalent £'000
Fixed asset investments: unquoted				
Sterling	**11,183**	**11,183**	11,557	11,557
Euro	**364,389**	**304,597**	383,324	305,401
US Dollar	**69,200**	**42,732**	79,027	48,939
Cash and short term deposits:				
Sterling	**2,227**	**2,227**	338	338
Euro	**41,010**	**34,281**	2,876	2,292
US Dollar	**9,334**	**5,764**	1,387	859
Other debtors and creditors:				
Sterling	**381**	**381**	276	276
Total		**401,165**		369,662

19. Risk management, financial assets and liabilities (continued)	**30 September 2013**		30 September 2012	
	Local Currency '000	**Sterling Equivalent £'000**	Local Currency '000	Sterling Equivalent £'000
Outstanding commitments:				
Sterling	**2,775**	**2,775**	4,333	4,333
Euro	**167,202**	**139,763**	136,983	109,134
US Dollar	**58,305**	**36,004**	15,574	15,574
Total		**178,542**		129,041

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 2013 sterling depreciated by 4.7% relative to the euro (2012 – appreciated 8.1%) and appreciated by 0.3% relative to the US dollar (2012 – appreciated 3.7%).

To highlight the sensitivity to currency movements, if the value of sterling had weakened against both of the above currencies by 10% compared to the exchange rates at 30 September 2013, the capital gain would have increased for the year by £43,042,000 (2012 – increase of £39,721,000 in capital gain); a 10% change in the opposite direction would have decreased the capital gain for the year by £35,216,000 (2012 – £32,499,000).

The calculations above 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.

Based on similar assumptions, the amount of outstanding commitments would have increased by £19,530,000 at the year end (2012 – £13,856,000), a 10% change in the opposite direction would have decreased the amount of outstanding commitments by £15,979,000 (2012 – £11,337,000).

Over-commitment risk

The Board has taken the decision to make commitments to new fund investments which are greater than the current cash and committed credit facilities. 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 the 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 committed, multi-currency revolving credit facility was arranged, led by The Royal Bank of Scotland plc. As at 30 September 2013 and 30 September 2012, £nil million of the loan facility had been drawn down.

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 quickly liquidate 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 multi-currency loan facility. Liquidity risk is monitored by the Manager on an ongoing basis and by the Board on a regular basis. A maturity analysis of all financial liabilities is included in notes 11 and 12.

Credit risk

Credit risk is the exposure to loss from 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 period end, the Company's financial assets exposed to credit risk amounted to the following:

	30 September 2013 £'000	30 September 2012 £'000
Cash and short term deposits	**42,272**	3,489

19. Risk management, financial assets and liabilities (continued)

All of the Company's cash is held by JP Morgan Chase Bank (''JP Morgan''), which is rated 'A+' by Standard and Poors. 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.

Interest risk profile

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

	30 September 2013		30 September 2012	
	Weighted average interest rate %	**£'000**	Weighted average interest rate %	£'000
Floating rate				
Financial assets: Cash and short term deposits	—	42,272	—	3,489
	—	42,272	—	3,489

Interest rate sensitivity

An increase of 1% in interest rates would have decreased the net assets attributable to the Company's shareholders and decreased the total gain for the year ended 30 September 2013 by £15,000 (2012 – £19,000). A decrease of 1% would have increased the net assets attributable to the Company's shareholders and increased the total gain for the year ended 30 September 2013 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 controls. The Manager and the Administrator have in place control systems which include the custody and safeguarding of the Company's assets, compliance with regulations (mainly sections 1158-1159 of the Corporation Tax Act 2010, 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 Administrator and reviews their internal control reports to ensure that an effective system of internal controls is maintained.

20. Fair value hierarchy

The Company adopted the amendments to FRS 29 'Financial Instruments: Disclosures' effective from 1 January 2009. These amendments require an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the input:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

– Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

– Level 3: inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities, measured at fair value in the statement of financial position, are grouped into the following fair value hierarchy at 30 September 2013:

Financial assets at fair value through profit or loss	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Unquoted equities	**—**	**—**	**358,512**	**358,512**
Net fair value	**—**	**—**	**358,512**	**358,512**

As at 30 September 2012:

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted equities	—	—	365,897	365,897
Net fair value	—	—	365,897	365,897

Unquoted equities

The fair value of the Company's investments in unquoted fund interests has been determined by reference to primary valuation techniques described in note 1(c) to these accounts.

A reconciliation of fair value measurements in Level 3 is set out in note 9 to these accounts. There have been no movements between the different levels within the fair value hierarchy.

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
34 South Gyle Crescent
South Gyle Business Park
Edinburgh EH12 9EB
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 Company's ordinary share capital is admitted to trading on the London Stock Exchange. 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 £11,520 in the tax year 2013/2014. There is no initial charge 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.

Regulatory Status – Non Mainstream Pooled Investments
The Board notes the proposed changes to the FCA rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes which will come into effect on 1 January 2014. The Board confirms that it conducts its affairs, and intends to continue to conduct its affairs, so that the Company's shares will be excluded securities under these new rules and will therefore be excluded from the FCA's restrictions which apply to non-mainstream investment products. The Company's shares are excluded securities because the Company carries on business as an investment trust.

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 Conduct 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 28 January 2014 at 12.30 pm.

Notice of Annual General Meeting

Notice is hereby given that the thirteenth 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 28 January 2014 at 12.30 p.m. to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 11 (inclusive) will be proposed as ordinary resolutions and resolutions 12 and 13 (inclusive) will be proposed as special resolutions.

