Standard Life European Private Equity Trust PLC

Report and Accounts
for the year ended 30 September 2015

Managed by
SL Capital Partners

Contents

Objective

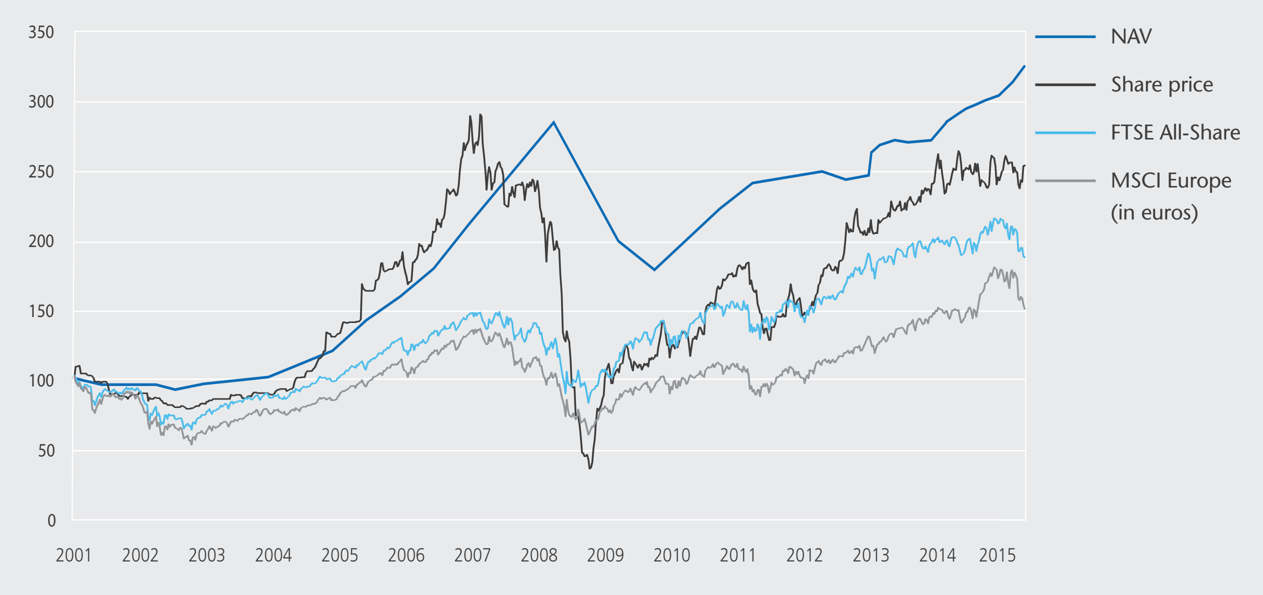
To achieve long-term capital gains through holding a diversified portfolio of private equity funds investing predominantly in Europe.

Company Summary

Investment policy	Full details of the Company's investment policy can be found on page 17.
Investment manager	SL Capital Partners LLP (''the Manager'')
Shareholders' funds	£438.7 million at 30 September 2015
Market capitalisation	£333.4 million at 30 September 2015
Capital structure at 30 September 2015	**155,776,294 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.
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 annualised 8% hurdle rate, measured over the five year period ending 30 September 2016 (more details are provided on pages 20 and 43). 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 2015



Performance (Capital Only)	At 30 September 2015	At 30 September 2014	% Change
Net asset value per ordinary share ("NAV")	281.6p	257.4p	9.4
Share price	214.0p	230.0p	(7.0)
FTSE All-Share Index[1]	3,335.9	3,533.9	(5.6)
MSCI Europe Index (in euros)[1]	117.3	117.2	0.0
Discount (difference between share price and diluted net asset value)	24.0%	10.6%	

Performance (Total Return)[2]	1 year %	Annualised 5 year %	Annualised since launch %[3]
NAV	11.9	9.0	8.5
Share price	(4.0)	15.3	6.7
FTSE All-Share Index[1]	(2.3)	6.7	4.6
MSCI Europe Index (in euros)[1]	3.2	9.2	3.0

High/low for the year ended 30 September 2015	High	Low
Share price (mid)	229.1p	198.5p

[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 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)
At 30 September 2014	409.1	257.4	257.4	230.00	(10.6)
At 30 September 2015	438.7	281.6	281.6	214.00	(24.0)

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 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
Year to 30 September 2014	7.7	19.1	8.2	5.00	0.96
Year to 30 September 2015	11.9	(4.0)	10.6	5.25	0.98

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

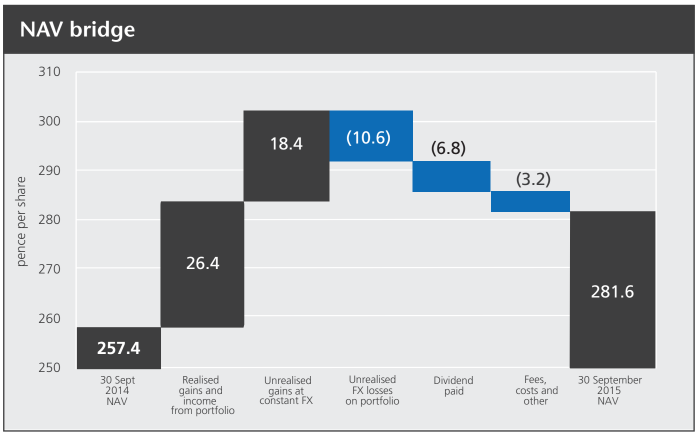
Investment exposure	Fund manager as a % of net assets		Fund investments as a % of net assets		
	Top 5 %	Top 10 %	Top 10 %	Top 20 %	Top 30 %
At 30 September 2006	40.9	67.4	50.3	74.0	81.4
At 30 September 2007	41.0	66.5	42.5	64.8	80.4
At 30 September 2008	54.5	84.6	55.1	84.0	102.4
At 30 September 2009	55.5	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
At 30 September 2014	43.2	65.0	52.9	74.0	82.7
At 30 September 2015	42.4	65.2	48.6	71.4	80.2

Chairman's Statement

Edmond Warner, OBE

Results and performance

The last year has continued to see the Company benefit from a strong mergers and acquisitions market in Europe, with significant cashflows to and from the Company and meaningful realised and unrealised gains, before adjusting for unrealised foreign exchange losses. This has been against a background of volatile listed equity markets and a weakening euro. Including dividends paid, the NAV total return for the year was 11.9%. At 30 September 2015 the Company's net assets were £438.7 million (30 September 2014 – £409.1 million).



For the year ended 30 September 2015 the Company's NAV rose by 9.4% to 281.6p, from 257.4p at 30 September 2014. The increase in NAV during the period comprised 9.8% of net realised gains and income from the Company's portfolio of 46 private equity fund interests and 7.1% of unrealised gains on a constant exchange rate basis, partially offset by 4.1% of negative exchange rate movements on the portfolio, 0.8% of fees, costs and other items, and the payment of dividends during the year ended 30 September 2015.

The closing mid-market price of the Company's ordinary shares on 30 September 2015 was 214.0p, a decrease of 7.0% over the year and a discount of 24.0% to NAV. This compares to a fall in the FTSE All-Share Index of 5.6% and a movement in the MSCI Europe Index (in euros) of 0.0% over the year.

Subject to shareholder approval at the forthcoming Annual General Meeting, this year's proposed final dividend of 3.5p will be paid on 29 January 2016 to shareholders on the Company's share register at 18 December 2015. Together with the interim dividend of 1.75p paid in July 2015, this makes a total for the year of 5.25p (year ended 30 September 2014 – 5.0p). It remains the Board's intention, subject to unforeseen circumstances, to maintain, at least, the real value of the Company's dividends going forward.

The Company is also introducing a Dividend Reinvestment Plan. This will give shareholders the option of reinvesting their dividend payments to buy more ordinary shares in the Company and will be available for the final dividend in January 2016. An accompanying letter and an application form are enclosed with the Company's annual report and accounts.

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 8.0% and 4.5% respectively, while the FTSE All-Share Index and the MSCI Europe Index (in euros), on a similar total return basis, were up 5.6% and 4.7% respectively.

Investment activity

The last year saw a broadly similar number, but an increased value, of new private equity investments completed in Europe compared to the prior year, with more large/mega transactions being announced. The volume and value of all new buy-out transactions completed in the European private equity market during the year ended 30 September 2015 was 534 transactions and €114.0 billion (year ended 30 September 2014 – 538 and €85.8 billion respectively)*. Private equity managers are reporting a healthy new deal pipeline, set against a background of strong mergers and acquisitions activity in Europe. The exit environment for private equity backed companies remains robust, with corporates in particular being active buyers. Average pricing multiples for new transactions appear to have risen slightly, while total debt multiples remain in line with the prior year.

During the year the Company witnessed an increase in cashflows to and from its portfolio. The Company received distributions from its fund interests of £106.7 million and paid £63.1 million in draw downs (year ended 30 September 2014 – distributions of £101.8 million and draw downs of £47.8 million). The distributions received by the Company generated net realised gains and income of £51.6 million, equivalent to an average return on the acquisition cost of the realised investments of 1.9 times (year ended 30 September 2014 – 2.0 times). In addition, the Company realised a book loss of £12.0 million on the liquidation of two older funds, the Candover 2001 Fund and Apax Europe IV, where all of the

* Data provided by Unquote – private equity barometer Q3 2015.

underlying investments had been realised. Importantly, the book losses had been fully provided for previously in the Company's valuation of these fund interests.

Reflecting the objective of capital efficiency in the use of the Company's capital resources and the continuing cash inflow, the Company undertook five secondary fund purchases. The Company acquired an original commitment of €12.9 million to Advent Global Private Equity VI in December 2014, an original commitment of €15.0 million to Cinven Fourth Fund in December 2014, an original commitment of €15.0 million to Nordic Capital Fund VII in February 2015, an original commitment of €5.0 million to Permira Europe III in March 2015 and an original commitment of €8.0 million to Permira IV in March 2015. Finally, the Company sold its entire fund interest in Apax Europe VII in October 2014. Details of all of the secondary transactions are provided in the Manager's Review.

In addition, in a series of transactions the Company acquired a total of 3.146 million ordinary shares through share buy-back transactions for £6.9 million. The ordinary shares were acquired at an average price of 218.5p and at an average discount to the prevailing NAV of 16.6%, resulting in a gain of £1.4 million. The ordinary shares acquired have been cancelled. The Board views the buying in of ordinary shares as part of its strategy in relation to capital efficiency and buy-backs are compared to new fund commitments, secondary fund purchases and the payment of dividends.

After taking account of the above transactions, management fees, dividends and costs, the Company was £9.0 million cashflow positive during the year. At 30 September 2015 the Company had a cash balance of £32.1 million and had £37.3 million invested at value (£39.2 million at cost) in UK and European equity index tracker funds. On 18 September 2015 the Company entered into a new £80 million syndicated revolving credit facility, provided by Citi and Societe Generale, to replace its £80 million debt facility provided by The Royal Bank of Scotland plc and Citi. The terms of the new facility are more favourable than the terms of the previous facility. The new facility expires in December 2020.

In light of the Company's strong liquidity, the quantum of outstanding commitments that the Manager expects to be drawn down over time and the quality of new fund offerings, the Company made four new fund commitments during the year. These were commitments of €35.0 million to PAI Europe VI, £28.0 million to Exponent Private Equity Partners III, €35.0 million to Bridgepoint Europe V and €30.0 million to Equistone Partners Europe V. The Company had £245.8 million of outstanding commitments at 30 September 2015. After undertaking a detailed review, the Manager continues to believe that up to £50 million of the Company's existing outstanding commitments are unlikely to be drawn.

Valuation

At 30 September 2015 the Company's portfolio comprised 46 private equity fund interests. The value of this portfolio was £369.0 million, of which net unrealised gains arising during the year were £12.1 million.

Unrealised gains on a constant exchange rate basis were £28.6 million. 100.0% by value of the portfolio was valued by the relevant fund manager at 30 September 2015. 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.

