

ELECTRA

Electra Private Equity PLC Report and Accounts



30 September 2014

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References in this announcement to Electra Private Equity PLC and its subsidiaries have been abbreviated to 'Electra' or the 'Company'. References to Electra Partners LLP have been abbreviated to 'Electra Partners' or 'the Manager'.

About Electra Private Equity PLC

Electra Private Equity PLC ("Electra" or the "Group") is a private equity investment trust which has been listed on the London Stock Exchange since 1976. As at 30 September 2014 its net assets were £1.2 billion or 3,174p per share fully-diluted.

Electra's business and affairs are managed on an exclusive and fully discretionary basis by Electra Partners LLP, an independent private equity fund manager with over 25 years' experience in the mid-market and a superior performance record. Electra is overseen by a board of independent non-executive Directors.

Electra's objective is to achieve a return on equity of between 10% and 15% per year over the long term by investing in a portfolio of private equity assets.

Performance is in line with this objective: for the 10 years to 30 September 2014 Electra's return on equity was 14% per year. Electra's performance has been consistently superior to that of the Morningstar Private Equity Index and the FTSE All-Share Index.

Private equity benefits from:

- an active approach based on a high level of engagement between the fund manager and the management teams of investee companies both before and after an investment is made;
- the alignment of interests between managers and investors through economic incentives; and
- an ownership framework which facilitates long-term decision-making.

Electra offers shareholders differentiated, direct access to private equity through a flexible listed vehicle.

Financial Highlights

As at 30 September 2014

Total portfolio return of 25% in the year	£246m
Investment portfolio equivalent to 106% of net assets	£1,272m
Liquid resources net of bank borrowings	£166m
Diluted NAV per share up 15%	3,174p
Diluted NAV per share, including dividends, increase over ten years	262%
Annualised return on equity over 10 years	14%
Share price up 19%	2,650p
Share price total return over ten years	248%

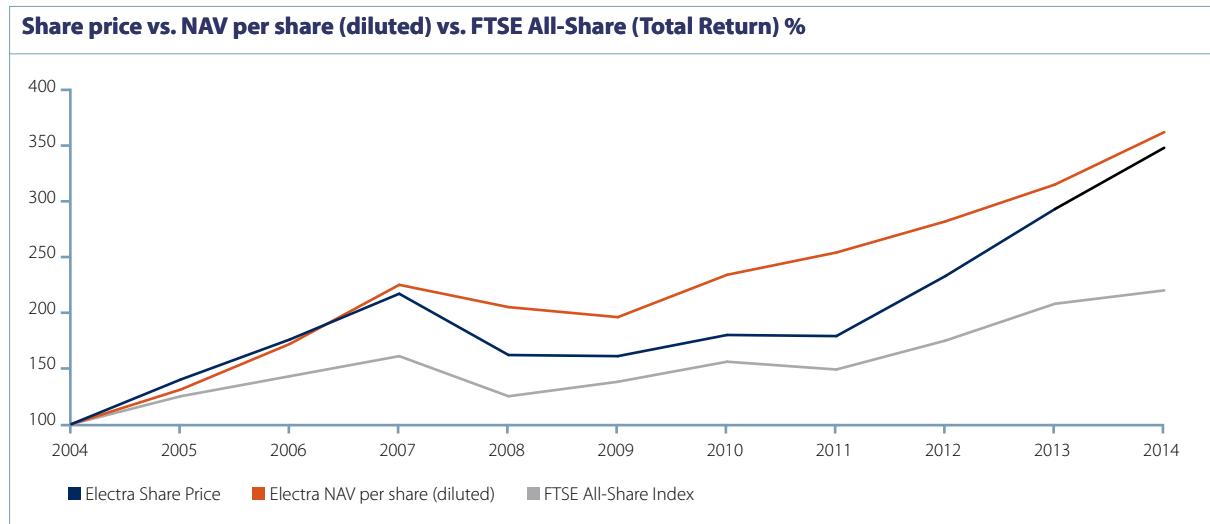
Performance (Total Return):

	One year	Three years	Five years	Ten years
Electra NAV per share (diluted)	15%	43%	84%	262%
Morningstar PE Index NAV per share return*	11%	26%	55%	56%
Electra share price	19%	95%	117%	248%
Morningstar PE Index share price return*	7%	76%	72%	41%
FTSE All-Share Index	6%	48%	59%	120%

Performance calculated on a total return basis with dividends reinvested.

* The above index, prepared by Morningstar UK Limited, reflects the performance of 19 private equity vehicles, excluding Electra, listed on the London Stock Exchange.

Long-term Performance



Historic NAV, Share price and Return on Equity

Year ended 30 September	Total NAV £m	Diluted NAV per share p	Ordinary share price p	10-year annualised return on equity %
1995	749	440	368	13
1996	886	522	413	12
1997	1,083	640	483	9
1998	1,145	676	512	11
1999	987	951	836	12
2000	874	1,085	1,034	16
2001	541	830	651	12
2002	498	764	463	13
2003	495	760	634	10
2004	427	913	794	10
2005	521	1,197	1,113	12
2006	598	1,545	1,371	12
2007	746	2,001	1,680	13
2008	641	1,801	1,235	11
2009	608	1,720	1,224	7
2010	725	2,050	1,368	7
2011	821	2,225	1,360	11
2012	916	2,473	1,770	13
2013	1,030	2,764	2,230	14
2014	1,195	3,174	2,650	14

Please note:

In 1999 Electra ceased to make new investments and was placed into a realisation phase. Between 1999 and 2006 Electra returned a total of £1.2 billion to shareholders through a mixture of share buybacks and tender offers. Electra returned to full investment in October 2006.

Chairman's Statement

"Electra has had an excellent year, with another record level of new investment and strong performance from its investment portfolio.

"The performance from some of the recent investments in the portfolio is extremely encouraging and perfectly demonstrates the investment selection and value creation skills of Electra Partners.

"The 15% NAV per share total return over the year was again at the upper end of Electra's long-term target range of between 10% and 15% per year. Electra is well positioned to continue to deliver outstanding returns for its shareholders."



Overview

The year to September 2014 has been a successful one and I am pleased to report another year of strong performance achieved in the face of considerable distraction. Excellent progress has been made in terms of investment activity, with capital deployed in new investments again reaching a record level. The portfolio continues to perform strongly with, in particular, a significant contribution from investments made in the last three years. The encouraging trading within the underlying portfolio companies augurs well for the future.

Results

At 30 September 2014, Electra's diluted net asset value per share was 3,174p compared to 2,764p a year earlier, an increase of 15%. Electra's share price increased from 2,230p to 2,650p over this period representing a return of 19%, compared to a total return on the FTSE All-Share of 6%.

Over the 10 years to 30 September 2014, Electra's diluted net asset value per share including dividends has increased by 262%. This is equivalent to a 10-year annualised return on equity of 14%. Electra's share price also performed well in this period generating a total return of 248%, also equivalent to an annualised total return of 14%. This compares to a 10-year total return for the FTSE All-Share of 120%, equivalent to an annualised return of 8%.

Three quarters of the performance in the year came from the direct unlisted portfolio, in particular from three investments (AXIO, Park Resorts and South Lakeland). All three are recent investments, made within the last three years. It is also pleasing to see strong performance in the listed portfolio, especially from Zensar Technologies which increased by £40 million or 163% over the year.

Investment Activity

Over the year Electra invested £410 million, compared to £337 million in 2013. In aggregate £747 million has been invested over the last two years representing 86% of the opening value of the investment portfolio at the beginning of that period.

Sherborne Investors

During the early part of 2014 Sherborne Investors (Guernsey) B Limited ("SIGB") began acquiring shares in Electra, eventually reaching a position whereby it controlled approximately 20% of the ordinary share capital. On 21 August 2014, SIGB requisitioned a General Meeting to appoint two nominees to the Board and to remove an existing Director, Geoffrey Cullinan. SIGB announced that it expected its two nominees, if appointed, to lead a strategic review of Electra.

Despite requests for an explanation of the need for, or benefits of, a strategic review, SIGB did not provide one. On 17 September 2014, SIGB sent a letter to Electra shareholders making, for the first time, a number of critical points concerning performance, investment management, investment expenses and balance sheet structure. Electra published its

response to these criticisms on 22 September 2014. At the General Meeting of the Company held on 6 October 2014 shareholders voted against all the resolutions proposed by SIGB.

The Board of Electra has always been open to constructive dialogue with its shareholders and seeks always to act in shareholders' best interests. Accordingly, we believe it is paramount that Electra should continue to have an independent Board comprised of individuals with the appropriate mixture of skills and experience so that Electra's future strategy and direction will continue to serve the best interests of shareholders as a whole.

Following the General Meeting and as a result of discussions with shareholders, the Board is conducting a review of Electra's fee arrangements with Electra Partners and of its capital structure and distribution policy. We intend to announce the result of this review shortly.

Balance Sheet

At 30 September 2014 Electra had net liquid resources of £166 million compared to £294 million at September 2013. Twelve months ago liquidity levels were higher than usual as a result of the record level of realisations during the year. Liquidity is now at an optimal operating level, where there is sufficient cash together with bank facilities to cover new investments and meet ongoing costs and commitments.

Over the year Electra invested £410 million, compared to £337 million in 2013. In aggregate £747 million has been invested over the last two years

Alternative Investment Fund Managers Directive ("AIFMD")

The AIFMD came into effect during the period under review and Electra, as an Alternative Investment Fund, became subject to the Directive from 11 July 2014. As previously reported, Electra Partners LLP received approval from the Financial Conduct Authority ("FCA") to vary its status and act as Electra's Alternative Investment Fund Manager ("AIFM") under the AIFMD regulations.

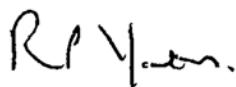
The Board continues to be of the view that compliance with the AIFMD regulations will not materially affect Electra's business.

Outlook

This is another strong set of results and it is particularly encouraging that the recent investments in the portfolio are already delivering substantial value. These investments were made by exploiting Electra's flexible investment strategy and robust balance sheet. Their performance follows several years of high investment activity and excellent value creation work by the Electra Partners team.

Electra's balance sheet is now more efficiently deployed as a result of the high levels of investment over the last two years.

The Board believes that Electra is well positioned to build on and strengthen its high quality portfolio and continue to deliver outstanding returns for Electra's shareholders.



Roger Yates

Chairman

26 November 2014



Console Group

Audio mixing console manufacturer

Strategic Report

The Strategic Report provides a review of the Company's business, strategy and performance during the year to 30 September 2014, and a description of the principal risks and uncertainties facing the Company. References to other sections of this Report and Accounts are provided where appropriate.

Business Model

Electra

Electra is an approved Investment Trust with effect from 1 October 2012 and will continue to be exempt from capital gains tax provided it continues to meet the eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and of the ongoing requirements for approved companies in the Investment Trust (Approved Company) (Tax) Regulations 2011.

Electra's business and affairs are managed by an exclusive and fully discretionary Manager. Electra Partners LLP was appointed as the Manager in 2006 and manages the Company's assets and investments in accordance with guidelines determined by the Directors and as specified in limited partnership and in management and investment guideline agreements.

The Manager

Electra Partners is an independent private equity fund manager with over 25 years' experience in the mid-market. Electra Partners' investment performance is in the top third when compared with similar fund sizes, strategies and vintages. Electra Partners has successfully delivered consistently strong returns. For the ten years to 30 September 2014 Electra's annualised return on equity was 14%. Further information about Electra Partners is to be found in "The Manager" section on pages 14 to 19.

Fee Arrangements

Electra Partners receives a priority profit share of 1.5% per annum on the gross value of the Company's investment portfolio including cash. The partners of Electra Partners participate in co-investment and carried interest schemes which are explained in more detail in Notes 22 and 23 of the Notes to the Financial Statements.

Alignment of Interests

The alignment of interests between investors and managers through economic incentives is a critical feature of the private equity model. It contributes to the outperformance of private equity compared to other asset classes.

When Electra invests in a buyout or co-investment, it is normal for the management team of the underlying company to make a meaningful investment in the equity of that company alongside Electra. This serves to align each portfolio company management team's interests with Electra's in making decisions relating to that company.

Equally, the partners of Electra Partners are obliged to invest pari passu in each investment which Electra makes. These individuals also benefit from carried interest schemes whereby they share in realised investment profits relating to certain investment pools, subject to a minimum annual return for Electra and after deducting the relevant part of the priority profit share paid to Electra Partners. These arrangements, which reward only realised returns and take into account the time value of money, ensure that Electra Partners is incentivised to construct a portfolio of attractive investments and to realise each investment at the optimum time.

These arrangements are described in more detail in Notes 22 and 23 of the Notes to the Financial Statements.

Objective and Strategy

Objective

Electra's objective is to achieve a rate of return on equity of between 10% and 15% per year over the long term by investing in a portfolio of private equity assets.

Strategy

Under the investment strategy approved by shareholders in October 2006, all of Electra's capital resources are available for investment in private equity. Electra actively manages its gearing and capital position in light of prevailing market conditions.

Electra's strategy, along with the performance of the Manager, is kept under active review by the Board.

Investment Strategy

Electra has one of the most flexible mandates in the private equity sector. This means that it invests across the full range of private equity opportunities, in any sector and across the capital structure.

This flexibility allows Electra Partners to tailor its investment strategy to suit changing market conditions, thereby deploying capital where it sees the best relative value for shareholders. Electra Partners focuses on the following types of investment: buyouts and co-investments, secondaries and debt investments.