1. That the report and accounts for the year ended 30 September 2013, the Directors' report, the Directors' remuneration report and the independent auditors' report be received.
2. That the Directors' remuneration policy be approved.
3. That the Directors' remuneration report for the year ended 30 September 2013 be approved.
4. That a final dividend of 5.0p per ordinary share be declared.
5. That Mr Barbour be re-elected as a Director.
6. That Ms McComb be elected as a Director.
7. That Mr Warner be re-elected as a Director.
8. That Mr Warnock be re-elected as a Director.
9. That PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be fixed by the Directors.
10. That the proposed amendments to the investment policy set out on page 22 of this annual report dated 27 November 2013, a copy of which has been produced to the meeting and signed by the Chairman for the purposes of identification, be and is hereby adopted as the investment policy of the Company to the exclusion of all previous investment policies of the Company.
11. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, 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 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £109,955, such authority to expire on 30 March 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015, 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.
12. That, subject to the passing of resolution 11 in this notice of annual general meeting and in substitution for any existing powers but without prejudice to the exercise of any such power prior to the date hereof, the Directors be and are hereby generally empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority under section 551 of the Act conferred by resolution 11 in this notice of the annual general meeting as if section 561 of the Act did not apply to the allotment. This power:

    (i) expires on 30 March 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015, 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 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 £16,510.

    This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 724 of the Act as if in the first paragraph of this resolution 12 the words "pursuant to the authority under section 551 of the Act conferred by resolution 11 in this notice of annual general meeting" were omitted.
13. That, in substitution for any existing authority, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) 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 (being approximately 24,748,000 ordinary shares) 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 of London Stock Exchange plc) 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 on which the purchase is carried out; and

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 30 March 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015, 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

Personal Assets Trust Administration Company Ltd
Company Secretary

1 George Street
Edinburgh EH2 2LL

27 November 2013

Notes

1. **Attending the Annual General Meeting in person**
If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the Annual General Meeting.

2. **Appointment of proxies**
Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying Form of Proxy.

If a member wishes a proxy to speak on their behalf at the meeting, the member will need to appoint their own choice of proxy (not the Chairman of the Annual General Meeting) and give their instructions directly to them. Such an appointment can be made using the Form of Proxy accompanying this notice of Annual General Meeting or through CREST.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Company's registrar Equiniti Limited (the "Registrar") at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

A member may instruct their proxy to abstain from voting on a particular resolution to be considered at the meeting by marking the "Vote withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the resolution.

The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

3. **Appointment of a proxy using a Form of Proxy**
A Form of Proxy for use in connection with the Annual General Meeting is enclosed. To be valid any Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA at least 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

If you do not have a Form of Proxy and believe that you should have one, or you require additional Forms of Proxy, please contact the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

4. **Appointment of a proxy through CREST**
CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com. 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 (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 the Registrar (ID RA19) no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

5. **Appointment of proxy by joint holders**
In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. **Corporate representatives**
Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

7. **Entitlement to attend and vote**
To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00 p.m. on 24 January 2014 (or, if the Annual General Meeting is adjourned, at 6.00 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting). Changes to the Company's register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

8. **Nominated persons**
Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. **Website giving information regarding the Annual General Meeting**
Information regarding the Annual General Meeting, including information required by section 311A of the 2006 Act, and a copy of this notice of Annual General Meeting is available from www.slcapital.com/products.

10. **Audit concerns**
Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

11. **Voting rights**
As at 27 November 2013 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 165,097,294 ordinary shares of 0.2p each and 100,000 founder A shares of 0.2p each. The Company held no shares in treasury. Only holders of ordinary shares are entitled to attend and vote at the Annual General Meeting. Each ordinary share carries one vote. Therefore, the total voting rights in the Company as at 27 November 2013 were 165,097,294 votes.

12. **Notification of shareholdings**
Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chairman of the Annual General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure Rules and Transparency Rules.

13. **Further questions and communication**
Under section 319A of the 2006 Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members may not use any electronic address provided in this notice or in any related documents (including the accompanying document, Form of Proxy or Form of Election) to communicate with the Company for any purpose other than those expressly stated.

14. **Documents available for inspection**
The following documents will be available for inspection at the registered office of the Company and at the offices of Dickson Minto W.S. at Broadgate Tower, 20 Primrose Street, London EC2A 2EW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at The Balmoral Hotel, 1 Princes Street, Edinburgh from 12.15 p.m. until the conclusion of the Annual General Meeting:

14.1 the Company's Memorandum of Association and Articles of Association; and

14.2 copies of the letters of appointment of the Company's non-executive directors.

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
Personal Assets Trust Administration Company Limited
10 St. Colme Street
Edinburgh EH3 6AA
United Kingdom

Company Administrator
BNP Paribas Securities Services S.A.
55 Moorgate
London EC2R 6PA
United Kingdom

Company Broker
Canaccord Genuity Limited
88 Wood Street
London EC2V 7QR
United Kingdom

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

Independent Auditors and Tax Advisers
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68–73 Queen Street
Edinburgh EH2 4NH
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Bankers
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United Kingdom

JPMorgan Chase Bank
125 London Wall
London EC2Y 5AJ
United Kingdom

Registrars
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South Gyle Business Park
Edinburgh EH12 9EB
United Kingdom

Standard Life European Private Equity Trust PLC
Registered in Scotland no. 216638
1 George Street
Edinburgh EH2 2LL
United Kingdom

Managed by SL Capital Partners LLP
1 George Street
Edinburgh EH2 2LL
United Kingdom