Negative foreign exchange movements, which principally arose from the 5.7% depreciation in the euro relative to sterling during the year, were £16.5 million. This followed a 7.3% deprecation in the euro relative to sterling in the previous financial year. Once again, the depreciation in the euro had a material impact on the Company's otherwise strong NAV performance.

Recent activity

During the period from 30 September 2015 to 3 December 2015 the Company received distributions of £20.2 million and funded £4.7 million of draw downs. The Company is in advanced negotiations regarding the purchase of a secondary fund interest.

At 3 December 2015 the Company had a cash balance of £45.8 million and had £39.6 million at value (£39.2 million at cost) invested in UK and European equity index tracker funds. At 3 December 2015 the Company had outstanding commitments of £234.3 million.

Outlook

The managers of the largest underlying funds in the Company's portfolio continue to report earnings uplifts across most of their portfolio companies, notwithstanding a more challenging global macro-economic environment. The Company is benefiting from a strong mergers and acquisitions market in Europe and, subject to exogenous shocks, the Manager would expect this to continue.

Taken together, this should result in significant distribution and draw down activity across the portfolio and further realised and unrealised gains being generated. This would allow the Company to build on the solid performance achieved over the last three years.

Edmond Warner, OBE

Chairman

4 December 2015

SL Capital Partners

The Manager, SL Capital Partners LLP (''SL Capital''), is headquartered in Edinburgh, United Kingdom and comprises a team of 24 investment professionals with 300 years of combined relevant private equity and investment experience. The Manager has raised approximately £6.5 billion of private equity funds on behalf of over 200 clients worldwide.

SL Capital is a limited liability partnership and is 60% owned by Standard Life plc (''Standard Life'') and 40% by seven executive 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, or managed through advisory agreements. SL Capital's clients range from leading institutional investors in the UK, US, Australia, 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 and Australian 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 2015 the Company funded £63.1 million of draw downs and received £106.7 million of distributions.

The Company also acquired £37.8 million of exposure to five funds through the secondary market and sold one fund investment for £21.7 million.

Draw downs

As reported above, the Company funded £63.1 million of draw downs during the financial year, ahead of the prior year figure of £47.8 million. The uplift reflected the modest increase in the quantum of outstanding commitments, together with rising new investment activity in the European private equity market. The Manager expects a further gradual increase in the pace of draw downs during the remainder of 2015 and into 2016, as a result of the new fund commitments made over the past year and the robust levels of European private equity activity. This also reflects the fact that many of the underlying managers are reporting strong new deal pipelines, against a background of strong mergers and acquisitions activity in Europe.

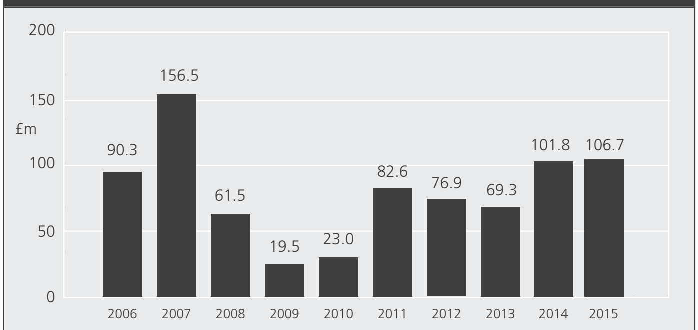
The private equity funds to which the Company funded the five largest draw downs during the year are set out in the table below.

5 Largest fund draw downs during the year	Type of fund	Aggregate draw downs £m
IK VII	Buy-out	10.4
Montagu IV	Buy-out	7.7
Permira V	Buy-out	7.1
Altor Fund IV	Buy-out	5.3
BC European Capital IX	Buy-out	5.0
Total of 5 largest draw downs		**35.5**
Total of all draw downs during the year		**63.1**

Distributions, gains and income

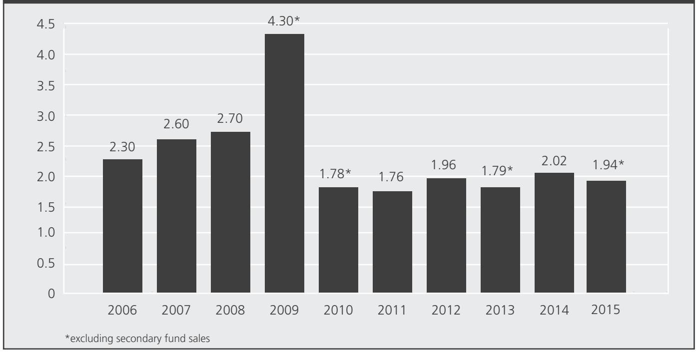
During the year the Company's portfolio of private equity fund interests generated aggregate distributions of £106.7 million, including net realised gains of £40.7 million and income of £10.9 million. The quantum of distributions received reflected the strong exit environment for European private equity investments and it is encouraging to note that nearly all of the individual company realisations were at a premium to the last independent valuation. The Manager expects the Company to receive meaningful distributions during the remainder of 2015 and into 2016, helped by 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 was 1.94 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 subsequent years 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 relatively benign and the average multiple of investment has increased over recent years and a number of funds are reporting strong exits at significant premiums to holding values.

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
Equistone Partners Europe Fund III	16.0	6.4	1.0
Industri Kapital 2007	10.7	3.3	1.6
Cinven Fourth Fund	9.9	2.9	1.5
CVC European Equity Partners V	9.5	3.4	1.0
3i Eurofund V	8.2	1.4	0.6
Total of 5 largest distributions	**54.3**	**17.4**	**5.7**
Total of all distributions during the year	**106.7**	**40.7**	**10.9**

Investment Activity

Secondary activity

The private equity secondary market has continued to develop in terms of size and sophistication, with an estimated $42.0 billion of transactions completed during 2014 and the figure for 2015 is expected to be similar. In this environment, the Manager's strategy has been to top up existing exposures to certain funds and to back fill the portfolio with particular managers or vintages through opportunistic secondaries. In the last year this has included acquiring further positions in Advent Global Private Equity VI, Cinven Fourth Fund and Permira IV, adding £24.3 million of further exposure to these three funds. New positions were acquired in Nordic Capital Fund VII and Permira Europe III, adding £13.5 million of exposure. The Company has also taken advantage of strong market pricing for certain large buyout funds to rebalance its portfolio and sold, in October 2014, its interest in Apax Europe VII, realising proceeds of £21.7 million and releasing the Company from outstanding commitments of £3.4 million.

Commitments

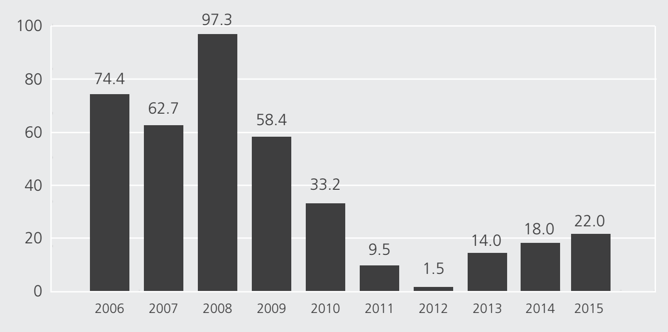
The Company made four new fund commitments during the year, with commitments of €35.0 million to PAI Europe VI, £28.0 million to Exponent Private Equity Partners III, €35.0 million to Bridgepoint Europe V and €30.0 million to Equistone Partners Europe V. The Manager anticipates following a prudent schedule of new commitments over the remainder of 2015 and into 2016. These are likely to comprise primary fund commitments and secondary transactions, with the quantum dictated by the Company's cashflows and the broader market environment.

At 30 September 2015 the Company had £245.8 million of outstanding fund commitments, up from £214.4 million at 30 September 2014. The modest increase is the net result of the Company having made four new fund commitments totalling £103.9 million, having funded £63.1 million of draw downs and the impact of unrealised foreign exchange movements.

	New/ (reduced) commitments £m	Draw downs £m	Closing outstanding commitments £m
Year to 30 September 2015	102.9	63.1	245.8
Year to 30 September 2014	96.1	47.8	214.4
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

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 eight 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 2006 to 30 September 2015. The percentage has varied over time according to *inter alia* 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 2015 was 22.0%. 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 has been 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

At 30 September 2015 the Company held £37.3 million in UK and European equity index tracker funds. This follows the widening of the Company's investment policy in early 2014 to allow investment in listed equities in order to ensure that cash awaiting investment in private equity funds does not constitute a significant drag on overall performance. It is not intended that listed equity investment becomes a core long-term constituent of the Company's portfolio.

At 30 September 2015 the Company's net assets were £438.7 million. The Company had interests in 46 private equity funds with a value of £369.0 million.

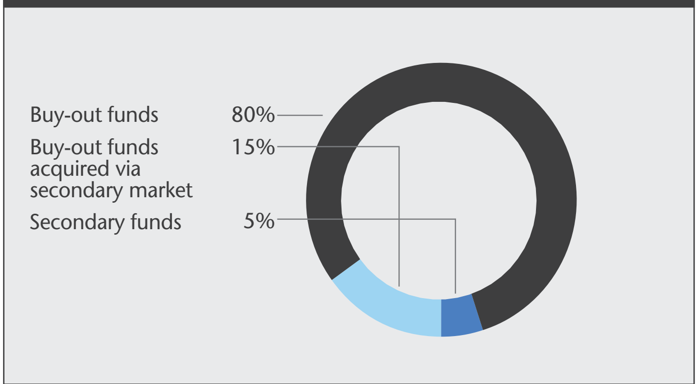
The effect of portfolio and other cashflows over the year was to increase net liquid resources from £60.8 million at 30 September 2014 to £69.4 million at 30 September 2015.

Portfolio composition and performance

At 30 September 2015 the Company's private equity portfolio comprised 46 private equity fund interests with a value of £369.0 million which, together with its index tracker funds and current assets less liabilities, resulted in the Company having net assets of £438.7 million. This represented a NAV of 281.6p. A breakdown of the £20.5 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 2015 valuation)



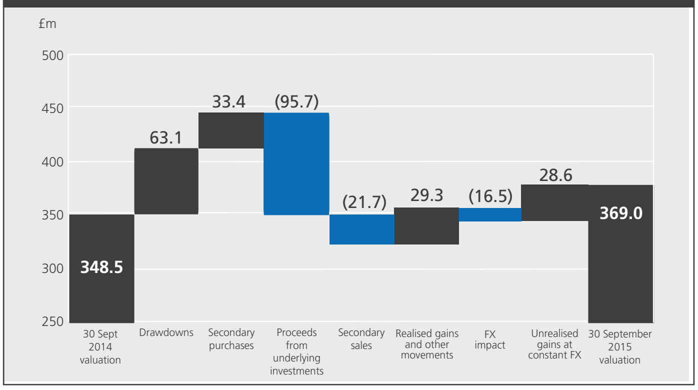
The valuation of the Company's private equity fund interests at the year end was carried out by the Manager and has been approved by the Board in accordance with the accounting policies set out on pages 42 and 43. In undertaking the valuation, the most recent valuation of each fund prepared by the relevant 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 46 private equity funds in which the Company is invested, all of the funds, or 100.0% of the portfolio by value, were valued by their fund managers at 30 September 2015. 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 increased from £348.5 million at 30 September 2014 to £369.0 million at 30 September 2015. The increase was driven by £63.1 million of draw downs from fund investments, £33.4 million of secondary purchases, £29.3 million of net realised gains and other movements, and £28.6 million of unrealised gains at constant foreign exchange rates. This increase was partially offset by £95.7 million of realisation proceeds from the Company's underlying investment interests, £21.7 million of secondary sales proceeds and £16.5 million of unrealised foreign exchange losses.