Electra's structure means Electra can provide long-term capital to portfolio businesses. As it invests directly rather than through a fund structure, its investment horizons are not influenced by fund investment periods or fund-raising cycles. This means that it can support its investee companies with a long-term strategy and access to capital. Exits are sought only when returns can be maximised for shareholders.

Electra Partners manages Electra's business and affairs on an exclusive and fully discretionary basis. Further information on Electra Partners and its investment strategy can be found on pages 14 to 19.

Asset Management

Electra Partners employs a rigorous investment process which ensures disciplined investment selection and portfolio management. In constructing and managing Electra's investment portfolio, Electra Partners takes into consideration not only the specific circumstances of each individual investment but also the profile of the portfolio as a whole.

The portfolio is managed to avoid concentration in any one sector or asset. At the time of investment, not more than 15% of Electra's total assets will be invested in any single investment. If Electra acquires a portfolio of assets in a single transaction, this limitation shall be applied individually to each of the underlying assets and not to the portfolio as a whole. The largest investment made by Electra during the year was Hotter Shoes which represented 8% of its total assets at the time of investment.

Gearing and Capital Management

Electra has a policy to maintain total gearing below 40% of its total assets. At 30 September 2014 gearing stood at 20% of total assets.

An appropriate level of liquidity is maintained to ensure that Electra can participate in all investments arranged by Electra Partners, support its portfolio with follow-on investment as required and meet ongoing costs and commitments. At 30 September 2014 net liquid resources (being cash less borrowings under the multi-currency revolving credit facility) were £166 million.

The Company makes use of borrowings to provide investment capacity and to hedge currency risk. The capital position and levels of gearing are managed in light of prevailing economic conditions.

Further information on Electra's borrowings is provided in Note 16 on page 73.

Costs

Electra's ongoing charges ratio for the year to 30 September 2014 was 2.3% (2013: 2.3%).

Commitments

Unlike many other listed private equity companies, Electra for the most part invests directly in transactions arranged by Electra Partners rather than through a limited partnership fund which may be managed in the interests of a number of investors.

This means that Electra's interests are clearly and independently taken into account by Electra Partners, which can moderate or accelerate the pace of investment to suit Electra's net liquid resources. As a result, there is a low risk of Electra becoming over-committed.

At 30 September 2014 Electra had commitments outstanding to private equity funds of £77 million, of which £51 million was to funds still in their investment period.

Dividend Policy

It is the current policy of the Directors not to pay a dividend unless required to do so to maintain Electra's investment trust status.

Electra's portfolio is therefore structured to deliver capital growth rather than yield. The policy of the Directors is to reinvest the proceeds of realisations with the benefit of Electra's flexible mandate in order for Electra Partners' investment performance to continue to grow Electra while at the same time allowing Electra Partners to focus on investment activity without the distraction of fund raising.

Discount Management

The Board actively considers discount control mechanisms, including dividends, share buybacks, share splits and improved or ad hoc disclosure.

In evaluating dividends, share buybacks or other returns of capital to shareholders, the Board takes into account the discount at which Electra's shares trade relative to their net asset value, the prospective returns available from investment opportunities as well as other competing calls on the Company's capital.

The Directors intend to continue to seek shareholder authority on an annual basis to enable them to purchase shares for cancellation when they believe it will be in the best interests of shareholders.

Shareholder Engagement

Electra places great importance on communication with its shareholders. Working together with Electra Partners, it endeavours to provide valuable information and insight on the Company and its performance to shareholders. Representatives of the Board hold meetings with principal shareholders to discuss relevant issues as they arise. Electra Partners maintains a regular and proactive dialogue with institutional shareholders and analysts; markets Electra's shares to potential shareholders; maintains relationships with journalists, trade bodies and other industry commentators; and is responsive to enquiries from any shareholder or potential shareholder. Electra Partners' investor relations team regularly reports to the Board on its activities.

Principal Risks and Risk Management

Risk Management

The appointment of Electra Partners as AIFM of the Company under the AIFMD means that it is now responsible for risk management and the ongoing process of identifying, evaluating, monitoring and managing the risks facing the Company in accordance with the requirements of the AIFMD. The Board keeps Electra Partners' performance of these responsibilities under review as part of its overall responsibility for the Company's internal controls. The Board and Electra Partners consider that the following are the principal risks facing the Company along with the risks detailed in Note 19 of the Notes to the Financial Statements.

Macroeconomic Risks

The performance of the Company's investment portfolio is materially influenced by economic conditions. These may affect demand for products or services supplied by investee companies, foreign exchange rates, the price of commodities or other input costs, interest rates, debt and equity capital markets and the number of active trade and financial buyers. All of these factors have an impact on the Company's ability to realise its investment portfolio and the level of return realisable.

Gearing Risks

One of the principal risks of gearing is that it can cause both gains and losses in the asset value of a company to be magnified. Another significant risk associated with gearing is the potentially severe operational impact on the Company of a breach of its banking covenants. Secondary risks relate to whether the cost of gearing is too high and whether the length of the gearing is appropriate. The Board and Electra Partners regularly monitor the headroom available under banking covenants and review the impact of the various forms of gearing and their cost to the Company.

The Company uses gearing in a number of forms, through its multi-currency revolving credit facility, its Subordinated Convertible Bonds and Zero Dividend Preference Shares ("ZDP Shares").

Gearing is also used across the Company's investment portfolio. Each investment in which gearing is employed presents the same risks as are faced by Electra. Electra Partners actively monitors gearing across the investment portfolio, including working closely with management teams to ensure that the terms of any borrowing facilities are being observed and maintaining relationships with the lenders who make facilities available.

Foreign Currency Risks

A proportion of the Company's investment portfolio, comprising investments in the USA, Continental Europe and Asia, is denominated in currencies other than Sterling. Movements in foreign exchange rates may therefore affect the Company's net assets.

The foreign investments held are principally held in the USA, Continental Europe and Asia.

During the year, the Company held loans denominated in US Dollars and Euros, which partially offset foreign currency risk on foreign investments. The ratio of loans held in US Dollars and Euro is under regular review by Electra Partners in order to partially hedge as efficiently as possible.

Long-term Strategic Risks

The Company is subject to the risk that its long-term strategy and its level of performance fail to meet the expectations of its shareholders.

The Board regularly reviews the Objective and Investment Policy, which can be found on page 106, in light of prevailing investor sentiment to ensure the Company remains attractive to its shareholders.

Investment Risks

The Company operates in a highly competitive market. The supply of investment opportunities relative to that of investment capital, as well as the ability of Electra Partners to access investment opportunities, could have a significant effect on the Company's competitive position and on the sustainability of returns.

In order to source and execute good quality investments the Company is primarily dependent on Electra Partners having the ability to attract and retain executives with the requisite investment experience and whose compensation is in line with the Company's objectives.

The performance of the Company's portfolio is influenced by a number of factors. These include but are not limited to: (i) the quality of the initial investment decision; (ii) the quality of the management team of each underlying portfolio company as well as the ability of that team successfully to implement its business strategy; and (iii) the macroeconomic risks described above. Any one of these factors could have an impact on the valuation of an investment and on the Company's ability to realise the investment in a profitable and timely manner.

Electra Partners has in place a rigorous investment process which ensures disciplined investment selection and portfolio management. This includes detailed due diligence, regular portfolio reviews and in many cases an active engagement with portfolio companies including by way of board representation.

The Board regularly reviews both the performance of Electra Partners and its incentive arrangements in order to ensure that both remain appropriate to the Company's objectives.

Valuation Risk

The valuation of investments in accordance with IAS 39 and IFRS 13 requires considerable judgement and is explained on pages 92 to 94.

Operational Risk

The Company's investment management, custody of assets and many administrative systems are provided or arranged by Electra Partners. The Company is thus exposed to a range of operational risks including those relating to human resources, legal and regulatory matters, information technology systems, business disruption or shortcomings in internal controls.

The Company's system of internal control mainly comprises the monitoring of the services provided by Electra Partners, including the operating controls established by them to ensure they meet the Company's business objectives. Further information is included in the Corporate Governance Statement on pages 119 to 123.

Community, Social, Employee, Human Rights and Environmental Issues

In carrying out its activities and in its relationships with the community, the Company aims to conduct itself responsibly, ethically and fairly, including in relation to social and human rights issues.

The Company has no employees and the Board is composed entirely of non-executive Directors. As an investment trust, the Company has no direct impact on the environment. However the Company believes that high standards of corporate social responsibility ("CSR") make good business sense and have the potential to protect and enhance investment returns. Consequently, Electra Partners' investment process is encouraged to take social, environmental and ethical issues into account when these have a material impact on either investment risk or return.

Electra recognises and supports the view that social, environmental and ethical best practice should be encouraged.

Board Diversity

There are currently three female and three male Directors on the Board and there have been at least two female Directors on the Board since 2007.

The Company aims to have a balance of relevant skills, experience and background amongst the Directors on the Board and believes that all Board appointments should be made on merit and with due regard to the benefits of diversity, including gender. The Board's aim is to continue to maintain a diverse Board and, subject to appointing the best candidates available when current Directors retire, to have a proportion of at least one third female Board representation.

Apart from the main Board Directors all nine non-executive Directors of the Company's consolidated subsidiaries, all of which are investment holding or finance vehicles, are male.

Electra is an investment trust which has no employees other than the non-executive Directors of its main Board and therefore has no disclosures to make in this regard.

Performance and Prospects

Performance

A number of Key Performance Indicators ("KPIs") are considered by the Board and Electra Partners in assessing the Company's success in achieving its objectives. These KPIs are:

Return on equity over the long term

- The Company's objective is to achieve a return on equity of between 10% and 15% per year over the long term. Over the 10 years to 30 September 2014 the Company's annualised diluted NAV per share return was 14% per year.

The movement in net asset value per ordinary share

- The increase in the Company's diluted net asset value per share was 15% over the twelve months and 262% over the ten years to 30 September 2014. These increases compared with 11% and 56% respectively by the Morningstar Private Equity Index.

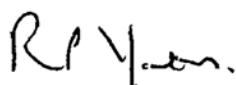
The movement in share price

- The increase in the Company's share price was 19% over the twelve months and 248% over the ten years to 30 September 2014. These increases compared with 7% and 41% respectively by the Morningstar Private Equity Index and 6% and 120% respectively by the FTSE All-Share Index.

Further details on the KPIs are shown on pages 2 to 3 of this Annual Report. Further information on the Company's performance is given in the Chairman's Statement, the Investment Highlights and Portfolio Review and the Financial Review on pages 4 to 5, 20 to 30, and 58 to 59 respectively.

Prospects

The Company's current position and prospects are described in the Chairman's Statement, the Investment Highlights and Portfolio Review, the Market Review and the Financial Review sections of this Annual Report, on pages 4 to 5, 20 to 31 and 58 to 59 respectively.



Roger Yates

Chairman

26 November 2014

The Manager



About Electra Partners

Electra Partners is an independent private equity fund manager with over 25 years' experience in the mid-market.

During this time, the Electra Partners team has invested in excess of £4.4 billion in more than 200 deals and realised £6.3 billion, with a consistent focus on mid-market companies. This track record of investing through numerous economic cycles gives Electra Partners both broad and deep experience across sectors, geographies and business models.

At 30 September 2014 Electra Partners had funds under management of over £1.6 billion including capital available for investment of circa £300 million. Electra accounts for more than 90% of Electra Partners' funds under management; the balance is managed on behalf of US and European pension funds, asset managers and family offices.

Superior Performance

Over the last ten years Electra, which is managed on an exclusive and fully discretionary basis by Electra Partners, has seen diluted NAV per share grow by 262%. This is nearly five times the NAV per share return of the Morningstar Private Equity Index. This is equivalent to a ten-year annualised return of 14%, at the upper end of Electra's target range of 10-15% over the long-term.

Over the past 25 years, the Electra Partners team has delivered investment performance in the top third when compared with similar fund sizes, strategies and vintages.

The Electra Difference – Flexible Capital

Electra's investment strategy and structure is different from that of almost every other private equity fund. This has two key implications:

First, Electra Partners is able to invest across the full range of private equity opportunities: control and minority, equity and debt, direct and indirect. This means that it can tailor its investment strategy to suit changing market conditions and invest where many others cannot.

Second, Electra Partners is able to provide stable long-term capital. It doesn't face expiring investment periods or exit pressure driven by fund-raising cycles. This means that it can fully support investee companies with a long-term strategy and access to capital, and exit when returns are maximised for shareholders.

Investment Strategy

Throughout its history, Electra Partners has focused on investing for profits growth by backing the right management teams, comprising talented and experienced people with a credible strategy. Electra's flexible capital allows Electra Partners to invest across all forms of private equity situations, which it categorises into three groups:

1. **Buyouts and Co-investments:** direct investment in high-quality, well-managed businesses that have the potential for profits growth – through organic growth, operational improvement or acquisition. As lead investor, Electra Partners typically targets investments of £40 million to £120 million in UK-centric companies with an enterprise value of up to £300 million. Electra Partners also co-invests £20 million to £60 million in minority positions in UK or international companies alongside founders, other private equity firms, corporates or the public markets.
2. **Secondaries:** secondary purchases of existing investors' positions in either individual or portfolios of private equity funds, as well as acquisitions of portfolios of businesses, known as "secondary directs".
3. **Debt:** secondary purchases from existing lenders of individual or portfolios of either performing or stretched loans, where "stretched" refers to debt in good businesses with bad balance sheets where Electra Partners can take a role in the restructuring of the capital structure.

Electra Partners applies the disciplines of buyout investing to its appraisal and management of investments in all three of these groups.

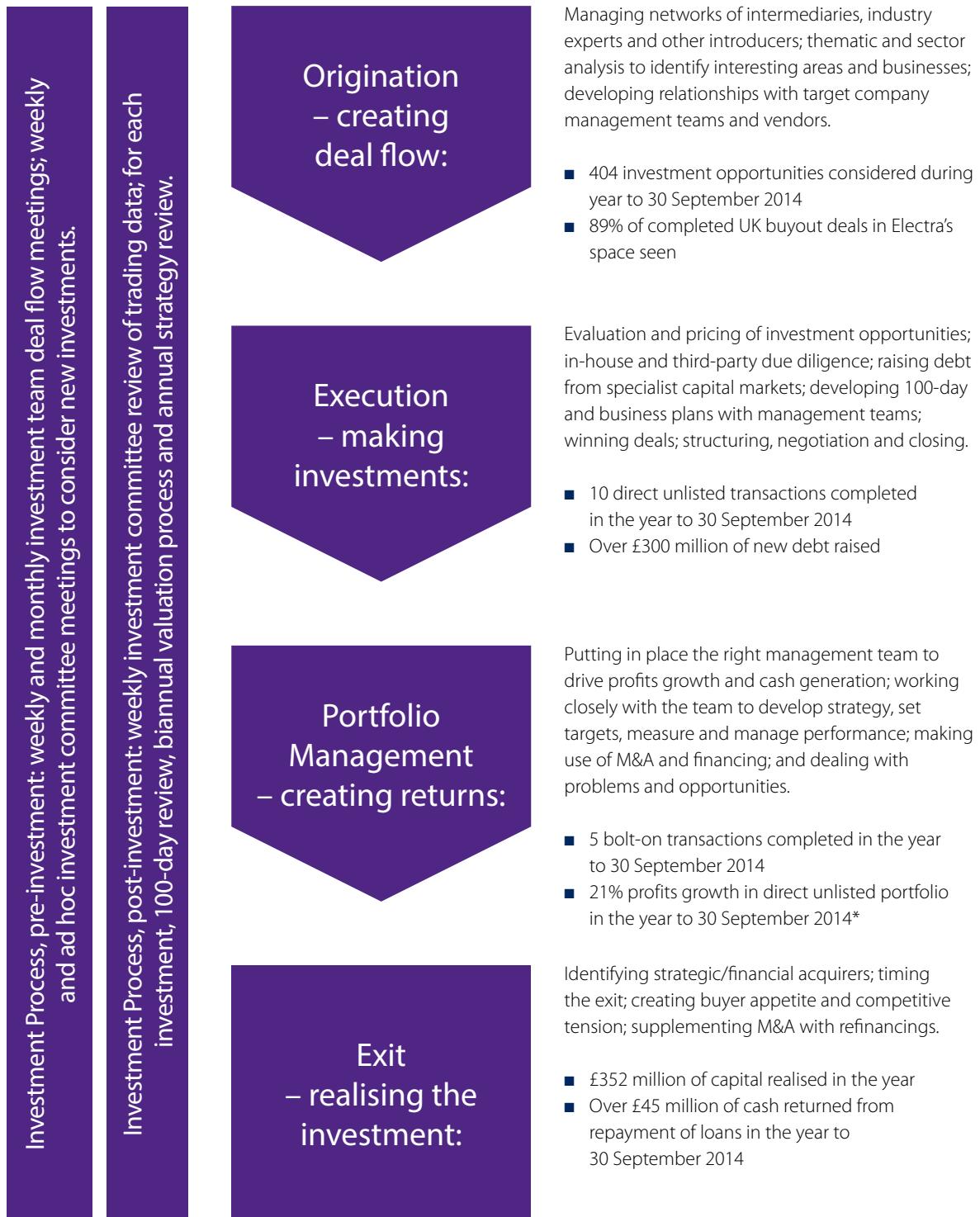
Growth Themes

Electra Partners' investment strategy targets businesses driven by one or more macro growth themes, including:

Description	Example
 <p>Austerity/Value Consumers and businesses are increasingly focused on saving money through scale, technology or value propositions.</p>	<p>The UK's largest operator of holiday parks. Demand is supported by the value proposition of static caravan parks to consumers looking for second homes or holidays.</p> 
 <p>Regulation Increasing regulation drives growth opportunities for compliance products/services and market consolidation.</p>	<p>A leading supplier of animal identification products. Growth is driven by increased regulation of the food chain to ensure food safety.</p> 
 <p>Demographic change Changes in population structure and profile create demand for specialist products and services.</p>	<p>The UK's largest shoe manufacturer. Demand for Hotter's cushioned and supportive footwear is growing due to population ageing.</p> 
 <p>International The internationalisation of business offers domestic or regional companies opportunities to enter new geographic markets using a range of strategies.</p>	<p>A leading supplier of professional audio equipment. Growth is based on an increasing number of live events in developed and developing markets.</p> 
 <p>Digital economy Processing and communication technology development creates opportunities for new products and services.</p>	<p>An international group of information services businesses. New software applications are creating further opportunities to sell or integrate information into customers' workflow.</p> 

Investment Model

Electra Partners' investment team is managed by Chief Investment Partner Alex Fortescue and reports to the Investment Advisory Committee and the Investment Commitments Committee. Electra Partners operates a rigorous and disciplined investment model, as described below:



*Excluding investments held for less than twelve months and property investments

Investment Team

Electra Partners' senior management team is one of the most experienced teams in the industry and has an average 24 years' experience in private equity. The investment team has an average of 19 years' experience in private equity and is supported by a team experienced in compliance, finance, investor relations and marketing. For more information about Electra Partners please visit www.electrapartners.com.



Hugh Mumford
Managing Partner
Years in private equity: 33



Alex Fortescue
Chief Investment Partner
Years in private equity: 20



Tim Syder
Deputy Managing Partner
Years in private equity: 29



David Symondson
Deputy Managing Partner
Years in private equity: 30



Alex Cooper-Evans
Partner
Years in private equity: 20



Rhian Davies
Partner
Years in private equity: 21



Steve Ozin
Partner
Years in private equity: 25



Bill Priestley
Partner
Years in private equity: 17

**Charles Elkington**

Investment Partner
Years in private equity: 20

**Nigel Elsley**

Property Investment Partner
Years in private equity: 26

**Chris Hanna**

Investment Partner
Years in private equity: 16

**Sarah Williams**

Investment Director
Years in private equity: 12

**Owen Wilson**

Investment Director
Years in private equity: 14

**Ian Wood**

Investment Director
Years in private equity: 12

**Nicola Gray**

Investment Manager
Years in private equity: 5

**Shakira Adigun-Boaye**

Investment Associate
Years in private equity: 3

**Tom Stenhouse**

Investment Associate
Years in private equity: 3

**Oliver Huntsman**

Portfolio Manager
Years in private equity: 32

Investment Highlights

"The 2014 financial year was a record year for new investment demonstrating the benefit of Electra's flexible investment mandate.

"Trading conditions across the portfolio as a whole have strengthened allowing its prospects to be viewed with confidence.

"The 25% total return from the investment portfolio over the year reflects the quality and pricing of the deals done over recent years as well as the success of our strategies for generating returns.

"The 15% NAV per share total return over the year was again at the upper end of Electra's long term target range of between 10% and 15% per annum. Over the past ten years Electra's return on equity has been 14% per annum."



Performance for the Year

During the year, Electra's share price increased by 19% compared to a 6% total return for the FTSE All-Share and a 7% total return for the Morningstar Private Equity Index over the same period.

Electra's diluted net asset value ("NAV") per share also continued to grow strongly, increasing by 15% to 3,174p at the end of the financial year compared to an 11% NAV per share increase for the Morningstar Private Equity Index.

The total return from the investment portfolio over the year amounted to £246 million or 25%. Further information regarding the effect of this strong investment performance on Electra's net asset value is included in the Financial Review on pages 58 to 59.

Long-Term Performance

Over the last ten years, Electra's shares have delivered a total return of 248%. This compares favourably to the total return over the same period of both the FTSE All-Share (120%) and the Morningstar Private Equity Index (41%).

Over the last ten years, Electra's NAV per share total return has been 262%. This again compares favourably to the NAV per share total return over the same period for the Morningstar Private Equity Index of 56%.

Investment Activity

New investment for the year totalled £410 million, a record level for Electra compared to £337 million in the previous year, itself a record year. The direct unlisted portfolio accounted for £392 million of this investment where new investments were made in buyouts, co-investments and bolt-on transactions, all at attractive pricing levels.

Realisations from the portfolio during the year reached £352 million, compared to £459 million in the previous year. Realisations from the direct unlisted portfolio fell as a result of the high level of realisations in the last two years. However, £58 million was realised by the sale of listed securities and £60 million was realised from funds and secondaries.

Outlook

The year to 30 September 2014 has been a year of excellent progress for Electra. The combination of a high level of new investment and strong value growth has increased the investment portfolio to £1.3 billion. This has resulted in Electra's balance sheet being more effectively deployed with an investment portfolio amounting to 106% of the net asset value.

Electra's existing capital is invested in a diversified portfolio of investments which have been acquired at attractive entry multiples. The trading performance of many of these investments has been strong over the past year and they are well positioned for further growth. Our investment strategy remains to use Electra's flexible investment mandate to build and create further returns from the addition of appropriate private equity assets. We will continue to implement this strategy with patience and discipline in a competitive market.

Portfolio Overview

At 30 September 2014, Electra's investment portfolio was valued at £1,272 million. The investment portfolio consists of direct unlisted investments, secondaries, listed securities and funds. The top 10 and 20 investments account for 62% and 85% respectively of the investment portfolio.

Portfolio Breakdown

Investment Portfolio	2014 £m	2013 £m	2012 £m
Direct unlisted	996	662	612
Secondaries	105	126	34
Listed	63	55	68
Core investment portfolio	1,164	843	714
Other listed	28	32	37
Funds	80	93	117
Investment portfolio	1,272	968	868

Direct Unlisted Investments (79% of portfolio)

Direct unlisted investments form the major part (79% compared to 68% at 30 September 2013) of Electra's portfolio and consist of investments in 30 private companies with an aggregate value of £996 million. The 10 largest investments account for 72% of the direct unlisted investment portfolio at 30 September 2014.

Secondary Investments (8% of portfolio)

Secondary investments consist of limited partnership interests in third party private equity funds purchased from investors exiting their positions prior to the end of the fund's life. As a result of their relative maturity, secondary investments typically produce faster cash returns than direct unlisted investments. At 30 September 2014 Electra held investments in five secondary portfolios with an aggregate value of £105 million.

Listed Investments (7% of portfolio)

Electra held seven listed investments with an aggregate value of £91 million at 30 September 2014. The largest listed investment was Zensar Technologies with a valuation of £63 million. Zensar is included within the core investment portfolio, the remaining six investments with a value of £28 million were outside the core investment portfolio.

Core investment portfolio (92% of portfolio)

The core investment portfolio includes investments where we have an active role in originating, evaluating, negotiating and/or managing the investment. The core investment portfolio accounts for 92% of the investment portfolio at 30 September 2014.

Fund Investments (6% of portfolio)

Fund investments consist of limited partnership interests in third party private equity funds where Electra made primary commitments to that fund. New primary commitments to funds are no longer a core part of Electra's investment strategy. In total, Electra held investments in 18 funds with an aggregate value of £80 million at 30 September 2014.

Investment Portfolio – Sector Breakdown

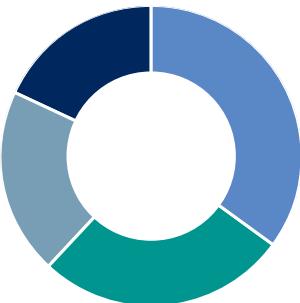
30 September 2014 (30 September 2013)



Construction and materials	3% (6%)
House, leisure and personal goods	15% (9%)
Industrial general and transportation	8% (7%)
Media	11% (11%)
Real estate	4% (8%)
Private equity funds	8% (11%)
Secondaries	8% (13%)
Support services	18% (11%)
Technology, hardware and equipment	5% (4%)
Travel and leisure	15% (11%)
Other	5% (9%)

**Direct Unlisted Investments – Age Analysis
(by last refinancing date)**

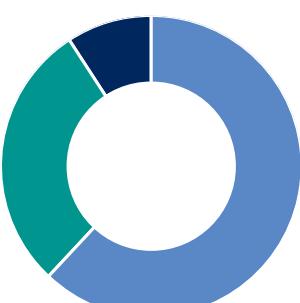
30 September 2014 (30 September 2013)



Less than 1 year old	35% (41%)
1–2 years	27% (24%)
2–3 years	20% (10%)
Over 3 years	18% (25%)

Direct Unlisted Investments – Valuation Basis

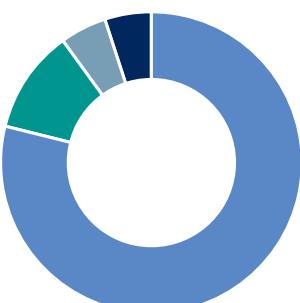
30 September 2014 (30 September 2013)



Earnings basis	62% (69%)
Recent transaction or market value	29% (18%)
Redemption and exit value	0% (6%)
Net assets basis	9% (7%)

Investment Portfolio – Geographic Breakdown*

30 September 2014 (30 September 2013)



UK	79% (64%)
Continental Europe	11% (20%)
USA	5% (13%)
Asia and elsewhere	5% (3%)

*Based on the location of the investee company's head office.