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 2015	96.5*	(88.1)	12.1	369.0
Year to 30 September 2014	57.0*	(51.0)	(16.0)	348.5
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

* Including secondary fund purchases

During the year, sterling appreciated against the euro by 5.7% and appreciated by 6.6% against the US dollar. This had a net negative impact on the Company's NAV. The sterling/euro exchange rate at 30 September 2015 was £1/€1.3570 and the sterling/dollar exchange rate was £1/$1.5148. The combined effect of foreign exchange movements on the valuation of the portfolio over the year was a 10.6p, or 4.1%, decrease 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 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 2015, which account for 47.1% of the Company's then net assets*. This analysis is at 30 June 2015 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.

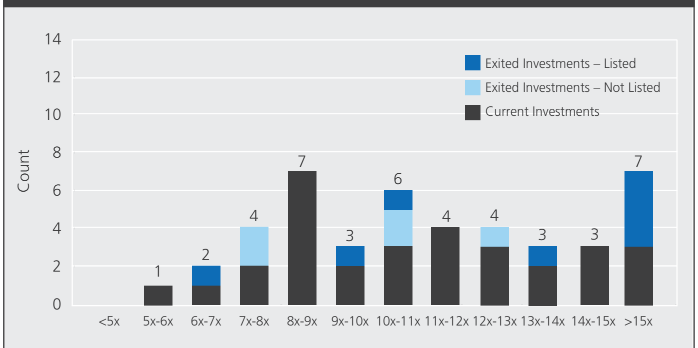
The median valuation and leverage multiples for the top fifty underlying portfolio companies at 30 June 2015 were 10-11x EV/EBITDA and 3-4x Debt/EBITDA respectively. These compare to the valuation and leverage multiples for the top fifty underlying portfolio companies at 31 December 2014 of 10-11x EV/EBITDA and 4-5x Debt/EBITDA. The decrease in the leverage multiples in part reflects the robust trading and debt paydown at a number of underlying portfolio companies. Overall 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

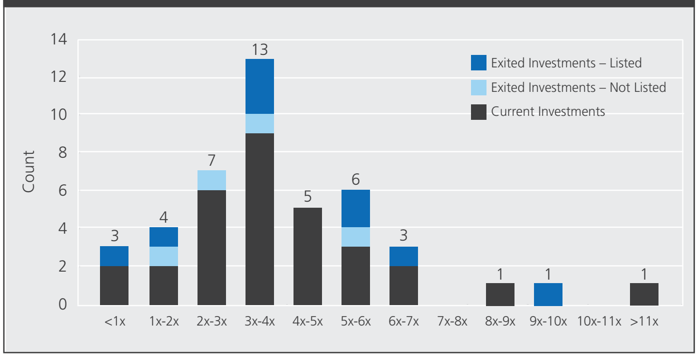
The Board has agreed, and regularly reviews, diversification limits with the Manager regarding the Company's net asset value and commitment exposure to both individual private equity funds and their managers. The Manager also monitors the Company's exposure to the underlying investments held by the different private equity funds in which the Company is invested. At 30 September 2015, the Company was invested in 46 different private equity funds, which collectively had interests in 471 separate companies.

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 2015 and 2014, is set out in the four bar charts shown on page 11.

EV/EBITDA Multiple

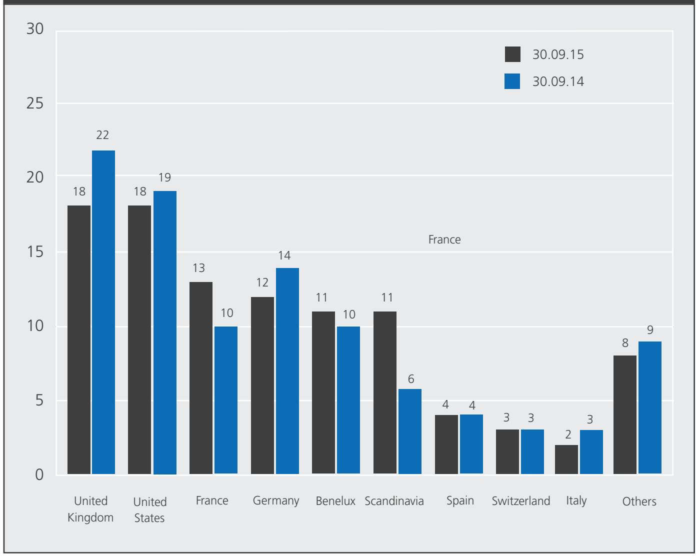


Debt/EBITDA Multiple

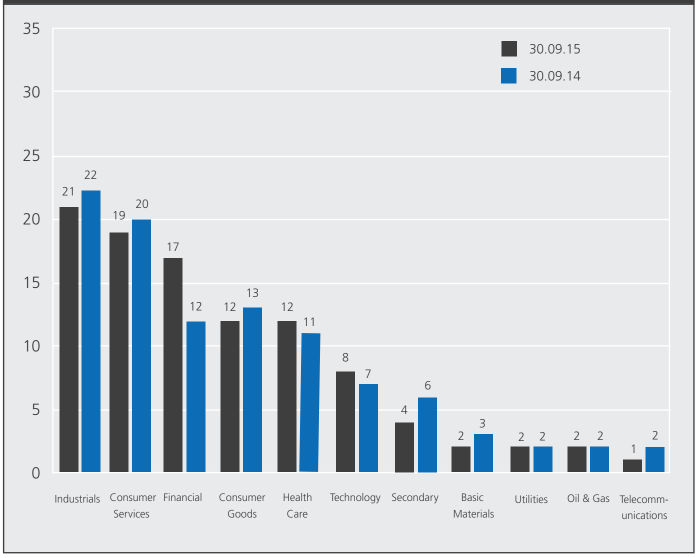


* In the case of six investments it has not been possible to calculate meaningful multiples due to the nature of the underlying businesses.

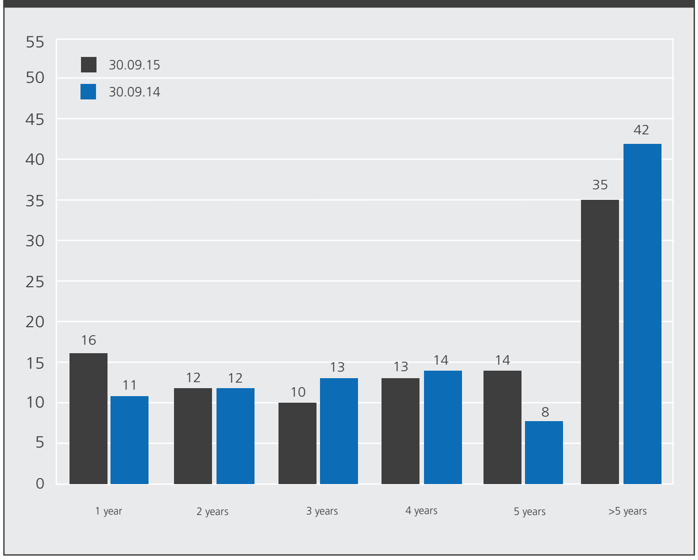
Geographic exposure (% of valuation)



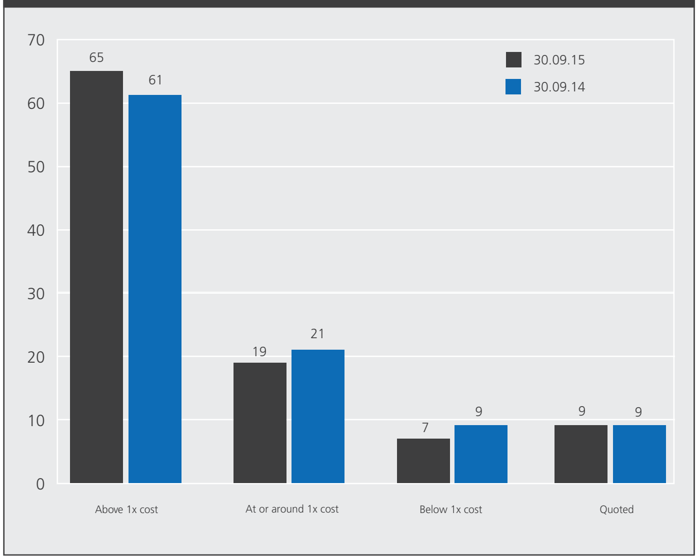
Sector exposure (% of valuation)



Maturity exposure (% of valuation)



Value relative to original cost (% of valuation)



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

The UK still remains the single largest geographic exposure, although it has fallen from 64% at the time of the Company's listing to 18% at 30 September 2015, as other European private equity markets have developed and due to the Manager broadening the portfolio of fund interests.

At 30 September 2015, the Company had six fund investments – Pomona Capital V, Pomona Capital VI, Coller International Partners IV, Coller International Partners V, TowerBrook Investors II and TowerBrook Investors IV – which are likely to invest a significant proportion of their capital outside Europe. In total, these funds represent 6.3% 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 lack of new commitments made post-financial crisis between Q2 2008 and Q2 2011. The manager anticipates that the average maturity of the portfolio will decrease going forward, as a result of increased exit activity and the new fund commitments made. The chart showing value relative to the original cost of underlying investments illustrates that the portfolio remains healthy, with 84% of the portfolio valued at or above cost.

SL Capital Partners LLP

4 December 2015

Fund Investments
at 30 September 2015

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
2006	3i Eurofund V	Buy-out	12	30.09.15	1,816	21,708	34,461	1.5	7.9%
2007	Industri Kapital 2007	Buy-out	11	30.09.15	1,279	20,994	25,775	1.4	5.9%
2011	Equistone Partners Europe Fund IV	Buy-out	25	30.09.15	1,903	21,215	24,014	1.3	5.5%
2008	Advent Global Private Equity VI	Buy-out	21	30.09.15	711	17,224	22,907	1.6	5.2%
2011	BC European Capital IX	Buy-out	13	30.09.15	6,104	18,325	19,756	N/D	4.5%
2005	Candover 2005 Fund	Buy-out	6	30.09.15	–	40,538	18,519	0.6	4.2%
2011	Montagu IV	Buy-out	13	30.09.15	2,231	17,138	17,770	1.2	4.1%
2008	CVC European Equity Partners V	Buy-out	24	30.09.15	1,506	15,989	17,760	1.5	4.0%
2012	IK VII	Buy-out	9	30.09.15	10,480	16,214	16,606	1.0	3.8%
2006	Terra Firma Capital Partners III	Buy-out	6	30.09.15	100	25,185	15,647	0.6	3.6%
2014	Permira V	Buy-out	13	30.09.15	8,346	13,990	13,723	1.0	3.1%
2008	Nordic Capital Fund VII	Buy-out	16	30.09.15	1,203	11,267	12,084	1.2	2.8%
2012	Advent Global Private Equity VII	Buy-out	21	30.09.15	4,377	10,205	11,730	1.2	2.7%
2007	Equistone Partners Europe Fund III	Buy-out	11	30.09.15	3,831	18,824	11,127	1.5	2.5%
2006	Cinven Fourth Fund	Buy-out	10	30.09.15	3,225	13,033	10,902	1.5	2.5%
2013	Nordic Capital Fund VIII	Buy-out	9	30.09.15	11,423	11,402	10,890	1.0	2.5%
2006	Coller International Partners V	Secondary	48	30.09.15	5,757	–	8,927	1.6	2.0%
2006	TowerBrook Investors II	Buy-out	6	30.09.15	3,780	5,187	7,481	2.1	1.7%
2006	Permira IV	Buy-out	15	30.09.15	492	7,210	7,066	1.2	1.6%
2005	Pomona Capital VI Fund	Secondary	30	30.09.15	1,802	7,200	6,025	1.5	1.4%
2014	PAI Europe VI	Buy-out	6	30.09.15	20,956	5,275	5,173	1.0	1.2%
2012	Bridgepoint Europe IV	Buy-out	18	30.09.15	855	6,003	5,082	1.2	1.2%
2014	Altor Fund IV	Buy-out	3	30.09.15	35,359	5,282	4,680	0.9	1.1%
2005	Equistone Partners Europe Fund II	Buy-out	5	30.09.15	160	8,833	4,519	1.7	1.0%
2006	HgCapital 5	Buy-out	4	30.09.15	213	7,487	3,931	1.7	0.9%
2015	Equistone Partners Europe Fund V	Buy-out	4	30.09.15	18,265	3,785	3,546	0.9	0.8%
2005	Advent Global Private Equity V	Buy-out	6	30.09.15	1,161	2,145	3,382	2.8	0.8%
2013	TowerBrook Investors IV	Buy-out	4	30.09.15	20,788	2,101	2,906	1.4	0.7%
2009	Charterhouse Capital Partners IX	Buy-out	9	30.09.15	564	3,565	2,849	1.4	0.6%
2005	CVC European Equity Partners IV	Buy-out	4	30.09.15	1,500	3,840	2,811	2.2	0.6%
2004	Industri Kapital 2004	Buy-out	3	30.09.15	12	4,854	2,791	2.3	0.6%
2002	Charterhouse Capital Partners VII	Buy-out	3	30.09.15	91	6,489	2,524	1.9	0.6%
2015	Exponent Private Equity Partners III	Buy-out	1	30.09.15	25,053	2,960	2,452	0.8	0.6%
2014	CVC Capital Partners VI	Buy-out	10	30.09.15	19,166	3,085	2,376	0.8	0.5%
2001	Cinven Third Fund	Buy-out	1	30.09.15	855	4,503	1,534	2.1	0.3%
2001	Pomona Capital V Fund	Secondary	43	30.09.15	112	5,763	1,108	1.4	0.3%
2001	Coller International Partners IV	Secondary	23	30.09.15	198	270	1,085	1.4	0.2%
2000	Scottish Equity Partners II	Venture capital	3	30.09.15	–	3,159	1,041	0.9	0.2%
2007	CVC Tandem Fund	Buy-out	9	30.09.15	542	2,046	791	1.6	0.2%
2000	CVC European Equity Partners III	Buy-out	1	30.09.15	970	3,455	617	2.7	0.1%
2004	Permira Europe III	Buy-out	6	30.09.15	–	437	374	1.2	0.1%
1998	CVC European Equity Partners II	Buy-out	1	30.09.15	1,143	2,180	149	2.0	0.0%
2002	Equistone Partners Europe Fund	Buy-out	1	30.09.15	–	587	77	2.5	0.0%
1995	Phildrew Fourth	Buy-out	–	30.09.15	–	–	17	0.3	0.0%
2001	MUST 4	Buy-out	–	30.09.15	1,705	3,299	8	2.0	0.0%
2014	Bridgepoint Europe V	Buy-out	3	30.09.15	25,792	–	–	N/A	0.0%
	Total portfolio investments‡		490		245,826	404,251	368,993		84.1%
	Non-portfolio assets less liabilities						69,747		15.9%
	Shareholders' funds						438,740		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 490 underlying investments represent holdings in 471 separate companies.