Portfolio Review

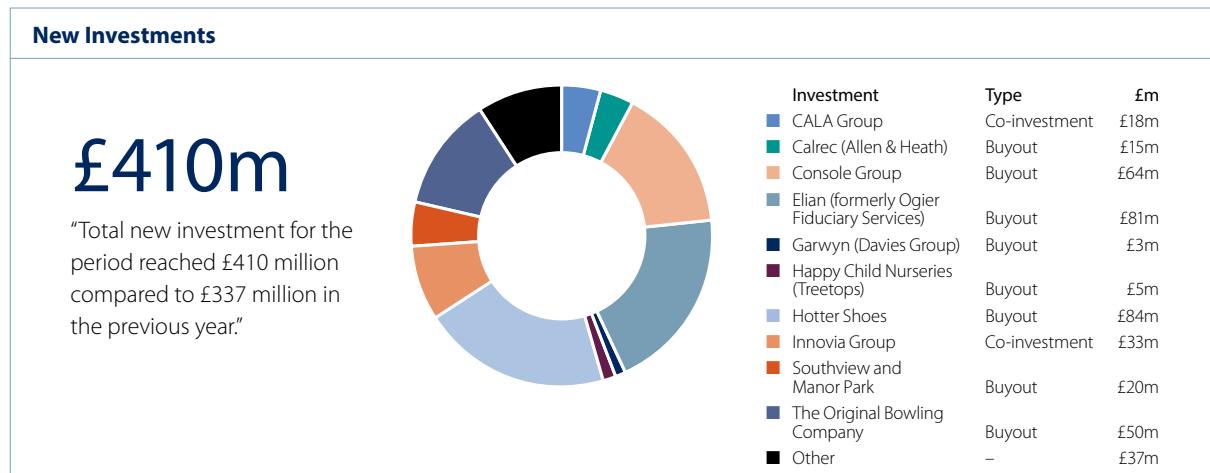
Portfolio Movement

Electra's investment portfolio increased from £968 million to £1,272 million during the twelve months to 30 September 2014. The increase of £304 million resulted from the acquisition of £410 million of new investments together with the portfolio return of £246 million, offset by realisations of £352 million.

Year ended 30 September	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Opening investment portfolio	968	868	883	766	576
Investments	410	337	150	136	183
Realisations	(352)	(459)	(301)	(137)	(149)
Total return	246	222	136	118	156
Closing investment portfolio	1,272	968	868	883	766
Total return on opening portfolio	25%	26%	15%	15%	27%

New Investments

Total new investment for the period reached £410 million compared to £337 million in the previous year.



The most significant individual new investments were in respect of Hotter Shoes, Elian, Console Group, The Original Bowling Company, Innova and the Southview and Manor Park holiday parks.

In January 2014 Electra invested £84 million in the buyout of Hotter Shoes ("Hotter"). Hotter is Britain's largest shoe manufacturer and sells over two million pairs of shoes each year in the UK and internationally in stores, in catalogues and online. Its customers comprise those whose age, health or lifestyle require more cushioned and supportive footwear. Hotter more than doubled its sales in the four years prior to Electra's investment as a result of its UK store opening programme and its entry into the US market. Furthermore, the company benefits from a strong brand and favourable demographic trends. This growth trend will be continued with new product development, further UK store openings and opportunities in international markets.

Elian, formerly known as Ogier Fiduciary Services, is a leading provider of offshore trust, fund and company administration services. The company is headquartered in Jersey, is present in a number of other offshore centres and serves 3,000 corporate, private and investment fund clients worldwide. The business exhibits a number of characteristics which are attractive, including a high level of recurring revenues and strong cash generation. Moreover its fragmented, global market benefits from high barriers to entry and fundamental growth drivers in the form of the increasing regulation and internationalisation of its corporate and investment management markets. The intention is to continue the company's growth trend by developing its international office network, expanding the team and through acquisition. Electra invested £81 million in the buyout of Elian in June 2014.

The strategy for Allen & Heath includes growth through acquisitions in the fragmented professional audio sector. In March Electra invested £15 million in Allen & Heath to finance the acquisition of Calrec. In August, Allen & Heath was merged with DiGiCo to create a new professional audio group known as the Console Group. This transaction took the form of a realisation of Electra's interest in Allen & Heath followed by a £64 million investment in the newly formed Console Group.

In September 2014 Electra invested £50 million in the buyout of The Original Bowling Company ("TOBC"). TOBC is the UK's largest ten-pin bowling operator with 43 bowling centres operating under the Hollywood Bowl and AMF brands. The company specialises in large, high-quality bowling centres, predominantly located in leisure or retail parks, which offer a complete family entertainment experience with restaurants, licenced bars and state-of-the-art family games arcades. TOBC benefits from a well-invested estate which has allowed it to grow ahead of its market. This growth trend will be continued with close management of the existing estate as well as new openings and acquisitions.

Innovia Group is a leading global producer of speciality high performance films used in the packaging industry, where the company occupies leadership positions in niche markets and enjoys long-term customer relationships. Innovia is also an established manufacturer of polymer banknote substrate for central banks. Polymer banknotes have numerous advantages over paper notes including security, durability, impermeability and cleanliness but today account for only a small share of all banknotes in circulation. The company's strategy is to grow its packaging films business through product innovation and capacity expansion, while developing its banknote substrate business as central banks around the world increasingly choose to benefit from the advantages of polymer over paper banknotes. In April 2014 Electra invested €40 million (£33 million) alongside Arle Capital in the buyout of Innovia.

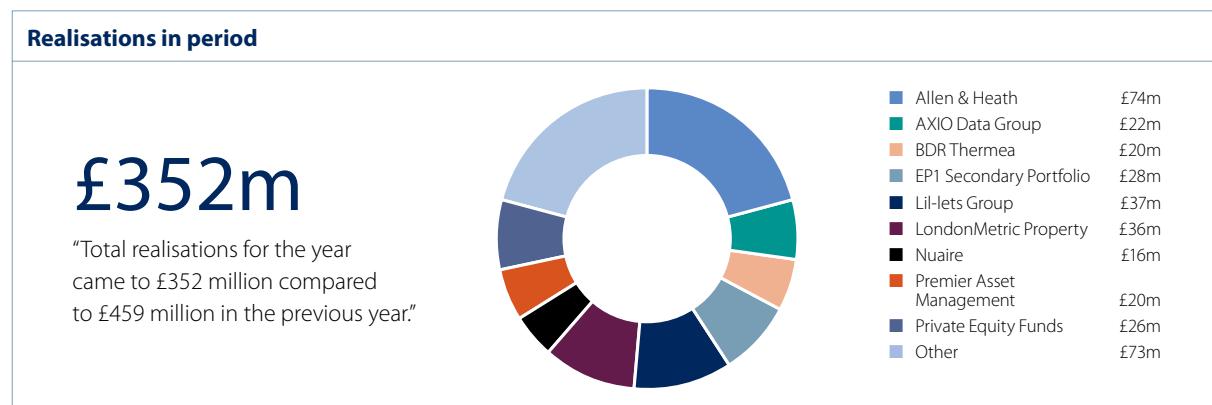
In August 2014, Electra made a £20 million investment in the acquisition of the Southview and Manor Park holiday parks ("SVMP"). These are large and established holiday parks which together comprise more than 2,000 pitches, a 9 hole golf course and a four-star hotel. The acquisition has been made in partnership with Electra's existing portfolio company, Park Resorts, which has managed both parks since 2010 and continues to do so. Operating together, Park Resorts, South Lakeland Parks and SVMP constitute the largest operator by number of sites in the fragmented and resilient UK holiday parks sector. The acquisition brings Electra's investment in the holiday parks sector to over £100 million.

In addition to the investments described above, Electra invested a further £18 million in CALA Group to finance land purchases and the acquisition of Banner Homes, £5 million in Treetops to finance the acquisition of 15 nursery schools from the Happy Child Group and £3 million in Davies Group in respect of the acquisition of Garwyn. A further £18 million was drawn down by private equity funds in which Electra is a limited partner. Commitments outstanding to private equity funds fell to £77 million at 30 September 2014, compared to £94 million a year earlier.



Realisations

Total realisations for the year came to £352 million compared to £459 million in the previous year. The reduction in the level of disposals was anticipated as a consequence of the very high levels of realisations experienced in the two years to September 2013.



The most significant realisations during the year were in respect of Allen & Heath, Lil-lets Group, LondonMetric Property, the EP1 Secondary Portfolio, AXIO Data Group, BDR Thermea and Premier Asset Management.

As mentioned previously Allen & Heath was merged with DiGiCo to form the Console Group in August 2014. The transaction generated total proceeds of £74 million in cash and in securities in the Console Group.

In November 2013 Electra sold its interest in Lil-lets Group, the feminine hygiene brand, to Premier Foods (Pty) Limited, a major South African manufacturer and distributor of fast-moving consumer goods, receiving proceeds of £37 million.

Electra sold its entire holding in LondonMetric Property during the year, realising total proceeds of £36 million. Electra sold a further six holdings from its listed portfolio during the year, realising further proceeds of £20 million excluding dividends.

During the course of the year Electra received total distributions from the EP1 Secondary Portfolio of £28 million. The investment in the EP1 Secondary Portfolio has to date produced a return of over 40% on original investment cost in less than two years.

Electra received £22 million of loan repayments and interest from AXIO Data Group. Strong cash generation has resulted from profits, a reduction in working capital and disposals of non-core assets. This cash generation has allowed the return of 30% of the original investment cost of £91 million in less than eighteen months.

In January 2014, Electra received the final instalment of £20 million in respect of deferred consideration from the sale of BDR Thermea, bringing this investment to a successful conclusion.

In August 2014 Electra announced that it had agreed to sell a majority shareholding in Premier Asset Management to Elcot Capital Management. Electra received total proceeds of £20 million cash and £26 million of preference shares, while retaining an equity interest of 25%. This represents a £10 million increase in the valuation over the year and compares to an original cost of £56 million. The transaction has enabled Electra to crystallise some of the benefit of Premier's recent strong trading performance while retaining structured equity exposure to a pure-play retail asset management business growing at more than 30% per annum.

Other realisation proceeds received by Electra were £16 million of loan repayments from the refinancing of Nuaire and a further £26 million from private equity funds in which Electra held a limited partnership interest.

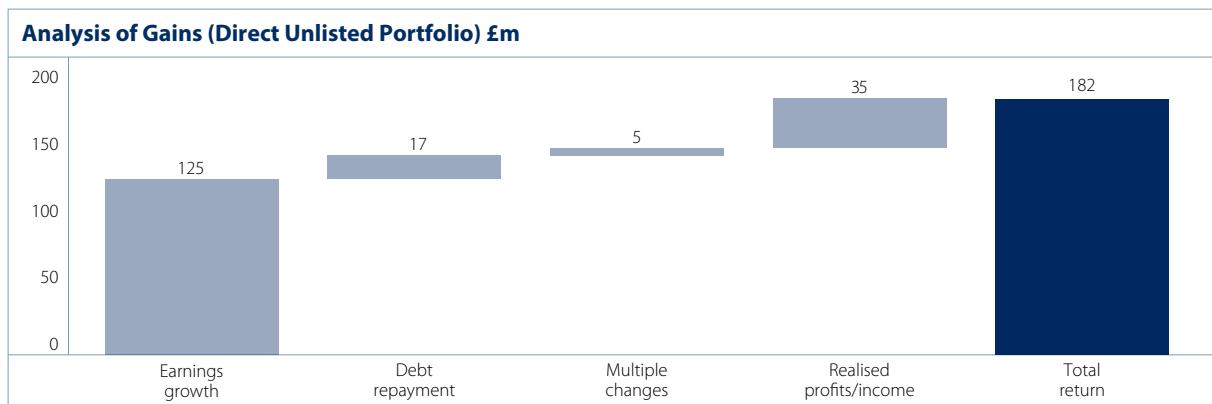
Performance

During the year to 30 September 2014 Electra's investment portfolio generated a total return of £246 million, an increase of 25% on the opening portfolio of £968 million.

The performance arose principally from the direct unlisted portfolio which generated a total return of £182 million, representing an increase of 27%. Excluding investments held for less than twelve months and property investments, earnings in portfolio companies grew by 21% year on year. Listed investments produced a return of £56 million or 64%, mainly due to an increase in the share price of Zensar Technologies. The secondaries portfolio contributed £12 million to the total return. Private equity funds have produced a negative return over the past three years, but returns are expected to improve as more of these funds move into a realisation period.

Year ended 30 September	2014 £m	2013 £m	2012 £m
Direct Unlisted	182	199	119
Listed	56	(7)	20
Secondaries	12	33	8
Funds	(4)	(3)	(11)
Total return	246	222	136

The total return of £182 million from the direct unlisted portfolio included £35 million of realised gains with the balance being unrealised. Unrealised appreciation included £125 million of valuation growth resulting from profit increases, £17 million in respect of debt repayment by portfolio companies and £5 million as a result of changes in multiples used for valuation.



At 30 September 2014 direct unlisted investments valued on an earnings basis reflected a weighted average EV:EBITDA ratio of 8.2x.

Valuation Changes

In respect of direct unlisted investments retained at the end of the year, the most significant increases in valuation arose in respect of AXIO Data Group, Park Resorts, South Lakeland Parks and Nuaire.

The investment strategy for AXIO Data Group included measures identified during due diligence to improve profit and cash performance through a focus on costs and working capital. In 2013 the company implemented operating and capital efficiency programmes across the group and the positive effects of these have continued into the current year. The group has continued to simplify its portfolio by disposing of non-core assets and has acquired complementary businesses in order to strengthen its strategic position in selected markets. Further progress has been made in strengthening divisional management teams while implementing performance improvement and growth initiatives across the group. The combination of increased profitability, cash generation and an increase in the multiple used to value the company resulted in the valuation of Electra's investment in AXIO Data Group increasing by £57 million. The valuation of this investment at the end of September was 1.9x original cost.

In line with our business plan for Park Resorts following the company's consensual debt restructuring in August 2013, the winter of 2013/14 was spent investing in new capacity and growth. Together with strong trading conditions, this investment programme has led to profits increasing by 22% to £40 million this year. The performance resulted in the valuation of Electra's investment in Park Resorts increasing by £51 million. The valuation of this investment at the end of September was 1.9x original cost. Further investment is planned for the forthcoming winter season.

Recognising that Park Resorts was an excellent platform for acquisition-led growth, we have made two further acquisitions in the holiday parks sector, South Lakeland Parks in September 2013 and Southview and Manor Park in August 2014. The management of South Lakeland Parks was taken over by Park Resorts on acquisition; cost synergies and performance improvement initiatives implemented since have resulted in profits growth substantially ahead of plan and the valuation of Electra's investment increasing by £22 million. The valuation of South Lakeland Parks at the end of September was 2.1x original cost.

The valuation of Nuaire was increased by £18 million as a result of strong profits growth and an increase in the multiple used to value the investment. Under Electra's ownership the company maintained its investment in product development and manufacturing capabilities throughout the recession and is now well positioned to benefit from the recovery in the construction cycle. During the year the company refinanced its borrowings, returning £15 million to Electra. The total return on this investment at the end of September was 2.4x original cost.

The largest decreases in valuation, all of which were unrealised during the year, were in respect of Hotter Shoes, Promontoria and Sentinel Performance Solutions.

The valuation of Electra's investment in Hotter Shoes was reduced by £10 million. The management team has successfully achieved a number of strategic objectives this year, including further UK store openings, entering the German home shopping market and broadening the product range and price architecture for the Autumn/Winter 2014/15 range. A number of key appointments have been made to strengthen the senior management team. However, a provision was made to reflect the difficult trading environments in the UK and the US which have held back profits growth.

Following a portfolio review, Promontoria reduced the valuation of its real estate holdings. This review combined with negative currency movements reduced the valuation of Electra's investment in Promontoria by £7 million. The total return on this investment at the end of September was 1.9x original cost.

Sentinel's trading environment has weakened this year for a number of reasons. An early start to spring and a warm autumn have reduced demand. This has been compounded by the competitive environment and some customer destocking. A number of improvements have been made to the sales function in response. The valuation of Electra's investment however has reduced by £4 million. The valuation of this investment at the end of September was 0.6x original cost.

Direct Unlisted Investments – Valuation Changes

The table below shows the valuation changes in respect of Electra's largest direct unlisted investments over the course of the year. The remaining direct unlisted investments were increased in value by £1 million in aggregate.

Direct Unlisted Investments – Valuation Changes		
AXIO Data Group	£57m	55%
Park Resorts	£51m	59%
South Lakeland Parks	£22m	105%
Nuaire	£18m	51%
Allen & Heath	£16m	28%
Premier Asset Management	£10m	29%
PINE	£7m	40%
Davies Group	£5m	30%
Peverel Group	£4m	11%
CALA Group	£4m	12%
Treetops Nurseries	£2m	17%
Elian (formerly Ogier Fiduciary Services)	£2m	2%
Daler-Rowney	£2m	6%
The Original Bowling Company	£2m	3%
Allflex Corporation	£1m	2%
Southview and Manor Park	£1m	4%
Console Group	£1m	1%
Innovia Group	£0m	0%
Kalle	(£1m)	(6%)
Labco	(£3m)	(15%)
Sentinel Performance Solutions	(£4m)	(31%)
Promontoria	(£7m)	(25%)
Hotter Shoes	(£10m)	(12%)


Hugh Mumford

Managing Partner
Electra Partners LLP
26 November 2014

Market Review

"Electra Partners continues to be able to find value by executing proprietary and off market deals at attractive entry prices, not only in traditional buyouts, but also through portfolio company bolt-ons and co-investments.

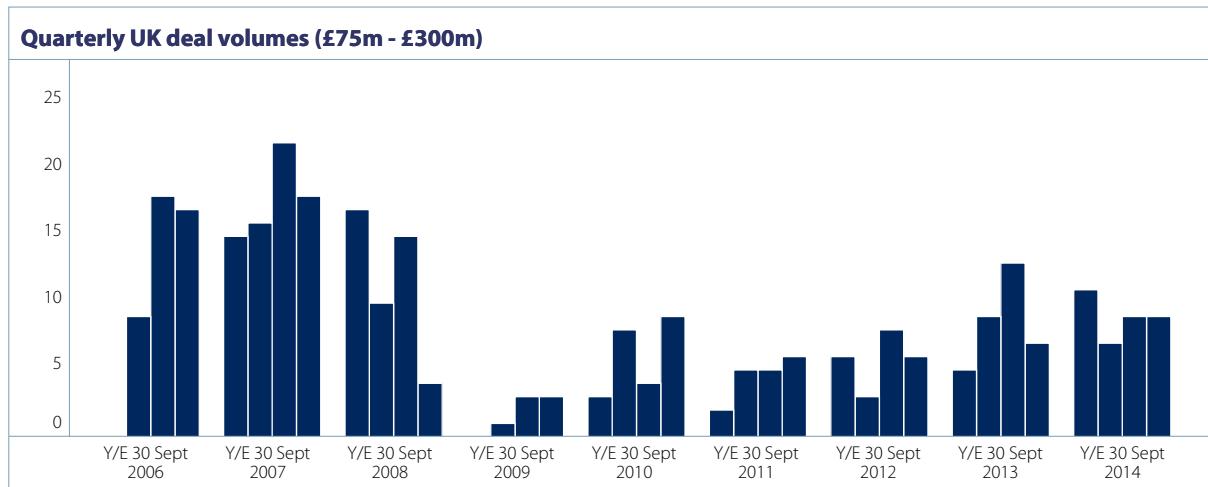
"We remain extremely selective and we will continue to concentrate on buying the right assets at the right price."

This has been another record year of new investment in which we have maintained pricing discipline despite the backdrop of a competitive market. We have focused investment in three areas: first in growth businesses playing to our key investment themes; second in stable, cash-generative businesses which appear to be relatively undervalued by the market at the moment; and third in bolt-on acquisitions in which synergies and frequently limited competition allow us to deploy capital at favourable prices.



Market deal volumes

Deal volumes are stable but not buoyant. In the year to 30 September 2014 there have been 36 private equity deals in the UK in the £75 to £300 million range. This is a slight improvement on the 34 deals last year, but still a long way below the pre-recession peak. Volumes this year were held back by IPO market conditions in the first quarter, which diverted deal flow from the private equity market.



Source: MergerMarket (completed deals when EV is provided)

We see the vast majority of appropriate deals in Electra's size range. Of the 36 deals completed in the UK for the year to 30 September 2014, we considered 32 of them (89%) and completed three.

Deal Pricing

Deal pricing has continued to rise. In the year to 30 September 2014 the average entry multiple for UK buyouts valued at more than £10 million was 10.6x EBITDA compared to 10.5x in 2013 and 9.0x in 2012 (source: CMBOR). We are and should be prepared to pay a full price for a high-quality asset. However, by deploying the focus described above, we have successfully achieved a significantly lower average entry multiple than the market, transacting at a weighted average 7.5x EBITDA. We expect this to continue.

Alex Fortescue

Chief Investment Partner
Electra Partners LLP
26 November 2014

Key New Investments & Realisations



HOTTER SHOES

New Investment	
Date of initial investment:	Jan 2014
Type of deal:	Buyout
Growth themes:	International, Demographic Change
Equity ownership:	61%
Cost:	£84 million
Valuation:	£72 million
Valuation:	Based on multiple of earnings
Location:	International
Website:	www.hotter.com
Management:	Peter Taylor, CEO Alan White, Chairman

In January 2014 Electra invested £84 million in equity in the management buyout of Hotter Shoes ("Hotter") from Stewart Houlgrave, the company's founder, and Gresham LLP.

Established in 1959, Hotter is Britain's largest shoe manufacturer and sells over two million pairs of shoes each year in the UK and internationally in stores, in catalogues and online. The company, with a strong focus on comfort and service, serves customers whose age, health or lifestyle are such that they require more cushioned and supportive footwear.

Hotter is a growth business whose sales had more than doubled in the four years prior to the buyout, driven by demographic change, in particular population ageing, and international growth opportunities in the US and South Africa.

The company's growth strategy is built on a continued store opening programme in the UK, on further growth in international markets through distance selling channels, on increasing online sales, and on range development and extension to broaden the target market.

Since completion of the investment, Alan White, formerly CEO of N Brown Group PLC, has joined the company as non-executive Chairman. We have started the implementation of the growth plan by strengthening the senior management team through key appointments in marketing and operations. A number of successes have been achieved, including UK store openings, entering the German market and upgrading the web platform in the UK and US. However, revenue growth has slowed this year due to difficult trading conditions in the UK and US, and profits have declined as the investment in growth has been maintained.

hotter®



ELIAN

New Investment

Date of initial investment:	Jun 2014
Type of deal:	Buyout
Growth themes:	International, Regulation
Equity ownership:	60%
Cost:	£81 million
Valuation:	£81 million
Valuation:	Based on price of recent transaction
Location:	International
Website:	www.elian.com
Management:	Paul Willing, CEO John Connolly, Chairman

In June 2014 Electra made an £81 million equity investment in the £180 million management buyout of Elian, formerly Ogier Fiduciary Services, from Ogier LLP.

Elian is a leading provider of offshore trust, fund and company administration services employing over 400 people. It is headquartered in Jersey and has operations in Cayman, Luxembourg, Guernsey, BVI, Bahrain, Hong Kong and London. The company serves 3,000 corporate, private and investment fund clients worldwide.

The business enjoys a high level of recurring revenue and strong cash generation. It has a blue chip client base and strong relationships with its regulators. Its fragmented, global market benefits from high barriers to entry as well as a number of growth drivers: demand is driven not only by legislation and regulation which favour larger players, but also by the increasing levels of international trade and investment which require corporate or fund structures to be established and administered.

The intention is to continue the company's historic growth trend by developing its international office network, expanding the team and through acquisition.

Since completing the investment, we have appointed John Connolly, formerly Global Chairman of Deloitte LLP and currently Chairman of Amec Foster Wheeler PLC and G4S PLC, as non-executive Chairman. We have now largely completed the separation of the business from its former owners and are working closely with the management team to accelerate organic and acquisition-led growth. The company's financial performance since completion has been ahead of expectations.

ELIAN



CONSOLE GROUP

New Investment

Date of initial investment: Aug 2014

Type of deal: Buyout

Growth themes: International

Equity ownership: 58%

Cost: £64 million

Valuation: £64 million

Valuation: Based on price of recent transaction

Location: UK

Website: www.allen-heath.com;
www.calrec.com;
www.digico.biz

Management: James Gordon, CEO
 Malcolm Miller, Chairman

In 2013 Electra invested £42 million in the acquisition of Allen & Heath. In March 2014 Electra invested a further £15 million in Allen & Heath for the acquisition of Calrec. In August 2014 Allen & Heath was merged with DiGiCo to create a new professional audio group. The financing of the acquisition of control by Electra was provided by Electra out of its own funds and bank financing arranged by Electra Partners LLP. Electra retained a 58% interest in the new group at a cost of £64 million.

Allen & Heath, Calrec and DiGiCo all design and manufacture audio mixing consoles used to manage live sound in settings ranging from concert venues or houses of worship to live television broadcasts. All three businesses have strong premium brands, well-regarded products and a history of product innovation. The global market for professional audio products is growing, fuelled by an increasing number of live events in both developed and developing markets.

The intention is to continue to gain market share by optimising new product development and sales and marketing activities across the brand portfolio. Further opportunities to consolidate the fragmented professional audio market through acquisition will also be considered.

Since the date of Electra's original investment the company has stimulated growth by investing in new product development as well as sales and marketing, and has improved margins with a reorganisation of its manufacturing operations. The financial performance of the group since the DiGiCo transaction has been in line with expectations.





THE ORIGINAL BOWLING COMPANY

New Investment

Date of initial investment:	Sep 2014
Type of deal:	Buyout
Growth themes:	n/a
Equity ownership:	85%
Cost:	£50 million
Valuation:	£50 million
Valuation:	Based on price of recent transaction
Location:	UK
Website:	www.amf-bowling.co.uk www.hollywoodbowl.co.uk
Management:	Steve Burns, CEO Peter Boddy, Chairman

In September 2014 Electra made a £50 million equity investment in the £91 million management buyout of The Original Bowling Company ("TOBC"), from CBPE Capital. The financing of the acquisition of control by Electra was provided by Electra out of its own funds and bank financing arranged by Electra Partners LLP.

TOBC is the UK's largest ten-pin bowling business with 44 bowling centres operating under the Hollywood Bowl and AMF brands. TOBC specialises in large, high-quality bowling centres, predominantly located in leisure or retail parks, which offer a complete family entertainment experience with restaurants, licenced bars and state-of-the-art family games arcades.

Ten-pin bowling is a robust and growing part of the UK leisure sector offering opportunities for further expansion through new openings. TOBC has grown ahead of its market thanks to its leading management team and history of investment-backed growth, as a result of which its estate is well-positioned to make further advances.

TOBC's historical growth trend is expected to continue with close management of the existing estate in order to optimise yield and return on capital. The business plan also anticipates a number of openings of new bowling centres as well as acquisition-led growth.