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 2015	30 September 2014
Value (£'000)	34,461	33,203
Cost (£'000)	21,708	27,820
Commitment (€'000)	60,000	60,000
Amount Funded	95.9%	95.8%
Holding in Fund	1.2%	1.2%
Income (£'000)	600	141

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 has offices in London, Stockholm, Paris and Hamburg. IK targets the buy-out of businesses with enterprise values of between €100 million and €500 million.

	30 September 2015	30 September 2014
Value (£'000)	25,775	31,631
Cost (£'000)	20,994	26,740
Commitment (€'000)	50,000	50,000
Amount Funded	96.5%	96.5%
Holding in Fund	3.0%	3.0%
Income (£'000)	1,600	1,010

Equistone Partners Europe Fund IV

Equistone Partners Europe Fund IV is a €1.5 billion private equity fund focused on European middle market buy-outs. The fund is the first fund raised by Equistone Partners Europe, following the spin-out from 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 2015	30 September 2014
Value (£'000)	24,014	21,832
Cost (£'000)	21,215	19,204
Commitment (€'000)	30,000	30,000
Amount Funded	91.4%	77.2%
Holding in Fund	2.0%	2.0%
Income (£'000)	284	–

Advent Global Private Equity VI

Advent Global Private Equity VI is a €6.6 billion private equity fund predominantly focused on mid-market buyouts in Europe and North America. The fund is managed by Advent International, one of the leading private equity managers globally. Advent operates from offices in London, Paris, Frankfurt, Milan, Madrid, Boston and New York. Advent's target sectors include business and financial services, media and telecommunications, retail and consumer, healthcare and industrials.

	30 September 2015	30 September 2014
Value (£'000)	22,907	11,738
Cost (£'000)	17,224	7,705
Commitment (€'000)	25,400	12,500
Amount Funded	96.2%	95.4%
Holding in Fund	0.4%	0.4%
Income (£'000)	11	–

BC European Capital IX

BC Partners is a leading European buy-out firm with a track record that goes back to 1986. The team operates from offices in London, Paris, Hamburg 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, with typical enterprise values between €300 million and €2 billion.

	30 September 2015	30 September 2014
Value (£'000)	19,756	14,568
Cost (£'000)	18,325	14,547
Commitment (€'000)	35,000	35,000
Amount Funded	76.3%	57.1%
Holding in Fund	0.5%	0.5%
Income (£'000)	566	197

Ten Largest Fund Investments
at 30 September 2015

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 2015	30 September 2014
Value (£'000)	18,519	20,477
Cost (£'000)	40,538	40,770
Commitment (€'000)	60,000	60,000
Amount Funded	100.0%	100.0%
Holding in Fund	1.7%	1.7%
Income (£'000)	149	–

Montagu IV

Montagu IV is a €2.5 billion private equity fund focused predominantly on northern Europe, targeting middle market buy-outs. The fund focuses on buy-outs of businesses with enterprise values between €100 million and €1billion. Montagu Private Equity has been in existence since 1968 and prior to a spin-out in 2003, Montagu was the sole private equity arm of HSBC Group. The manager operates from offices in London, Paris, Frankfurt, Amsterdam and Warsaw.

	30 September 2015	30 September 2014
Value (£'000)	17,770	13,220
Cost (£'000)	17,138	12,749
Commitment (€'000)	30,000	30,000
Amount Funded	89.9%	55.8%
Holding in Fund	1.2%	1.2%
Income (£'000)	1,013	93

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 San Francisco in the US, and across Asia. CVC targets medium and large sized buy-out transactions.

	30 September 2015	30 September 2014
Value (£'000)	17,760	20,558
Cost (£'000)	15,989	19,726
Commitment (€'000)	35,000	35,000
Amount Funded	94.2%	89.3%
Holding in Fund	0.3%	0.3%
Income (£'000)	1,027	1,003

IK VII

IK VII is a €1.4 billion private equity fund focused on northern European buy-outs. The fund is managed by IK Investment Partners, which has offices in London, Stockholm, Paris and Hamburg. IK targets the buy-out of businesses with enterprise values of between €100 million and €500 million.

	30 September 2015	30 September 2014
Value (£'000)	16,606	5,541
Cost (£'000)	16,214	5,838
Commitment (€'000)	36,000	36,000
Amount Funded	60.5%	22.8%
Holding in Fund	2.7%	2.7%
Income (£'000)	–	–

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 2015	30 September 2014
Value (£'000)	15,647	16,459
Cost (£'000)	25,185	25,699
Commitment (€'000)	34,000	34,000
Amount Funded	99.6%	99.1%
Holding in Fund	0.6%	0.6%
Income (£'000)	–	–

Top 30 Underlying Investments
at 30 September 2015

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
Action	Non-food discount retailer	3i Eurofund V	2011	3.4%
Parques Reunidos	Amusement parks	Candover 2005 Fund	2007	1.7%
Vistra	Trust, fiduciary, fund and corporate services	Industri Kapital 2007	2009	1.6%
Not Disclosed	Card payment services	Advent Global Private Equity VI	2010	1.3%
Scandlines	Northern European ferry operator	3i Eurofund V	2007	1.2%
Guardian Financial Services	Closed life assurance assets	Cinven Fourth Fund	2011	1.2%
AWAS/Pegasus	Aircraft lessor	Terra Firma Capital Partners III	2007	1.2%
Schenck Process	Provides industrial weighing and measuring systems	Industri Kapital 2007	2007	1.2%
Not Disclosed	Cable communications system	BC European Capital IX	2012	1.1%
Stork	Manufacturing and engineering conglomerate	Candover 2005 Fund	2008	1.1%
Not Disclosed	Information and risk management solutions	Advent Global Private Equity VI	2012	1.0%
Solina	Food ingredients mixer	Industri Kapital 2007	2011	0.9%
Agros Nova	Producer of food and drink products	Industri Kapital 2007	2010	0.9%
Technogym	Provides fitness equipment and wellness products	Candover 2005 Fund	2008	0.9%
Unipex	Pharmaceutical and cosmetic chemicals	Industri Kapital 2007	2012	0.9%
Lindorff	Debt collection and accounting services	Nordic Capital VIII	2014	0.9%
Amor	Retailer of affordable jewellery	3i Eurofund V	2010	0.8%
ConvaTec	Ostomy, wound care and hospital products	Nordic Capital Fund VII	2008	0.8%
Element	Dutch engineering conglomerate	3i Eurofund V	2010	0.8%
EverPower	Wind energy development	Terra Firma Capital Partners III	2009	0.8%
Not Disclosed	Recovery audit services	Advent Global Private Equity VI	2012	0.8%
Jerrold Holdings	UK secured lender	Equistone Partners Europe Fund II	2006	0.7%
Cerelia Group	Ready to use private label dough	IK VII	2015	0.7%
MRH	Independent owner and operator of fuel forecourts	Equistone Partners Europe Fund III	2008	0.7%
Achilles	Provider of supply chain risk management networks and services	HgCapital 5	2008	0.7%
Not Disclosed	Mattress manufacturer	Advent Global Private Equity VI & Advent Global Private Equity VII	2012	0.7%
Norican	Metallic parts formation and preparation industry	Altor Fund IV	2015	0.7%
CPA Global	Intellectual property management services	Cinven Fourth Fund	2012	0.7%
MPS	Manufacturer of red meat slaughtering systems	Equistone Partners Europe Fund III	2010	0.7%
Idcsalud	Spanish private healthcare provider	CVC European Equity Partners V	2011	0.6%
Grand Total				30.7%

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 Chairman of BlackRock Commodities Income Investment Trust Plc and a non-executive director of Clarkson PLC, Grant Thornton UK LLP and SafeCharge International Group Ltd.

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, Liontrust Asset Management PLC and CATCo Reinsurance Opportunities Fund Ltd and, overseas, a non-executive director of The Bank of N.T. Butterfield & Son Limited.

Alan Devine

Director

Alan Devine was appointed on 28 May 2014. He is a Fellow of the Institute of Bankers in Scotland with a wide background of knowledge and experience in both commercial and investment banking. Alan is currently the CEO of RBS Shipping Group, having spent 37 years with The Royal Bank of Scotland Group in a number of senior management roles. His other key directorships include Cairn Capital Ltd.

Christina McComb‡

Director

Christina McComb was appointed on 29 January 2013. Christina's background is in investment management, having started her career at leading private equity firm 3i Group plc. She is currently Chairman of OneFamily Mutual Assurance and a non-executive director of Baronsmead VCT2 PLC and Nexeon Ltd. Christina is also Senior Independent Director of the British Business Bank, the government owned development bank supporting access to finance for UK SMEs.

David Warnock

Director

David Warnock was appointed on 26 January 2009. He has over 35 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 and before that with 3i Group plc. He is also Chairman of Troy Income & Growth Trust plc, a non-executive director of British Polythene Industries PLC and of Seneca Investment Managers Ltd, and an active investor in 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 is the Senior Independent Director.
All of the directors are members of the Audit, Management Engagement and Nominations Committees.

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 20 and 21.

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.

Review of Investment Strategy

The Board has agreed that marginally widening the EV size range (previously between €200 million and €2.0 billion) enables the Manager to consider, by exception, the most compelling European lower mid-market and country/regional specific managers.

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 managing 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 €100 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 in private equity funds 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. 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.

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.

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 18 September 2015 the Company entered into a new £80,000,000 syndicated revolving credit facility, provided by Citi and Societe Generale, to replace its existing £80 million debt facility provided by The Royal Bank of Scotland plc and Citi. The expiry date of this new facility is 31 December 2020. 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 plc directly or indirectly through wholly-owned subsidiaries ceases to control the Investment Manager or to be the beneficial owner of more than 50.01% of the issued ordinary share capital of the Investment Manager, the Company will be required to notify the Agent 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 2015, £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 longer term, 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
- share price 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 2015, and since listing, are provided in the Financial Summary on page 2. The Company's expense ratio and share price 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.

Viability Statement
The Board considered its obligation to assess the future viability of the Company over a period longer than the twelve months from the date of approval of the financial statements required by the 'going concern' basis of accounting. The Board concluded that a period of five years was appropriate for this review.

In determining this time period the directors considered the nature of the Company's fund commitments and the Company's associated cashflows. Generally the private equity funds in which the Company invests call monies over a five year period whilst they are making investments and these 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 presents the Board with a comprehensive review of the Company's detailed cashflow model on a quarterly basis, including projections for up to ten years ahead depending on the expected life of the commitments. This analysis takes account of the most up to date information provided by the underlying fund managers, together with the Manager's current expectations in terms of market activity and fund performance.

The directors have also carried out a robust assessment of the principal risks as noted below and discussed in note 19 to the financial statements that are facing the Company over the period of the review, including those that would threaten its business model, future performance, solvency or liquidity. These include, in particular, over-commitment risk but by having a portfolio of fund investments, diversified by manager, vintage year, sector and geography, and by assessing market and economic risks as decisions are made on new commitments, the directors believe the Company is well placed to take advantage of economic cycles. The directors are also aware of the Company's indirect exposure to ongoing risks through underlying funds, however, these are continually assessed by the Manager monitoring the underlying managers themselves and by participation on fund advisory boards.

Based on the results of this analysis, and the ongoing ability to adjust the portfolio, the directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of their assessment.

Principal Risks and Uncertainties
The financial risk management objectives and policies of the Company are contained in note 19 to the accounts on page 50. 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 50 to 53.

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 26. 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 20 and 21.

Gender Representation
At 30 September 2015, there were four 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, 4 December 2015

Directors' Report

The directors present their report and the audited financial statements for the year ended 30 September 2015.

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 Tax 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 2015, there were 155,776,294 ordinary shares of 0.2p each in issue. During the year ended 30 September 2015 the Company bought back 3,146,000 ordinary shares for cancellation (representing 2.0% of the issued share capital).

The Company's shares are listed on the London Stock Exchange. Information on the rights attaching to the Company's shares are set out on page 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 dividend

Income available for dividends was £8,949,000, or 5.69p per ordinary share (30 September 2014 – £9,162,000, or 5.69p per ordinary share). The directors recommend that a final dividend of 3.5p per ordinary share (30 September 2014 – 5.0p) be paid on 29 January 2016 to shareholders on the Company's share register at the close of business on 18 December 2015. An interim dividend of 1.75p per ordinary share (2014 – nil) was paid to shareholders on 10 July 2015.

Directors

Details of the directors, all of whom are non-executive can be found on page 16. In accordance with best practice, each of the Company's directors will stand for 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 on pages 24 to 26.

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. In order to comply with the Alternative Investment Fund Managers Directive, the Company has appointed SL Capital Partners LLP as its Alternative Investment Fund Manager from 1 July 2014.

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% compound 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% compound 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 ordinary shares in issue. For the purpose of this calculation the net asset value total return per ordinary share was 298.4p at 30 September 2015.

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 Graeme Gunn, 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.

Remuneration policy

In line with the Directive, the Company's AIFM has implemented a remuneration policy for its staff which is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, governing terms and the investment strategy of the funds that it manages, and is aligned with the overall business strategy, objectives and interests of the AIFM.

The AIFM has identified "Code Staff", i.e those individuals whose activities have a material impact on the risk profile of the AIFM, or the funds that it manages.

The remuneration practices in place within the AIFM are compliant with the AIFMD Remuneration Code and are proportionate and appropriate for the nature of business and of the funds it manages. The remuneration policy:

- comprises an appropriate mix of fixed and variable remuneration that encourage individuals to make a strong contribution;
- is consistent with the aims and objectives of the AIFM and of the funds it manages;
- provides for the independent oversight of staff in control functions by a remuneration committee;
- contains measures to avoid potential conflicts of interest and to promote effective risk management; and
- includes performance incentives for certain members of staff which may become payable in the event of the performance of funds exceeding the thresholds agreed with the funds' investors.

In accordance with the Directive, the AIFM's remuneration policy and required disclosures are available from the Manager on request.

Depositary

The AIFMD requires the Company to appoint a depositary for each Authorised Investment Fund it manages and BNP Paribas Securities Services S.A was appointed depositary for the Company with effect from 1 July 2014. The depositary's responsibilities include cash monitoring, safe keeping of the Company's financial instruments and monitoring the Company's compliance with investment limits and leverage requirements.

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.

Significant shareholdings

The significant holdings in the Company's ordinary share capital which had been notified to the Company at 30 September 2015 are shown below.

Substantial share interests	No. of ordinary shares	%
Standard Life plc	86,112,582	55.3
Old Mutual Plc	13,774,293	8.8
Red Rocks Capital LLC	8,305,308	5.3

There have been no changes notified in respect of the above holdings, and no new holdings notified, since the end of the financial 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 on pages 20 and 21.

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.

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.

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 divided among the ordinary shareholders in proportion to their shareholdings.

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.

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 20 January 2016.

Resolutions to be considered at the Annual General Meeting

Resolutions 1 to 10 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 11 and 12 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 2015.

Resolution 2: Approve the Directors' Remuneration Report

Shareholders are being asked to approve the Directors' Remuneration Report for the year ended 30 September 2015.

Resolution 3: Final dividend

Shareholders are being asked to approve the final dividend of 3.5p per ordinary share for the year ended 30 September 2015. If shareholders approve the recommended final dividend, it will be paid on 29 January 2016 to shareholders on the Company's register of members at the close of business on 18 December 2015.

Resolutions 4 to 8: Re-election of directors

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

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

The Board commends to shareholders the 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: Authority to allot shares

Resolution 10 will, if approved, give the directors a general authority to allot new shares in the Company up to an aggregate nominal amount of £103,747 (representing 33.3 per cent. of the total ordinary share capital of the Company in issue at 4 December 2015 (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 31 March 2017 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2017.

Resolution 11: Disapplication of statutory pre-emption rights

As noted above, resolution 10 will, if approved, give the directors a general authority to allot securities up to an aggregate nominal amount of £103,747. Resolution 11 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 £15,580 (representing approximately 5 per cent. of the total ordinary share capital of the Company in issue at 4 December 2015 (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 31 March 2017 or, if earlier, the conclusion of the Annual General Meeting of the Company to be held in 2017. 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 12: Share buy-backs

The existing buy-back authority, granted at the Annual General Meeting of the Company held on 28 January 2015, permits the Company to make market purchases of up to 14.99 per cent. of the Company's issued ordinary share capital at 28 January 2015 and expires at the forthcoming Annual General Meeting. During the financial year ended 30 September 2015, the Company purchased for cancellation 3,146,000 ordinary shares at an average price of 218.5p 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 12 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 23,350,000 ordinary shares) 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.

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 31 March 2017 or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2017.

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 146,044 ordinary shares (representing approximately 0.09 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, 4 December 2015

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 2014, which is available on the Financial Reporting Council's website www.frc.org.uk. The Board has established corporate governance procedures, that it believes are appropriate for an investment trust company and that enable the Company to comply with the relevant principles of the Governance Code and, where appropriate, with the principles 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 2015 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, 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 overall strategy, investment policy, borrowings, dividend policy and Board composition.

The Board presently consists of five 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 56 to 58.

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, forecasts, dividends, marketing 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 to 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	5/5	2/2	1/1	1/1
Alastair Barbour	5/5	2/2	1/1	1/1
Alan Devine	5/5	2/2	1/1	1/1
Christina McComb	5/5	2/2	1/1	1/1
David Warnock	5/5	2/2	1/1	1/1

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, therefore, will be seeking 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 re-election of each director to shareholders.

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 29 and 30.

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.

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 BNP Paribas Securities Services S.A. ("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.

Going concern

The Board considered its 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 of 31 December 2020; the future cashflow projections', and that the Company was cashflow positive during the year and had net liquid resources at the year end. The Audit Committee concluded that the adoption of the going concern basis was appropriate.

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.

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 encourages fund managers to adhere to SRI guidelines and to report on any issues that arise in their investment portfolios.

No material SRI issues have been brought to the Manager’s attention from within the Company’s portfolio during the year ended 30 September 2015.

By order of the Board

Personal Assets Trust Administration Company Limited
Company Secretary
Edinburgh, 4 December 2015

The Audit Committee is chaired by Alastair Barbour and comprises all of the directors. Alastair Barbour is a chartered accountant and a former partner of KPMG. Alan Devine has an MBA. Christina McComb has an MBA and BA Hons. Edmond Warner has a 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 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.

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; and
- over-commitment risk.

Valuation of unquoted investments

The Company's accounting policy for valuing unquoted investments is set out in note 1 (c) on page 42. The Audit Committee reviewed and challenged the valuation prepared by the Manager taking account of the latest available information about the Company's fund investments, the Manager's knowledge of the underlying funds through its participation on fund advisory boards, etc., and comparison to current market data where appropriate. The Audit Committee satisfied itself that the valuation 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 in preparing 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 'bottom up' basis at 30 September 2015, 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 projections 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 projecting cashflow. The Audit Committee also considered the auditors' work and conclusions in this area.

Other matters

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 2015 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.

Auditors

The Independent 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 and provided certain tax compliance services. Details of the Auditors' fees, including fees for non-audit services which amounted to £26,000 for the year ended 30 September 2015 (2014: £27,000), can be found on page 43. 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.

Report of the Audit Committee

PwC was appointed as auditor at the Company's launch in 2001. The audit engagement partner rotates every five years in accordance with ethical guidelines and 2015 is the fifth year for the current partner.

The Audit Committee assessed the effectiveness of the audit, the quality of the audit team and advice received from them through a review of interaction with the auditors, reports received from them and discussion with the Manager. 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, therefore, has 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 31 and 33 to 37 respectively.

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.

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 Audit Committee 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.

On the basis of this work, 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 2015 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.

The Audit Committee considers and the Board agrees 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 which have strong internal audit functions, provide sufficient assurance over the effectiveness of internal controls.

Alastair Barbour BSc (Hons) FCA
Chairman

Edinburgh, 4 December 2015

Introduction

The Board has prepared this report in accordance with the requirements of section 421 of the Companies Act 2006. An ordinary resolution for the approval of this report will be put to shareholders at the forthcoming Annual General Meeting. The Policy on directors' fees set out below was approved by shareholders at the Annual General Meeting held in 2014 and the policy will now be subject to a vote 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 33.

Remuneration committee

The Company has five 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 considers 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 at 30 September 2015 are shown in the table below. The Company has not been notified of any other changes to the directors' shareholdings between 30 September 2015 and 4 December 2015.

Directors and their shareholdings in the Company (audited)	Ordinary shares held as at 30 September 2015	2014
Edmond Warner	25,000	25,000
Alastair Barbour	66,658	66,658
Alan Devine	—	—
Christina McComb	4,386	—
David Warnock	50,000	50,000

All of the above ordinary shares are held beneficially by the directors and their families.

In addition, the Manager's key executives held the following interests in the shares of the Company at 30 September 2015: Peter McKellar had an interest in 984,570 shares and Roger Pim an interest in 45,063 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 2015 Board meeting, the Board carried out a review of the level of directors' fees and agreed that directors' fees should be increased from £49,000 to £50,000 per annum for the Chairman, £34,000 to £35,000 per annum for the Senior Independent Director and Chairman of the Audit Committee and £30,000 to £31,000 per annum for each other Director.