At completion of the transaction Peter Boddy was appointed as non-executive Chairman. Peter has significant experience of the leisure sector having been CEO of Megabowl Group, a large ten-pin bowling operator, UK Managing Director of Fitness First during the company's growth and CEO of Maxinutrition, Europe's leading sports nutrition company. The company's first new site under Electra's ownership, in Cheltenham, opened in November 2014. The company's financial performance since completion has been ahead of expectations.





SOUTHVIEW AND MANOR PARK

New Investment	
Date of initial investment:	Aug 2014
Type of deal:	Buyout
Growth themes:	Austerity/Value, Demographic Change
Equity ownership:	80%
Cost:	£20 million
Valuation:	£20 million
Valuation:	Based on price of recent transaction
Location:	UK
Website:	www.park-resorts.com
Management:	David Boden, CEO Alan Parker, Chairman

In August 2014 Electra made a £20 million equity investment in the £49 million acquisition of Southview and Manor Park holiday parks from Bluebird Partners and a European bank. The financing of the acquisition of control by Electra was provided by Electra out of its own funds and bank financing arranged by Electra Partners LLP.

Southview and Manor Park ("SVMP") are large and established holiday parks – Southview in Skegness, Lincolnshire and Manor Park in Hunstanton, Norfolk. Together the parks comprise more than 2,000 pitches, a 9 hole golf course as well as the four-star Southview Park Hotel.

This is the second bolt-on transaction for Park Resorts, the first being South Lakeland Parks which was completed in September 2013, and takes Electra's investment in the UK holiday parks sector to over £100 million. Each of these investments benefits from: a resilient market supported by customer demographics and strong value propositions; high barriers to entry; a cash-generative business model; and growth potential. SVMP's large and well-invested sites offer growth potential through the development of new pitches.

Electra's existing portfolio company, Park Resorts, has managed both parks since 2010 and continues to do so. Operating together, Park Resorts, South Lakeland Parks and SVMP constitute the largest operator of holiday parks in the UK.

The company's financial performance since completion in August is on plan. Management is embarking on a major development plan at Southview to expand capacity over the next two seasons.



INNOVIA GROUP

New Investment

Date of initial investment:	Apr 2014
Type of deal:	Co-investment
Growth themes:	International
Equity ownership:	24%
Cost:	£33 million
Valuation:	£33 million
Valuation:	Based on price of recent transaction
Location:	International
Website:	www.innoviafilms.com , www.innoviasecurity.com
Management:	David Beeby, CEO Malcolm Fallen, Chairman

In April 2014 Electra made a €40 million (£33 million) equity investment in the €498 million buyout of Innovia Group from the Candover 2001 Fund.

The group is headquartered in Cumbria and operates five manufacturing sites worldwide. Innovia's Films division is a leading global producer of speciality high performance films primarily used in packaging applications for the food and tobacco industries. Innovia Films benefits from high barriers to entry and steadily growing demand. It occupies leading positions in mature niche markets and enjoys long-term customer relationships.

Innovia's Security division is the leading manufacturer of polymer banknote substrate for central banks. Polymer banknotes have numerous advantages over paper notes including security, durability and cleanliness, yet today account for only a small share of all banknotes in circulation. Innovia Security benefits from a strong intellectual property portfolio and a 20-year track record producing substrate for 36 central banks.

The group's strategy is to continue to grow its packaging films business through product innovation and capacity expansion, while developing its banknote substrate business as central banks around the world increasingly choose to benefit from the advantages of polymer over paper banknotes.

In early 2014 Innovia Security announced a new contract with the Bank of England for the supply of polymer substrate for the next generation £5 and £10 notes. The group's financial performance since completion is behind expectations as a result of the lumpy nature of orders from customers of Innovia Security.



Realisations



LIL-LETS GROUP

Realisation	
Date of initial investment:	Dec 2006
Date of realisation:	Nov 2013
Type of deal:	Buyout
Growth themes:	International
Cost:	£28 million
Proceeds:	£37 million
Multiple:	1.3x
IRR:	6%
Location:	UK and South Africa
Website:	www.lil-lets.com
Management:	Martin Frost, CEO Ken Pringle, Chairman

In 2006 Electra made a £26 million equity investment in the management buyout of Lil-lets from Accantia Group. Having previously seen the return of £5 million, Electra made a further £7 million equity investment in 2012 in order to support growth.

Lil-lets is a leading branded feminine hygiene business and offers a complete portfolio of feminine hygiene products under one brand. The business occupies leadership positions in both the mature UK and growing African markets, supported by a trusted brand and an innovative approach to new product development.

In the UK, growth has been stimulated through brand investment. In Africa, the business has been expanded through geographic extension and performance improvement.

In November 2013 Lil-lets was sold to Premier Foods (Pty) Limited, a major South African manufacturer and distributor of fast-moving consumer goods. Electra received gross proceeds of £37 million.

Lil-Lets®



LONDONMETRIC PROPERTY

Realisation

Date of initial investment:	Nov 2007
Date of realisation:	June 2014
Type of deal:	Listed
Growth themes:	n/a
Cost:	£30 million
Proceeds:	£49 million
Multiple:	1.6x
IRR:	10%
Location:	UK
Website:	www.londonmetric.com
Management:	Andrew Jones, CEO Patrick Vaughan, Chairman

In 2007 Electra invested £20 million in commercial property fund London & Stamford Property PLC's £285 million listing on AIM. A further investment of £10 million was made in 2009. In 2013 the company merged with Metric Property Investments PLC and was renamed LondonMetric Property.

LondonMetric invests across the UK, primarily in out-of-town retail and distribution assets but with some exposure to office and London residential property. The company employs an active asset management approach in order to improve both rental values and the security and longevity of income.

In 2007 LondonMetric's senior management team, led by Raymond Mould and Patrick Vaughan, anticipated that depressed valuations in the commercial property market would create the opportunity for a cash-rich fund to make a number of well-priced acquisitions. Electra had previously backed Raymond and Patrick in successful investments in Arlington and Pillar.

Since the merger with Metric, LondonMetric has rebalanced its portfolio by selling the majority of the residential property assets and buying retail distribution sites to benefit from the growth of internet shopping. This has had the added benefit of improving the income generation capacity of the portfolio to service a growing dividend yield.

Between October 2013 and June 2014, following a strong rise in LondonMetric's share price, Electra sold its interest in the company. Over the seven years of its investment, Electra received total proceeds, including dividends, of £49 million. This equates to a return of 1.6x cost and an IRR of 10%.





PREMIER ASSET MANAGEMENT

Realisation	
Date of initial investment:	Sep 2007
Type of deal:	Buyout
Growth themes:	Regulation
Equity ownership:	25%
Cost:	£56 million
Proceeds:	£20 million
Valuation:	£26 million
Valuation:	Based on price of recent transaction
Multiple:	0.9x
IRR:	n/a
Location:	UK
Website:	www.premierfunds.co.uk
Management:	Mike O'Shea, CEO Mike Vogel, Chairman

In 2007 Electra made a £33 million minority equity and debt investment in the take-private of Premier. In 2009 Electra made a further £24 million equity investment to support the acquisition of two OEICs from Aberdeen Asset Management.

Premier is a retail asset manager, with the bulk of its assets under management ("AUM") in branded retail funds, of which the largest franchises are in multi-asset, UK equities, global equities and fixed income.

The retail investment market displays growth drivers including demographic and regulatory change from which Premier is well placed to benefit due to its strong product portfolio and investment performance. The intention remains to accelerate growth by investing in sales and marketing and by exploring other opportunities to extend the scope of the business.

In 2013 the company increased its marketing investment in order to take advantage of strong fund performance as well as a favourable demand environment. Following the success of this initiative, in 2014 the company extended its marketing investment programme. Net sales of investment products have improved and AUM now stand at £3.1 billion, 20% ahead of the prior year. Financial performance is strong, with sales and profits growth of 15% and 30% respectively.

In September 2014 Electra sold a majority shareholding in Premier to Elcot Capital Management. On completion Electra received total proceeds of £20 million cash and £26 million of preference shares, while retaining an equity interest of 25%. This represents a £10 million increase in the valuation over the year and compares to an original cost of £56 million.





Hotter Shoes
Shoe, designer, manufacturer and retail

Key Investments

Direct Unlisted and Secondary Investments					
	Fair Value of holding at 30 Sept 2013 £m	Net payments/ (receipts) £m	Performance in period £m	Fair Value of holding at 30 Sept 2014 £m	Cost of holding at 30 Sept 2014 £m
AXIO DATA GROUP B2B information services	105	(22)	57	140	69
PARK RESORTS Holiday parks operator	87	(3)	51	135	70
EP1 SECONDARY PORTFOLIO Secondary private equity funds	106	(28)	8	86	45
ELIAN Fiduciary services	—	79	2	81	81
HOTTER SHOES Shoe designer, manufacturer and retailer	—	82	(10)	72	84
CONSOLE GROUP Audio mixing console manufacturer	—	63	1	64	64
ALLFLEX CORPORATION Animal identification systems	53	—	1	54	57
THE ORIGINAL BOWLING COMPANY Ten-pin bowling operator	—	49	1	50	50
PEVEREL GROUP Property management services	40	—	4	44	22
SOUTH LAKELAND PARKS Holiday parks operator	21	(2)	22	41	19
CALA GROUP National house builder	16	18	4	38	32
NUAIRE Ventilation systems manufacturer	35	(15)	18	38	14
INNOVIA GROUP Speciality films manufacturer	—	33	—	33	33
DALER-ROWNEY Fine art materials supplier	28	—	1	29	17
PREMIER ASSET MANAGEMENT Investment management	36	(20)	10	26	30
PINE Property holding company	18	(1)	7	24	14
DAVIES GROUP Insurance claims management	15	3	5	23	39
SOUTHVIEW AND MANOR PARK Holiday parks operator	—	19	1	20	20
PROMONTORIA Property holding company	27	(2)	(7)	18	12
TREETOPS NURSERIES Nursery schools operator	9	5	2	16	12
LABCO Medical diagnostics	16	(1)	(2)	13	25
Sub total	612	257	176	1,045	809
Other investments	176	(138)	18	56	
Total Direct Unlisted and Secondary Investments	788	119	194	1,101	

Listed Investments

	Fair Value of holding at 30 Sept 2013 £m	Net payments/ (receipts) £m	Performance in period £m	Fair Value of holding at 30 Sept 2014 £m	Cost of holding at 30 Sept 2014 £m
ZENSAR TECHNOLOGIES Software	24	(1)	40	63	4
DINAMIA Spanish private equity	8	(1)	3	10	14
	32	(2)	43	73	18
Other investments	55	(50)	13	18	
Total Listed Investments	87	(52)	56	91	

Fund Investments

	Fair Value of holding at 30 Sept 2013 £m	Net payments/ (receipts) £m	Performance in period £m	Fair Value of holding at 30 Sept 2014 £m	Cost of holding at 30 Sept 2014 £m
Funds	93	(9)	(4)	80	127

The three largest funds were Gaja Capital, Motion Equity Partners, and TCR Capital, which accounted for 38% of the total value.

Large Private Equity Investments



AXIO DATA GROUP

Date of initial investment:	Apr 2013
Type of deal:	Buyout
Growth themes:	International, Digital Economy
Equity ownership:	69%
Cost:	£69 million
Valuation:	£140 million
Valuation:	Based on multiple of earnings
Multiple:	1.9x
Location:	International
Website:	www.axiogroup.net
Management:	Henry Elkington, CEO Hans Gieskes, Chairman

In 2013 Electra invested £91 million in debt and equity to finance the £148 million acquisition of UBM plc's Data Services division, since renamed AXIO Data Group.

AXIO comprises seven information businesses serving a range of sectors in over 25 countries: healthcare, intellectual property licensing, containerised trade and breakbulk services, aviation and forest products.

AXIO's businesses are defensive by virtue of their industry and geographic diversity. Its strong brands occupy leadership positions in niche markets and it is robust and cash-generative. The strategy is to grow profits through growth in revenues from digital products, performance improvement and acquisition, and to realise multiple arbitrage by selling the portfolio's components to strategic acquirers.

In 2013 the group implemented operating and working capital efficiency programmes across its portfolio and the positive effects of these have continued into the current year. The group has acquired complementary businesses, for example FOEX Indices in Finland, in order to strengthen its position in selected markets; and it has continued to simplify its portfolio by disposing of non-core assets such as Medical Observer and Air Cargo World. Further progress has been made in strengthening divisional management teams while implementing business improvement and growth initiatives across the group.

Financial performance is strong with profits increasing by 15% compared to prior year on flat sales. In November 2014 it was announced that AXIO had agreed to sell one of its seven businesses, JOC Group, to IHS Inc.





PARK RESORTS

Date of initial investment:	Dec 2012
Type of deal:	Debt
Growth themes:	Austerity/Value, Demographic Change
Equity ownership:	49%
Cost:	£70 million
Valuation:	£135 million
Valuation:	Based on multiple of earnings
Multiple:	1.9x
Location:	UK
Website:	www.park-resorts.com
Management:	David Boden, CEO Alan Parker, Chairman

In 2012 Electra acquired senior debt in Park Resorts for £70 million at a significant discount to face value, making Electra the largest lender to the group.

Park Resorts is a leading UK operator of caravan holiday parks. The company has a strong management team and a leading position in a defensive, fragmented sector that has performed strongly throughout the recession as a result of its customer demographic and value proposition.

While the investment case produced attractive returns in the event of the debt position being held to maturity, the strategy was to take an equity position in Park Resorts through a restructuring of the company's debt and thereafter to grow the business both organically and through acquisition.