	Year to 30 September 2016	Year to 30 September 2015
Chairman fee	£50,000	£49,000
Non-executive director base fee	£31,000	£30,000
Additional fee for chair of the Audit Committee	£4,000	£4,000
Additional fee for Senior Independent Director	£4,000	£4,000

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' Remuneration Report

Directors' emoluments for the year (audited)

The directors who served during the year ended 30 September 2015 and the year ended 30 September 2014 received the emoluments, in the form of fees, as described in the table below.

Single Total Figure Table

Director	Fees Year to 30 September 2015	Fees Year to 30 September 2014	Total Year to 30 September 2015	Total Year to 30 September 2014
Edmond Warner	£49,000	£47,000	£49,000	£47,000
Alastair Barbour	£34,000	£31,000	£34,000	£31,000
Alan Devine (appointed 28 May 2014)	£30,000	£9,444	£30,000	£9,444
Christina McComb	£34,000	£31,000	£34,000	£31,000
David Warnock	£30,000	£27,500	£30,000	£27,500
Total	**£177,000**	**£145,944**	**£177,000**	**£145,944**

Directors are also reimbursed for out of pocket expenses incurred in attending the Company's business.

Total shareholder return

The graph below presents, for the period from 30 September 2005 to 30 September 2015, 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 ten years to 30 September 2015

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, 4 December 2015

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 the Company's position and 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, 4 December 2015

Depositary Report

Year ended 30 September 2015

Statement of the Depositary's Responsibilities as provided pursuant to the agreement in place between (1) Standard Life European Private Equity Trust Plc (2) BNP Paribas Securities Services, London Branch and (3) SL Capital Partners LLP with effect from 1 July 2014 (the "Depositary Agreement")

Under the Alternative Investment Fund Managers Directive the Depositary is responsible for:

1. General oversight including the oversight of the valuation of the Company, investment restrictions and the application and distribution of income;

2. The safekeeping of any Financial Instruments of the Company, and appropriate record keeping of and verification of ownership of Other Assets; and

3. Monitoring the cash flows of the Company, in particular the significant movements and to ensure that reconciliation items are monitored.

Report of the Depositary for the Year ended 30 September 2015 in respect of the period that it has been acting as Depositary of the Company

Having carried out such procedures as we considered necessary to discharge our responsibilities and duties as Depositary of the Company pursuant to the Depositary Agreement, it is our opinion, based upon the information available to us and the explanations provided during the period under review, that in all material respects, and in relation to the Company's Constitutive Documents, the Company has carried out its relevant responsibilities to shareholders.

BNP Paribas Securities Services S.A.

4 December 2015

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

Report on the financial statements

Our opinion

In our opinion, Standard Life European Private Equity Trust Plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2015 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

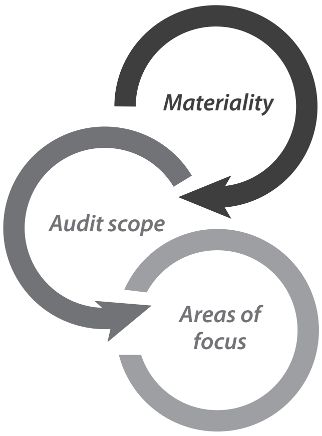
- the Balance Sheet as at 30 September 2015;
- the Income Statement for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Reconciliation of Movements in Shareholders' Funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our audit approach

Overview



Materiality

- Overall materiality: £4.4 million which represents 1% of net assets.

Audit scope

- The Company is a standalone Investment Trust Company and engages SL Capital Partners LLP (the "Manager") to manage its assets.
- We conducted elements of our audit of the financial statements at BNP Paribas Securities S. A. (the "Administrator") to whom the Company has delegated the provision of certain administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, primarily investments in unquoted private equity funds, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the Company operates.

Area of focus

- Our areas of focus included:
  - o Valuation of investments in unquoted private equity funds
  - o Gains/losses on investments in unquoted private equity funds
  - o Over-commitment risk

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

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

Area of focus	How our audit addressed the area of focus
Valuation of investments in unquoted private equity funds *Refer to page 27 (Report of the Audit Committee) and page 42 (Accounting Policies).* The investment portfolio at 30 September 2015 comprised investments in unquoted private equity funds and unit trusts. We focused on the valuation of the investments in unquoted private equity funds as these investments represented a material balance in the financial statements (£369m – 90.7% of net assets) and the valuation requires estimates and significant judgements to be applied by the Manager. Changes to key inputs to the estimates and/or the judgements made can result, either on an individual investment in an unquoted private equity fund or in aggregate, in a material change to the valuation of investments in unquoted private equity funds.	We assessed the accounting policy for investments in unquoted private equity funds for compliance with accounting standards, International Private Equity and Venture Capital Valuation Guidelines and the AIC SORP. We performed testing to check that the investments had been accounted for in accordance with the stated accounting policy set out in note 1(c) on page 42 of the financial statements. We found that the accounting policies implemented were in accordance with accounting standards, International Private Equity and Venture Capital Valuation Guidelines and the AIC SORP. We understood and assessed the key controls surrounding the valuation of investments in unquoted private equity funds. We also assessed the appropriateness of the directors' judgements and assumptions over the valuation of investments in unquoted private equity funds by comparing the recorded valuations to independent valuations from the general partners of the private equity funds and by assessing any adjustments made to the independent valuations by the Manager to determine whether there was appropriate evidence to support adjustments made. The assumptions and judgements made by the directors were consistent with the accounting policy 1(c) on page 42. We found evidence to support adjustments made by the Manager to the valuations. We read the board meeting minutes and the minutes of the advisory boards of the underlying private equity funds where the Manager was present to understand the directors' and Manager's discussions and decisions over the valuation of investments in unquoted private equity funds. We found no inconsistencies between the minutes reviewed and the decisions made over the valuation of investments in unquoted private equity funds.
Gains/losses on investments in unquoted private equity funds *Refer to page 42 (Accounting Policies) and page 46 (notes).* We focused on the gains/losses on investments in unquoted private equity funds because of the pressure management may feel to achieve capital growth in line with the objective of the Company. Incomplete or inaccurate gains/losses on investments in unquoted private equity funds could have a material impact on the company's net asset value.	We understood and assessed the key controls surrounding recognition of realised and unrealised gains/losses on investments in unquoted private equity funds. We tested journals relating to the gains/losses on investments in unquoted private equity funds. We did not find any inappropriate journals impacting gains/losses on investments in unquoted private equity funds as a result of our testing. The gains/losses on investments in unquoted private equity funds comprise realised and unrealised gains/losses: • For unrealised gains/losses, we obtained an understanding of, and then tested the valuation process as set out in the 'Valuation of investments in unquoted private equity funds' area of focus, to ascertain whether these gains/losses were appropriately calculated. • For realised gains/losses, we tested a sample of distributions from underlying private equity funds by agreeing the proceeds to bank statements and distribution notices from the general partners of the underlying private equity funds. Our testing did not identify any significant misstatements which required reporting to the Audit Committee based on the above procedures.

Area of focus	How our audit addressed the area of focus
Over-commitment risk *Refer to page 27 (Report of the Audit Committee).* 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. If the Company does 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. This could impact the status of the Company as a going concern. Our consideration of going concern is explained in the section below.	We evaluated the Company's current level of commitments, including agreeing the current level of commitments to appropriate legal documentation, 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 these future commitments. We assessed and challenged the reasonableness of the Manager's and the 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 the directors' assumptions we assessed the historic accuracy of key assumptions used in the cash flow forecasting. We found no inconsistencies between the reported level of commitments and the supporting legal documentation. We assessed assumptions underpinning the cash flow forecasts. We found evidence to support the assumptions used by the Manager and directors that the Company has the ability to meet forecasted commitments as they fall due.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

The Company's accounting is delegated to the Administrator who maintains its own accounting records and controls and reports to the Manager and the directors.

As part of our risk assessment, we assessed the control environment in place at both the Manager and the Administrator to the extent relevant to our audit. This assessment involved obtaining and reading the relevant control reports, issued by the independent auditor of the Manager and the Administrator in accordance with generally accepted assurance standards for such work, to gain an understanding of both the Manager's and Administrator's control environment and to consider the operating and accounting structure at both the Manager and the Administrator. Following this assessment, we applied professional judgement to determine the extent of testing required over each balance in the financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£4.4 million (2014: £4 million).
How we determined it	1% of net assets.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice for investment trust audits, in the absence of indicators that an alternative benchmark would be appropriate and because we believe this provides an appropriate and consistent year-on-year basis for our audit.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above [£200,000] (2014: £200,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on pages 25 and 26, in relation to going concern. We have nothing to report having performed our review.

Under ISAs (UK & Ireland) we are also required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements. We have nothing material to add or to draw attention to.

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

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. 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.

Other required reporting
Consistency of other information
Companies Act 2006 opinions
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; and

- the information given in the Corporate Governance Statement set out on pages 24 to 26 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

ISAs (UK & Ireland) reporting
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

  – otherwise misleading.

  We have no exceptions to report arising from this responsibility.

- the statement given by the directors on pages 25 and 26, in accordance with provision C.1.1 of the UK Corporate Governance Code (the "Code"), 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 is materially inconsistent with our knowledge of the Company acquired in the course of performing our audit.

  We have no exceptions to report arising from this responsibility.

- the section of the Annual Report on pages 27 and 28, as required by provision C.3.8 of the Code, 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.

The directors' assessment of the principal risks that would threaten the solvency or liquidity of the Company
Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:

- the directors' confirmation on page 18 of the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

  We have nothing material to add or to draw attention to.

- the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.

  We have nothing material to add or to draw attention to.

- the directors' explanation on page 18 of the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

  We have nothing material to add or to draw attention to.

Under the Listing Rules we are required to review the directors' statement that they have carried out a robust assessment of the principal risks facing the Company and the directors' statement in relation to the longer-term viability of the company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

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. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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 ten further provisions of the Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibility Statement set out on page 31, 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.

What an audit of financial statements involves

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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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.

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

4 December 2015

Income Statement

		For the year ended 30 September 2015			For the year ended 30 September 2014		
		Revenue	**Capital**	**Total**	Revenue	Capital	Total
	Notes	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Gains on investments	9	**—**	**40,346**	**40,346**	—	23,236	23,236
Currency gains/(losses)	14,15	**—**	**495**	**495**	—	(2,085)	(2,085)
Income from investments	2	**11,917**	**—**	**11,917**	12,039	—	12,039
Investment management fee	3	**(342)**	**(3,082)**	**(3,424)**	(328)	(2,952)	(3,280)
Administrative expenses	4	**(715)**	**—**	**(715)**	(657)	—	(657)
Net return on ordinary activities before finance costs and taxation		**10,860**	**37,759**	**48,619**	11,054	18,199	29,253
Finance costs	5	**(127)**	**(1,141)**	**(1,268)**	(104)	(934)	(1,038)
Net return on ordinary activities before taxation		**10,733**	**36,618**	**47,351**	10,950	17,265	28,215
Taxation	6	**(1,784)**	**1,627**	**(157)**	(1,788)	1,432	(356)
Net return on ordinary activities after taxation		**8,949**	**38,245**	**47,194**	9,162	18,697	27,859
Net return per ordinary share	8	**5.69p**	**24.35p**	**30.04p**	5.69p	11.60p	17.29p

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

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 5.25p (2014 – 5.0p) per ordinary share.

Reconciliation of Movements in Shareholders' Funds

For the year ended 30 September 2015

	Notes	**Called-up share capital £'000**	**Share premium account £'000**	**Special reserve £'000**	**Capital redemption reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Balance at 1 October 2014		**318**	**86,485**	**62,947**	**83**	**242,135**	**17,134**	**409,102**
Total recognised gains		**—**	**—**	**—**	**—**	**38,245**	**8,949**	**47,194**
Buy back of ordinary shares		**(6)**	**—**	**(6,923)**	**6**	**—**	**—**	**(6,923)**
Dividends paid	7	**—**	**—**	**—**	**—**	**—**	**(10,633)**	**(10,633)**
Balance at 30 September 2015	13,14	**312**	**86,485**	**56,024**	**89**	**280,380**	**15,450**	**438,740**

For the year ended 30 September 2014

	Notes	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2013		330	85,594	75,519	70	223,438	16,214	401,165
Total recognised gains		—	—	—	—	18,697	9,162	27,859
Conversion of founder A shares		1	891	—	—	—	—	892
Buy back of ordinary shares		(13)	—	(12,572)	13	—	—	(12,572)
Dividends paid	7	—	—	—	—	—	(8,242)	(8,242)
Balance at 30 September 2014	13,14	318	86,485	62,947	83	242,135	17,134	409,102

Balance Sheet

	Notes	At 30 September 2015 £'000	At 30 September 2015 £'000	At 30 September 2014 £'000	At 30 September 2014 £'000
Non-current assets					
Investments at fair value through profit or loss	9		**406,332**		387,623
Current assets					
Debtors	10	**729**		473	
Money market funds		**—**		16,363	
Cash at bank and in hand		**32,099**		5,212	
		32,828		22,048	
Creditors: amounts falling due within one year	11	**(420)**		(569)	
Net current assets			**32,408**		21,479
Total assets less current liabilities			**438,740**		409,102
Capital and reserves					
Called up share capital	13		**312**		318
Share premium account	14		**86,485**		86,485
Special reserve	14		**56,024**		62,947
Capital redemption reserve	14		**89**		83
Capital reserves	14		**280,380**		242,135
Revenue reserve	14		**15,450**		17,134
Total shareholders' funds			**438,740**		409,102
Net asset value per equity share	16		**281.6p**		257.4p

The financial statements on pages 38 to 54 were approved by the board on 4 December 2015 and were signed on its behalf by:

Edmond Warner OBE, Chairman

4 December 2015

	Notes	For the year ended 30 September 2015 £'000	For the year ended 30 September 2015 £'000	For the year ended 30 September 2014 £'000	For the year ended 30 September 2014 £'000
Net cash inflow from operating activities	15		**7,860**		7,823
Servicing of finance					
Interest paid		**(822)**		(1,038)	
Arrangement fee		**(690)**		—	
Net cash outflow from servicing of finance			**(1,512)**		(1,038)
Net cash inflow from taxation			—		—
Financial investment					
Purchase of investments	9	**(106,307)**		(96,562)	
Disposal of underlying investments by funds	9	**106,283**		90,687	
Disposal of fund investments by way of secondary sales	9	**21,661**		—	
Net cash inflow/(outflow) from financial investments			**21,637**		(5,875)
Ordinary dividend paid			**(10,633)**		(8,242)
Net cash inflow/(outflow) before financing			**17,352**		(7,332)
Conversion of founder A shares		—		892	
Buy back of ordinary shares		**(7,323)**		(12,172)	
Net cash outflow from financing			**(7,323)**		(11,280)
Increase/(decrease) in cash			**10,029**		(18,612)
Reconciliation of net cash flow to movement in funds					
Increase/(decrease) in cash as above			**10,029**		(18,612)
Currency movements			**495**		(2,085)
Movement in net funds in the year			**10,524**		(20,697)
Opening net funds			**21,575**		42,272
Closing net funds			**32,099**		21,575
Represented by:					
Money market funds, cash and short term deposits			**32,099**		21,575

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 or loss, and in accordance with applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (issued November 2014). 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. The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the current and prior year.

(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. Income on quoted investments and other interest receivable are dealt with on an accruals basis. Dividends and income from unquoted investments are included when the right to receipt is established. Incentive fees are recognised in the Income Statement as they are earned and when the return exceeds the specified hurdle rate.

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account of the Income Statement except as follows:

– transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Income Statement;

– 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 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.

For listed investments, fair value is deemed to be bid market prices or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service.

(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:

	2015	2014
Euro	**1.3570**	1.2834
US dollar	**1.5148**	1.6212

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

2. Income	**Year to 30 September 2015 £'000**	Year to 30 September 2014 £'000
Income from fund investments	**11,065**	11,438
Income from index tracker funds	**836**	569
Income from cash balances and money market funds	**16**	32
Total income	**11,917**	12,039

	Year to 30 September 2015			Year to 30 September 2014		
3. Investment management and incentive fees	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**342**	**3,082**	**3,424**	328	2,952	3,280

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). At 30 September 2015 the net asset value total return was 298.4p and has not exceeded the 8% per annum compound growth hurdle rate at the same date of 307.3p. As such, no provision has been made in respect of the incentive fee.

4. Administrative expenses	**Year to 30 September 2015 £'000**	Year to 30 September 2014 £'000
Directors' fees	**177**	146
Secretarial and administration fee	**171**	165
Depositary fees	**79**	17
Legal fees	**51**	32
Auditors' remuneration – statutory audit	**27**	25
– interim review	**17**	16
– taxation services	**9**	11
Fees and subscriptions	**28**	27
Professional and consultancy fees	**—**	67
Other expenses	**156**	151
	715	657

Irrecoverable VAT has been shown under the relevant expense line.

4. Administrative expenses (continued)

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

The secretarial fee payable to Personal Assets Trust Administration Company Limited is adjusted annually in line with the retail prices index. 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 29 and 30.

	Year to 30 September 2015			Year to 30 September 2014		
5. Finance costs	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Bank loan commitment fee	**81**	**731**	**812**	83	741	824
Bank loan arrangement fee	**46**	**410**	**456**	21	193	214
Total	**127**	**1,141**	**1,268**	104	934	1,038

6. Taxation	**Year to 30 September 2015 £'000**	Year to 30 September 2014 £'000
(a) Analysis of the tax charge throughout the year		
Overseas withholding tax	**157**	356
	157	356

	Year to 30 September 2015			Year to 30 September 2014		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
(b) Factors affecting the current tax charge for the year						
Return on ordinary activities before taxation	**10,733**	**36,618**	**47,351**	10,950	17,265	28,215

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

	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000
Return on ordinary activities multiplied by the effective rate of corporation tax in the UK – 20.5% (2014 – 22%)	**2,200**	**7,507**	**9,707**	2,409	3,798	6,207
Capital gains[1]	**—**	**(7,507)**	**(7,507)**	—	(3,798)	(3,798)
Non taxable income	**(573)**	**—**	**(573)**	(977)	—	(977)
Overseas withholding tax	**157**	**—**	**157**	356	—	356
Tax relief for expenses taken to capital	**—**	**(1,627)**	**(1,627)**	—	(1,432)	(1,432)
Current tax charge/(credit) for the year	**1,784**	**(1,627)**	**157**	1,788	(1,432)	356

[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 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for the accounting period are taxed at an effective rate of 20.5%.

(c) Factors that may affect future tax charges

At the year end there is a potential deferred tax asset of £654,000 (2014 – £1,420,000) 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.

7. Dividend on ordinary shares	**Year to 30 September 2015 £'000**	Year to 30 September 2014 £'000
Amount recognised as a distribution to equity holders in the year:		
2014 final dividend paid of 5.0p (2013 final dividend – 5.0p) per ordinary share paid on 30 January 2015 (2014 – paid on 30 January 2014)	**7,884**	8,242
2015 interim dividend paid of 1.75p (2014 – nil) per ordinary share paid on 10 July 2015	**2,749**	—
	10,633	8,242

Set out below are the total dividends 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 £8,949,000 (2014 – £9,162,000).

2015 interim dividend of 1.75p (2014 – nil) per ordinary share paid on 10 July 2015	**2,749**	—
Proposed 2015 final dividend of 3.5p per ordinary share (2014 final dividend – 5.0p per ordinary share) due to be paid on 29 January 2016 (paid 30 January 2015)	**5,452**	7,946
	8,201	7,946

8. Net return per ordinary share	**Year to 30 September 2015 p**	**£'000**	Year to 30 September 2014 p	£'000
The net return per ordinary share is based on the following figures:				
Revenue net return	**5.69**	**8,949**	5.69	9,162
Capital net return	**24.35**	**38,245**	11.60	18,697
Total net return	**30.04**	**47,194**	17.29	27,859
Weighted average number of ordinary shares in issue:		**157,081,338**		161,125,089

9. Investments	30 September 2015 Index tracker funds £'000	30 September 2015 Fund investments £'000	30 September 2015 Total £'000	30 September 2014 Index tracker funds £'000	30 September 2014 Fund investments £'000	30 September 2014 Total £'000
Fair value through profit or loss:						
Opening market value	**39,161**	**348,462**	**387,623**	—	358,512	358,512
Opening investment holding losses	**395**	**47,390**	**47,785**	—	31,378	31,378
Opening book cost	**39,556**	**395,852**	**435,408**	—	389,890	389,890
Movements in the year:						
Additions at cost	**9,000**	**96,522**	**105,522**	39,000	57,006	96,006
Dividends reinvested	**785**	**—**	**785**	556	—	556
Disposal of underlying investments by funds	**(10,500)**	**(95,783)**	**(106,283)**	—	(90,687)	(90,687)
Disposal of fund investments by way of secondary sales	**—**	**(21,661)**	**(21,661)**	—	—	—
	38,841	**374,930**	**413,771**	39,556	356,209	395,765
Gains on disposal of underlying investments	**315**	**40,725**	**41,040**	—	39,643	39,643
Losses on liquidation of fund investments	**—**	**(11,966)**	**(11,966)**	—	—	—
Gains on disposal of fund investments by way of secondary sales	**—**	**562**	**562**	—	—	—
Closing book cost	**39,156**	**404,251**	**443,407**	39,556	395,852	435,408
Closing investment holding losses	**(1,817)**	**(35,258)**	**(37,075)**	(395)	(47,390)	(47,785)
Closing market value	**37,339**	**368,993**	**406,332**	39,161	348,462	387,623

	30 September 2015 Index tracker funds £'000	30 September 2015 Fund investments £'000	30 September 2015 Total £'000	30 September 2014 Index tracker funds £'000	30 September 2014 Fund investments £'000	30 September 2014 Total £'000
Gains on investments:						
Net gains on disposal of investments	**315**	**29,321**	**29,636**	—	39,643	39,643
Net revaluation of investments	**(1,422)**	**12,132**	**10,710**	(395)	(16,012)	(16,407)
	(1,107)	**41,453**	**40,346**	(395)	23,631	23,236

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 2015 £'000	30 September 2014 £'000
Purchases in respect of unquoted fund investments	**147**	96
Secondary sales	**30**	4
	177	100

10. Debtors	**30 September 2015 £'000**	30 September 2014 £'000
Amounts falling due within one year:		
Unamortised loan arrangement fees	**690**	430
Prepayments	**38**	41
Interest receivable	**1**	2
	729	473

11. Creditors: amounts falling due within one year	**30 September 2015 £'000**	30 September 2014 £'000
Management fee	**237**	75
Secretarial and administration fee	**28**	16
Loan interest and commitment fee	**20**	4
Amount due to broker for share buy-back	**—**	400
Accruals and deferred income	**135**	74
	420	569

12. Bank loans

At 30 September 2015, the Company had a £80 million (2014 – £80 million led by The Royal Bank of Scotland plc) committed, multi currency syndicated revolving credit facility provided by Citi and Societe Generale of which £nil (2014 – £nil) had been drawn down in euros. The facility expires on 31 December 2020. The interest rate on this facility is LIBOR plus 1.50%, rising to 1.70% depending on utilisation, and the commitment fee payable on non-utilisation is 0.7% per annum.

13. Called up share capital	**30 September 2015 £**	30 September 2014 £
Issued:		
155,776,294 (2014 – 158,922,294) ordinary shares of 0.2p – fully paid	**311,553**	317,845
	311,553	317,845

During the year the Company bought back 3,146,000 (2014: 6,275,000) ordinary shares at a cost of £6,923,000 (2014: £12,572,000) including expenses. During the year ended 30 September 2014, the final 907,081 founder A shares were converted into ordinary shares of 0.2p for consideration of £892,000 including expenses.