The restructuring of Park Resorts' debt was completed in August 2013, when funds managed or advised by Electra Partners became the majority shareholders, and a significant amount of capital was made available to improve park facilities.

Following this restructuring, the winter of 2013/4 was spent implementing a £4 million growth capital expenditure programme, with new investment in hire fleet, pitches and park facilities. Together with strong trading conditions, this programme has led to sales and profits growth of 6% and 22% respectively.

In November 2014 the appointment of Alan Parker CBE, formerly Chief Executive of Whitbread plc and currently Chairman of Darty plc and Mothercare plc, as non-executive Chairman of Park Resorts was announced. Alan joins the business as it embarks on another growth investment programme, with a further £4 million of capital expenditure approved to drive future growth.





ALLFLEX CORPORATION

Date of initial investment:	Jul 2013
Type of deal:	Co-investment
Growth themes:	Regulation, International
Equity ownership:	15%
Cost:	£57 million
Valuation:	£54 million
Valuation:	Based on multiple of earnings
Multiple:	1.0x
Location:	International
Website:	www.allflex-group.com
Management:	Jacques Martin, CEO Jean-Baptiste Wautier, Chairman

In 1998 Electra invested £23 million in the US\$160 million buyout of Allflex. In 2013 Electra sold its investment in Allflex generating a return of 15x original cost and an IRR of 28%. Electra made a new equity investment of £57 million for a minority stake in Allflex alongside the private equity buyer.

Allflex is the world's leading manufacturer and distributor of visual and electronic animal identification tags. Headquartered in the US and with operations in key global livestock markets, including Brazil, France and China, Allflex sells more than 200 million tags each year in over 60 countries worldwide.

The company has seen strong growth driven by not only greater regulation of the food chain to ensure food safety, but also increasingly sophisticated farm management techniques. Since 1998, the company has expanded geographically, developed new products to address a wider range of animal species, invested in new technologies such as electronic identification and genetic tags, and acquired a number of smaller competitors. Increasing requirements for food chain security create strong long-term growth prospects for Allflex.

Following a slow year in 2013 as a result of severe drought conditions in Australia and a cold spring in northern Europe, the company has returned to growth in 2014. Performance in Australia is improving and Allflex has enjoyed strong growth in the Americas and most European markets. Sales and profits growth are now satisfactory at 8% and 10% respectively. As a US Dollars-denominated investment, the sterling valuation has been negatively impacted by currency movements since the date of Electra's investment.





PEVEREL GROUP

Date of initial investment:	Mar 2012
Type of deal:	Buyout
Growth themes:	Austerity/Value, Demographic Change
Equity ownership:	49%
Cost:	£22 million
Valuation:	£44 million
Valuation:	Based on multiple of earnings
Multiple:	2.0x
Location:	UK
Website:	www.peverel.co.uk
Management:	Janet Entwistle, CEO Paul Lester CBE, Chairman

In 2012 Electra made a £22 million equity investment in the £62 million acquisition of Peverel, the UK's leading property management services group, from its administrators.

Peverel is one of the UK's leading property services businesses. The company provides general management services to almost 4,000 retirement and other residential developments across the UK. The company also provides telecare and telehealth monitoring services that allow people to live independently in their own homes.

The business is the leader in a robust market, and offers the opportunity to grow not only as a result of demographic change but also by taking advantage of its nationwide coverage and economies of scale. The intention is to invest in service improvement initiatives and business development capabilities in order to enable the business to solidify its market leadership position and then grow its customer base.

The company has continued to improve customer service by redesigning business processes. These initiatives are being complemented with a substantial investment in IT across the business, in enterprise systems and hand-held technology in the field, as well as in new product development. Further investment currently underway in business development resources and strategies is intended to enable the business to accelerate its growth rate.

Revenues and profits are growing at 7% and 5% respectively compared to prior year.





SOUTH LAKELAND PARKS

Date of initial investment:	Sep 2013
Type of deal:	Buyout
Growth themes:	Austerity/Value, Demographic Change
Equity ownership:	71%
Cost:	£19 million
Valuation:	£41 million
Valuation:	Based on multiple of earnings
Multiple:	2.1x
Location:	UK
Website:	www.southlakelandparks.co.uk
Management:	David Boden, CEO Alan Parker, Chairman



In September 2013 Electra invested £21 million in equity in the £47 million management buyout of South Lakeland Parks from White Ocean Leisure and its lenders. Of this investment, £2 million was subsequently syndicated to a co-investor.

South Lakeland owns and operates nine freehold holiday parks in the English Lake District and Morecambe Bay area. The parks have 2,500 pitches with around 90% being occupied by caravan or lodge owners. Since acquisition these parks have been managed by Park Resorts.

The holiday park sector is defensive and fragmented and has performed strongly throughout the recession as a result of its customer demographic and value proposition. South Lakeland's estate of high-quality parks fits well with the existing Park Resorts portfolio.

The intention is to deliver operational improvements and profits growth in the South Lakeland portfolio through improved management of the estate. Investment in the infrastructure and facilities of the holiday parks will further enhance their appeal to both caravan owners and holiday-makers. Opportunities to further develop the existing South Lakeland estate will also be considered.

Since completion of the transaction in September 2013, a £2 million infrastructure investment programme at several parks has been completed and a number of revenue and cost optimisation projects have also been implemented. Financial performance is strong with sales and profits growth of 35% and 50% respectively. Further growth will result from the £2 million investment planned for the upcoming winter season.



CALA GROUP

Date of initial investment:	Mar 2013
Type of deal:	Co-investment
Growth themes:	n/a
Equity ownership:	11%
Cost:	£32 million
Valuation:	£38 million
Valuation:	Based on net assets
Multiple:	1.2x
Location:	UK
Website:	www.cala.co.uk/group
Management:	Alan Brown, CEO Anthony Fry, Chairman

In 2013 Electra made an equity investment of £13 million alongside Patron Capital Partners and Legal & General in the £210 million acquisition of CALA Group from Lloyds Banking Group. During 2014 Electra increased its investment to £32 million to support land purchases and the acquisition of Banner Homes in March.

CALA Group is a national house builder which provides high quality homes in Scotland, the Midlands and South East England. Banner Homes' focus on premium homes in the South East represents a strong strategic fit for CALA and accelerates its strategy to double in size by 2017. Following the acquisition, CALA is one of the ten largest housebuilders in the UK.

The UK currently experiences a significant undersupply of new houses. Loosening planning regulations, measures to improve mortgage availability and an improving macroeconomic environment have created favourable conditions for an investment in the house building sector.

The investment strategy is to develop the land bank, much of which was acquired at attractive prices following the global financial crisis, while supporting the company with further capital for either land or corporate acquisitions.

CALA's financial performance is strong, with higher selling prices and increased volume contributing to revenue and profits growth of 22% and 76% respectively.





NUAIRE

Date of initial investment:	Apr 2007
Type of deal:	Buyout
Growth themes:	Regulation
Equity ownership:	49%
Cost:	£14 million
Valuation:	£38 million
Valuation:	Based on multiple of earnings
Multiple:	2.4x
Location:	UK
Website:	www.nuaire.co.uk
Management:	Mark Huxtable, CEO Kevin Sargeant, Chairman

In 2007 Electra invested £23 million in the £83 million management buyout of Nuaire from ECI Partners.

Headquartered in Caerphilly, Nuaire is a leading UK-based manufacturer and distributor of ventilation equipment for infrastructure, commercial and residential applications. The company's innovative products help clients reduce their energy consumption and carbon emissions.

The company is benefiting from increasing demand for intelligent ventilation systems to comply with more stringent UK building regulations and energy efficiency requirements. Nuaire's strategy is to capitalise on this demand dynamic by offering innovative and high-quality products supported by superior service.

Nuaire has continued to broaden its addressable market through new product development and this year has seen the launch of products including the XBOXER XBC commercial heat recovery range which was named "Energy Saving Product of the Year" by the Chartered Institution of Building Services Engineers. This development reflects Nuaire's continued investment in product development and manufacturing during the recession. In the last three years, the company has invested £4 million in capital equipment including upgrading manufacturing capacity.

At the same time the company has achieved efficiency savings across the business. Meanwhile construction markets have continued to recover with the Construction Products Association forecasting further growth in the next three years. Financial performance is strong with revenues and profits growth of 15% and 25% respectively.





DALER-ROWNEY

Date of initial investment:	Mar 2011
Type of deal:	Buyout
Growth themes:	International
Equity ownership:	41%
Cost:	£17 million
Valuation:	£29 million
Valuation:	Based on multiple of earnings
Multiple:	1.7x
Location:	International
Website:	www.daler-rowney.co.uk
Management:	Patrick Giraud, CEO Luis Bach, Chairman

In 2011 Electra made a £17 million equity investment in support of the buyout of Daler-Rowney from private shareholders.

Daler-Rowney is one of the largest suppliers of fine art materials in the world with a comprehensive product range including artists' paints, brushes, papers and canvases which meet the needs of artists from beginners to professionals. The company manufactures its products in the UK, the Dominican Republic and Germany and sells in more than ninety countries worldwide.

The company occupies a leading position in a stable, niche market benefiting from high barriers to entry created by products, brands and supply chain complexity. The intention is to continue to invest in product development and in sales and marketing in order to grow market share, and at the same time to undertake further geographic expansion.

Daler-Rowney has continued to expand its manufacturing platform in the Dominican Republic, not only to accommodate expansion elsewhere in the group but also to manufacture new products, such as canvas panels. Sales synergies between Daler-Rowney and Schoenfeld, which was acquired at the beginning of 2013, have been created, and the company has built and strengthened relationships with a number of retail multiples.

Financial performance is satisfactory with sales growth of 4% and underlying profits, which have been held back by currency movements, at the same level as in the previous year.

DALER ◆ ROWNEY



PINE

Date of initial investment:	Jun 2005
Type of deal:	Co-investment
Growth themes:	n/a
Equity ownership:	99%
Cost:	£14 million
Valuation:	£24 million
Valuation:	Derived from property investment value
Multiple:	1.6x
Location:	UK
Website:	www.thepinefund.com
Management:	Harry Hyman, CEO (Nexus Group)

Electra first invested in PINE in 2005 as a start-up to exploit an identified opportunity to create a new institutionally acceptable property asset class in conjunction with an experienced property specialist and a nursery school operator.

PINE initially comprised a sale and leaseback property investment portfolio of nursery schools let on index-linked leases to nursery school operators, as well as a nursery school operating business. In 2012 Treetops Nurseries was spun out of PINE as part of a refinancing and is now a standalone investment in Electra's portfolio, valued at £16 million at 30 September 2014.

PINE's property portfolio is cash positive after debt servicing and has maintained its value in a difficult non-prime commercial property market through a combination of rental growth and general market appetite for index-linked rental income.



DAVIES GROUP

Date of initial investment:	Sep 2011
Type of deal:	Buyout
Growth themes:	Austerity/Value
Equity ownership:	57%
Cost:	£39 million
Valuation:	£23 million
Valuation:	Based on multiple of earnings
Location:	UK
Website:	www.davies-group.com
Management:	Dan Saulter, CEO Adrian Hill, Chairman

In 2011 Electra invested £36 million in equity in the £60 million management buyout of Davies Group from LDC. A further £3 million was invested in December 2013 to fund the acquisition of Garwyn.

Davies is a leading insurance claims service provider. It employs 580 people across the UK and Republic of Ireland and offers a full spectrum of validation and fulfilment services including claims management, loss adjusting, restoration and repair. Davies's focus is on servicing claims relating to residential property, commercial and specialist liability policies. The business handles over 120,000 claims each year and manages more than £600 million of indemnity spend.

The claims management sector benefits from barriers to entry built on the scale and systems required to deliver service quality in an area of critical importance to insurers.

Following disappointing initial trading, the financial and operational performance of Davies has been transformed. There have been four main components to this transformation. Firstly, management was strengthened with the appointment of a new chairman, CEO and CFO. Secondly, we undertook a significant cost programme with more than £8 million removed from the operating cost base. Thirdly, the foundations for future growth were laid with major investment in systems, training/culture, business development and operating model. Finally, we made the transformative acquisition of Garwyn, a leader in the liability space.

Davies has returned to growth with profits increasing fourfold in the year to July 2014 and with an exciting pipeline of both organic and acquisitive growth opportunities.





PROMONTORIA

Date of initial investment:	Oct 2007
Type of deal:	Buyout
Growth themes:	n/a
Equity ownership:	11%
Cost:	£12 million
Valuation:	£18 million
Valuation:	Based on net assets
Multiple:	1.9x
Location:	Germany
Website:	n/a
Management:	n/a as holding company

In 2002 Electra provided acquisition funding to a new company to allow it to undertake the sale and leaseback of certain German retail property assets. The company was itself acquired in 2007 by Promontoria, an unleveraged investment company, for which Electra received consideration in the form of ordinary shares and loan stock.

Today Promontoria owns 91 retail properties situated throughout Germany. Of these, 79 are leased to the German discount chain Woolworth, which underwent a financial restructuring in 2010. The business strategy is to continue to develop the portfolio and improve the tenant mix. Properties will be sold when attractive and deliverable offers are received.

Over the past two years, 14 stores have been redeveloped for a total investment of €30 million and leased to a range of high street names including Woolworths, C&A, TK Maxx and H&M. A new €5 million redevelopment has recently commenced in Frankfurt for completion in late 2015. Over the past seven years, 18 stores have been sold by Promontoria for aggregate proceeds in excess of €185 million. These funds have been distributed to shareholders, with Electra receiving €19 million.