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 2014	86,485	62,947	83	290,799	(48,664)	17,134
Gains on disposal of unquoted investments	—	—	—	29,636	—	—
Management fee charged to capital	—	—	—	(3,082)	—	—
Finance costs charged to capital	—	—	—	(1,141)	—	—
Tax relief on management fees and finance costs above	—	—	—	1,627	—	—
Currency (losses)/gains on cash balances and money market funds	—	—	—	(384)	879	—
Revaluation of investments	—	—	—	—	10,710	—
Buy back of ordinary shares	—	(6,923)	6	—	—	—
Return on ordinary activities after taxation	—	—	—	—	—	8,949
Dividends during the year	—	—	—	—	—	(10,633)
Closing balances at 30 September 2015	**86,485**	**56,024**	**89**	**317,455**	**(37,075)**	**15,450**

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 2015 £'000	30 September 2014 £'000
Net total return before finance costs and taxation	**48,619**	29,253
Adjustment for:		
Gains on disposal of investments	**(29,636)**	(39,643)
Revaluation of investments	**(10,710)**	16,407
Currency (gains)/losses on cash balances and money market funds	**(495)**	2,085
Decrease in debtors	**4**	191
Increase/(decrease) in creditors	**235**	(114)
Tax deducted from non – UK income	**(157)**	(356)
Net cash inflow from operating activities	**7,860**	7,823

16. Net asset value per equity share	30 September 2015	30 September 2014
Basic:		
Ordinary shareholders' funds	**£438,740,232**	£409,101,646
Number of ordinary shares in issue	**155,776,294**	158,922,294
Net asset value per ordinary share	**281.6p**	257.4p

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 2015 £'000	30 September 2014 £'000
Outstanding calls on investments	**245,826**	214,400

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 seven executive partners. 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 are available to download from the website www.standardlife.com.

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 is set out in the Directors' Report on pages 21 and 22. During the year ended 30 September 2015 Standard Life plc received dividends from the Company totalling £5,813,000 (2014 – £4,306,000).

During the year ended 30 September 2015 the Manager charged management fees totalling £3,424,000 (2014 – £3,280,000) to the Company in the normal course of business. The balance of management fees outstanding at 30 September 2015 was £237,000 (2014 – £75,000).

During the year ended 30 September 2015 the directors of the Company received fees for their services. Details of these fees are provided in the Directors' Remuneration Report on pages 29 and 30. No amounts were outstanding to the directors at the year end (2014: nil). The directors shareholdings are also detailed on page 29.

No other related party transactions were undertaken during the year ended 30 September 2015.

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 2015 £'000	30 September 2014 £'000
Financial assets		
Financial assets at fair value through profit or loss:		
Fixed asset investments – designated as such on initial recognition	**406,332**	387,623
Loans and receivables		
Current assets:		
Debtors (accrued income and other debtors)	**729**	473
Money market funds	**—**	16,363
Cash and short-term deposits	**32,099**	5,212
	439,160	409,671
Financial liabilities		
Measured at amortised cost:		
Creditors: amounts falling due within one year:		
Accruals	**420**	569
	420	569

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 and also in index tracker funds. These private equity funds 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, 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

a) Price 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 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 investments at 30 September 2015 would have increased the net assets attributable to the Company's shareholders and the total return for the year by £40,633,000 (2014 – £38,762,000); 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.

b) 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 2015		30 September 2014	
	Local Currency '000	**Sterling Equivalent £'000**	Local Currency '000	Sterling Equivalent £'000
Fixed asset investments:				
Sterling	**44,787**	**44,787**	45,026	45,026
Euro	**452,215**	**333,246**	398,520	310,531
US Dollar	**42,866**	**28,299**	51,984	32,066
Money market funds, cash and short term deposits:				
Sterling	**310**	**310**	591	591
Euro	**37,650**	**27,745**	26,559	20,695
US Dollar	**6,126**	**4,044**	469	289
Other debtors and creditors:				
Sterling	**309**	**309**	(96)	(96)
Total		**438,740**		409,102

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

	30 September 2015		30 September 2014	
	Local Currency ’000	**Sterling Equivalent £’000**	Local Currency ’000	Sterling Equivalent £’000
Outstanding commitments:				
Sterling	**26,971**	**26,971**	1,897	1,897
Euro	**250,102**	**184,305**	230,311	179,465
US Dollar	**52,335**	**34,550**	53,560	33,038
Total		**245,826**		214,400

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

c) Currency sensitivity

During the year ended 30 September 2015 sterling appreciated by 5.7% relative to the euro (2014 – appreciated 7.3%) and depreciated by 6.6% relative to the US dollar (2014 – appreciated 0.1%).

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 2015, the capital gain would have increased for the year by £43,704,000 (2014 – increase of £40,398,000 in capital gain); a 10% change in the opposite direction would have decreased the capital gain for the year by £35,758,000 (2014 – £33,053,000).

The calculations above are based on the portfolio valuation and cash and loan balances 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 £24,317,000 at the year end (2014 – £23,612,000), a 10% change in the opposite direction would have decreased the amount of outstanding commitments by £19,896,000 (2014 – £19,319,000).

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, provided by Citi and Societe Generale. At 30 September 2015 and 30 September 2014, £nil 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 year end, the Company’s financial assets exposed to credit risk amounted to the following:

	30 September 2015 £’000	30 September 2014 £’000
Money market funds, cash and short term deposits	**32,099**	21,575

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

The Company's cash is held by BNP Paribas Securities Services S.A. ("BNP"), which is rated 'A+' by Standard and Poors. The Board monitors the risk by reviewing the internal control reports of BNP annually. Should the credit quality or the financial position of BNP deteriorate significantly the Manager would move the cash balances to another institution. The Company's money market funds are held in a euro variable net asset value liquidity fund, which is rated 'AAA' by Moody's.

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 2015		30 September 2014	
	Weighted average interest rate %	**£'000**	Weighted average interest rate %	£'000
Floating rate				
Financial assets: Money market funds, cash and short term deposits	**0.01**	**32,099**	—	21,575
	0.01	**32,099**	—	21,575

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on the bank loans is based on the interest rate payable, weighted by the total value of the loans. The weighted average period for which interest rates are fixed on the bank loans is 31.0 days (2014 – 31.0 days). The maturity dates of the bank loans are shown in note 12 to the financial statements.

Interest rate sensitivity

An increase of 100 basis points 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 2015 by £13,000 (2014 – £10,000). A decrease of 100 basis points would have increased the net assets attributable to the Company's shareholders and increased the total gain for the year ended 30 September 2015 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, the Administrator and Depositary 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.

Alternative Investment Fund Managers Directive

The Directive requires the Manager of the Fund (the "AIFM") to set leverage limits for the Company, which are approved by the Board. Under the Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of Company's exposure to its net asset value and is calculated on both a gross and commitment method. Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

The Company's maximum and average actual leverage levels at 30 September 2015 are shown below:

Leverage exposure	**Gross method**	**Commitment method**
Maximum limit	250.0%	250.0%
Actual	99.9%	99.9%

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 2015:

Financial assets at fair value through profit or loss	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Unquoted equities	**—**	**—**	**368,993**	**368,993**
Quoted equities	**37,339**	**—**	**—**	**37,339**
Net fair value	**37,339**	**—**	**368,993**	**406,332**

At 30 September 2014:

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted equities	—	—	348,462	348,462
Quoted equities	39,161	—	—	39,161
Net fair value	39,161	—	348,462	387,623

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.

Quoted equities
The Company's investments include two index tracker funds (2014: two) which are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date.

A reconciliation of fair value measurements in Levels 1 and 3 are 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
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Registrars' shareholder helpline: 0371 384 2618
Registrars' broker helpline: 0906 559 6025*

* Calls cost £1.10 per minute plus your phone company's access charge.

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

Dividends

Ordinary dividends are paid in January and July each year. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on request. The Company operates the BACS system for the payment of dividends. Where dividends are paid directly to shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Dividend Reinvestment Plan

Shareholders who wish to use their dividends to purchase further shares in the Company by participating in the Company's Dividend Reinvestment Plan can complete a mandate form which may be obtained from Equiniti Limited at the above 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. The Company also issues estimated NAV's on a monthly basis.

Buying Shares in the Company

The Company's shares are traded on the London Stock Exchange and can be bought and sold through a stock broker, financial adviser or via an investment platform.

Savings Scheme and ISA

The Standard Life Investment Trust Savings Scheme and ISA was closed on 5 June 2015 and transferred to Alliance Trust Savings. Investor enquiries about administration and applications should now be directed to Alliance Trust Savings on 01382 573737 or contact@alliancetrust.co.uk.

Regulatory Status – Non Mainstream Pooled Investments

The Board confirms that it conducts its affairs, and intends to continue to conduct its affairs, so that the Company's shares are excluded securities under 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

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

January – Annual General Meeting
March – Quarterly trading statement announced
May – Interim results announced
June – Interim report published
September – Quarterly trading statement announced
December – Preliminary results for the year announced
December – Annual report and accounts published

The Annual General Meeting will be held at The Balmoral Hotel, 1 Princes Street, Edinburgh EH2 2EQ on 20 January 2016 at 12.30 pm.

Notice of Annual General Meeting

Notice is hereby given that the fifteenth 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 20 January 2016 at 12.30 p.m. to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 10 (inclusive) will be proposed as ordinary resolutions and resolutions 11 and 12 (inclusive) will be proposed as special resolutions.

1. That the report and accounts for the year ended 30 September 2015, the Directors' report, the Directors' remuneration report and the independent auditors' report be received.

2. That the Directors' remuneration report for the year ended 30 September 2015 be approved.

3. That a final dividend of 3.5p per ordinary share be declared.

4. That Mr Barbour be re-elected as a director.

5. That Mr Devine be re-elected as a director.

6. That Ms McComb be re-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, 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 £103,747, such authority to expire on 31 March 2017 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2017, 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.

11. That, subject to the passing of resolution 10 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 10 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 31 March 2017 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2017, 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 £15,580.

    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 11 the words "pursuant to the authority under section 551 of the Act conferred by resolution 10 in this notice of annual general meeting" were omitted.

12. 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 23,350,000 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 31 March 2017 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2017, 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

4 December 2015

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 18 January 2016 (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 4 December 2015 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 155,776,294 ordinary 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 4 December 2015 were 155,776,294 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. Directors' letters of appointment
The directors' letters of appointment 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.

Glossary of Terms and Definitions

Bottom up valuation
Each underlying investment within a fund investment is valued at fair value by the fund manager at the reporting date using International Private Equity and Venture Capital Valuation Guidelines.

Buy-out fund
A fund which acquires controlling stakes in established companies.

Commitment
The amount committed by the Company to a fund investment, whether or not such amount has been advanced in whole or in part by or repaid in whole or in part to the Company.

Discount
The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Distribution
A return that an investor in a private equity fund receives.

Draw down
A portion of a commitment which is called to pay for an investment.

EBITDA
Earnings before interest expense, taxes, depreciation and amortisation.

Enterprise value (EV)
The value of the financial instruments representing ownership interests in a company plus the net financial debt of the company.

IPO
Initial Public Offering, the first sale of stock by a private company to the public market.

Net Asset Value (NAV)
The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

Ongoing Charges
Management fees and all other operating expenses excluding interest, expressed as a percentage of the average of the end of day quarterly net assets during the year.

Premium
The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.

Roll forward valuation
The latest fund valuation calculated on a bottom up valuation basis adjusted for any subsequent cash movements up to the reporting date and updated for exchange rates at the reporting date.

Secondary transaction
The purchase or sale of a commitment to a fund or collection of fund interests in the market.

Share buy-back transaction
The repurchase by the Company of its own shares in order to reduce the number of shares on the market.

Total Return
Total Return involves reinvesting the net dividend on the day that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company in the quarter it goes ex-dividend.

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 and Depositary
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
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX
United Kingdom

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

Registrars
Equiniti Limited
34 South Gyle Crescent
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