TREETOPS NURSERIES

Date of initial investment:	Feb 2012
Type of deal:	Buyout
Growth themes:	Demographic Change
Equity ownership:	79%
Cost:	£12 million
Valuation:	£16 million
Valuation:	Based on multiple of earnings
Multiple:	1.3x
Location:	UK
Website:	www.treetopsnurseries.co.uk
Management:	Charles Eggleston, CEO Stephen Booty, Chairman



In 2012 Treetops Nurseries was spun out of PINE as part of a refinancing and is now a standalone investment in Electra's portfolio. Electra invested a further £2 million in 2013 to finance the acquisition of Toybox (four freehold sites in Bedfordshire) and a further £5 million in 2014 to fund the acquisition of Happy Child (15 nurseries).

Headquartered in Derby, Treetops is the sixth-largest nursery school operator in the UK, operating 50 nurseries (30 freehold, 20 leasehold) predominantly in the Midlands and South East and with over 3,300 registered places. Around 90% of the company's nurseries are rated Good or Outstanding by OFSTED.

Treetops was separated from PINE in order to allow it to benefit from dedicated management focus and access to growth capital. Treetops expects to grow organically, in particular through improved marketing and investment in the sites, designed to improve occupancy. Opportunities to grow through acquisition of other operators in the highly fragmented nursery market are also being actively pursued. The cash generative nature of the business model creates capacity to finance acquisitions internally.

Since 2012, the company has built a senior management team experienced in acquisition-led growth. Treetops has made a number of acquisitions which have more than doubled profitability, bringing the company greater scale and a more significant presence in the attractive London and South East markets. Operational improvement and site enhancement programmes have been implemented in acquired sites. Financial performance is strong with sales and profits growth of 27% and 22% respectively.



LABCO

Date of initial investment:	Jul 2008
Type of deal:	Co-investment
Growth themes:	Demographic Change
Equity ownership:	5%
Cost:	£25 million
Valuation:	£13 million
Valuation:	Based on multiple of earnings
Multiple:	0.5x
Location:	International
Website:	www.labco.eu
Management:	Philippe Charrier, CEO Andreas Gaddum, Chairman

In 2008 Electra invested €30 million in a minority equity position in Labco.

Labco is a leading pan-European clinical laboratory services group. The company is the market leader in France, Spain and Portugal and also occupies leading positions in Italy and Belgium. It operates over 200 laboratories in which its 500 senior chemists and doctors perform 500,000 tests per day for more than 15 million patients each year.

The company operates in fragmented markets in which overall demand is growing due to demographic change, medical advances and an increased propensity to test preventatively. At the same time, regulatory changes and public spending pressure are expected to lead to market consolidation favouring larger players.

The strategy has been to support Labco in its acquisition of smaller laboratory groups, with the company's scale and infrastructure subsequently being used to improve the acquired businesses. Electra's investment was used to fund acquisitions in Spain, Germany, France and Italy.

Following the sale of its sub-scale German business for €76 million in 2013, the company has continued to make acquisitions in its core markets. Sales and profits growth are both 2%, reflecting both organic growth and the effect of acquisitions.



Large Listed Investment



ZENSAR TECHNOLOGIES

Date of initial investment:	Sep 1997
Type of deal:	Co-investment
Equity ownership:	24%
Cost:	£4 million
Valuation:	£63 million
Multiple:	17.0x
Location:	International
Website:	www.zensar.com
Management:	Ganesh Natarajan, CEO Harsh Goenka, Chairman

In 1997 Electra invested US\$9 million in the equity of an unquoted subsidiary of listed parent, Zensar Technologies. In 2001 the listed parent closed down its operations and the unlisted subsidiary performed a reverse merger. This resulted in Electra owning shares in the listed entity.

Zensar is a provider of software development services to large corporates, offering both an onsite and offsite service. Onsite services consist of contracts, whereby Zensar provides software engineers to work on customers' premises (mainly the US and UK) whereas for the offshore business the work is undertaken by Zensar's software professionals located in its software development centres in India.

As an early entrant to the software services market and having established strong customer relationships and a good reputation, Zensar was well positioned to be able to grow in the sector.

Today the company employs over 6,800 people at 22 locations around the globe. The company has a global reach operating in the US, Europe, Africa, Middle East, Singapore and Australia regions and has delivery centres in India (Pune, Hyderabad and Bangalore), China, the UK, Amsterdam and the USA (Westborough).

The company has an acquisition strategy to add niche capabilities and to bulk up.

To date, US\$10 million has been returned to Electra by way of dividends and sales of shares.



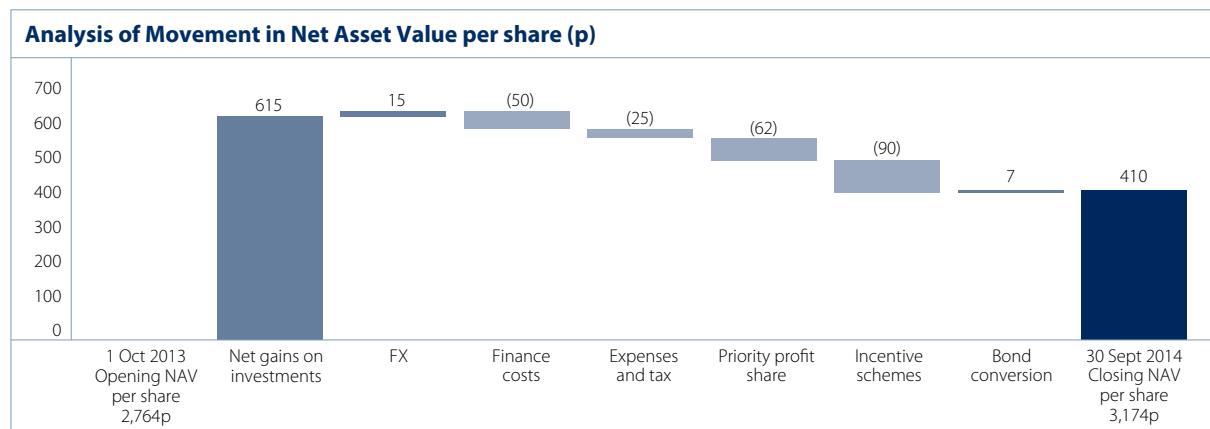
Financial Review

"The Company's diluted NAV per share increased by 15% during the year to 3,174p as a result of a strong performance from the total portfolio which delivered gains of £246 million."



Analysis of Movement in Net Asset Value per share

The Consolidated Income Statement on page 61 shows the total return for the period which, together with the impact of Bond conversions, provides an analysis of the movement in NAV. Performance from the investment portfolio contributed £6.15 per share, just over 22% of the opening NAV. Foreign currency movements on the loan used for hedging contributed a further 15p. From this, finance, operating costs and tax were 75p. The priority profit share paid to Electra Partners for managing the portfolio was 62p per share and the charge for incentive schemes was 90p. Lastly, a bond conversion increased NAV by 7p. The above net costs together with the investment performance result in an increase to net assets of £4.10 per share, a total return of 15%.



Incentive Schemes

The incentive arrangements (alternatively referred to as "carried interest"), which are similar to arrangements found elsewhere in the private equity industry, are designed to align Electra Partners' interests with Electra's shareholders. This is achieved by linking the incentive arrangements to cash realisations and taking into account the time value of money. The provision for incentives made during the year is a reflection of the strong investment returns which Electra Partners has generated over the past five years. It will remain a provision, subject to future performance, until such time as cash realisations are sufficient for Electra to have received back the cost of its investment and related management fees together with a priority return.

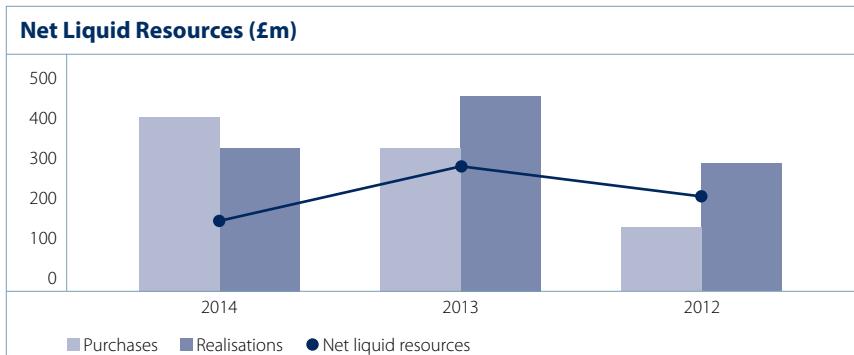
£36 million, equivalent to 90p per share, was provided in the year to 30 September 2014, being 15% of the gains on the investment portfolio. This figure is less than 18% because Zensar, which contributed £40 million (16% of the total gains on investments), is contained within an incentive scheme set up in 1995 which accrues carried interest at 8% on a deal by deal basis, rather than the 18% on a pooled basis in the post 2006 incentive arrangements.

The provision for incentives in the year to 30 September 2013, of £63 million, amounted to 28% of the investment returns in that period. This amount exceeded 18% because the realisation of Allflex triggered a first time provision in the 2006 pool. Previously, realisations together with the fair value of remaining investments were insufficient for the profits on the pool to exceed the compound 8% hurdle that Electra Partners needs to achieve in each pool, some £160 million at 30 September 2013. The sale of Allflex, which produced a return of £113 million in 2013, pushed the total pool profits well above the hurdle triggering a provision of £45 million in relation to that pool.

The carried interest is described in more detail in Note 22 on pages 87 to 89.

Net Liquid Resources

The Consolidated Cash Flow Statement on page 66 analyses the movement in the Group's cash for the year. Whilst cash at bank was largely unchanged in the period, the cash held in liquidity funds was substantially reduced – falling by 50% over the period to £120 million. As a result net liquidity stood at £166 million compared to £294 million last year. Record levels of realisations over the last three periods with total proceeds exceeding £1.1 billion led to unusually high liquidity, particularly last year. However, investment activity, with £900 million invested over this same period, has reduced cash to a level necessary to cover ongoing investment activity and operating costs.



Finance Costs

Finance costs of 50p per share or £20 million are made up as follows:

	Cost £m
Bank facility	7
Convertible Bond	9
Zero Dividend Preference Share	4
	20

The costs of the bank facility are LIBOR plus a margin of 3%, which was equivalent to an average 4.7% during the period. The Convertible Bond pays a coupon of 5% amounting to £5 million in the period. Additionally a further amount was accrued to represent the cost of the embedded derivative of the conversion option. In total the accrual rate adopted is 9.9% adding an additional £4 million to this charge. The Zero Dividend Preference share is accounted for by accruing at the compound yield of 6.5% which is the yield to maturity based on its redemption value. The amount charged in this period was £4 million which was charged to the capital column in the Consolidated Income Statement reflecting the way in which this instrument will be eventually repaid. The weighted average cost of debt for the year was 6.7%.

Operating Costs

Expenses were £6 million during the year to 30 September 2014 compared to £2 million in 2013. £3 million of this increase relates to the exceptional costs of advisory and legal fees in relation to Circulars to Shareholders and the General Meeting held in October 2014.

Additionally, there were some one off costs in relation to advisory work undertaken in relation to certain regulatory changes, in particular AIFMD and FATCA.

Borrowings

Electra has a £195 million multi-currency revolving credit facility which is repayable in December 2017. Electra's policy is to use its credit facility to partially hedge against US Dollars and Euro movements for investments held in these currencies.

Electra raised £46 million of ZDPs in 2009 and £100 million of Subordinated Convertible Bonds in 2010. The ZDPs are repayable in 2016, while the Subordinated Convertible Bonds are repayable in 2017 if they have not been converted into ordinary shares.

Steve Ozin

Partner
Electra Partners LLP
26 November 2014

Park Resorts

Caravan parks operator



Consolidated Income Statement

Note	For the year ended 30 September	Revenue £m	Capital £m	2014 Total £m	Revenue £m	Capital £m	2013 Total £m
Profit on investments:							
2	Investment income/net gain	71	176	247	33	194	227
	Profit/(loss) on revaluation of foreign currencies	–	6	6	–	(4)	(4)
	Other income	71	182	253	33	190	223
23	Incentive schemes	1	–	1	1	–	1
22	Priority profit share	–	(36)	(36)	–	(63)	(63)
4	Income reversal	(25)	–	(25)	(22)	–	(22)
3	Other expenses	(1)	–	(1)	(4)	–	(4)
	Other expenses	(6)	–	(6)	(2)	–	(2)
Net Profit before Finance Costs and Taxation							
		40	146	186	6	127	133
	Fair value movement of derivatives	–	–	–	1	–	1
7	Finance costs	(16)	(4)	(20)	(16)	(4)	(20)
Profit/(loss) on Ordinary Activities before Taxation							
8	Taxation expenses	24	142	166	(9)	123	114
	Taxation expenses	(4)	–	(4)	–	–	–
Profit/(loss) on Ordinary Activities after Taxation attributable to owners of the parent							
		20	142	162	(9)	123	114
11	Basic Earnings per Ordinary Share (pence)	56.55	401.11	457.66	(25.39)	346.95	321.56
11	Diluted Earnings per Ordinary Share (pence)	66.42	352.71	419.13	(6.57)	304.90	298.33

The 'Total' columns of this statement represent the Group's Income Statement prepared in accordance with International Financial Reporting Standards adopted by the EU ("IFRS"). The supplementary Revenue and Capital columns are both prepared under guidance published by the Association of Investment Companies. This is further explained in the Basis of Accounting and Significant Accounting Policies in Note 24.

The amounts dealt with in the Consolidated Income Statement are all derived from continuing activities.

Consolidated Statement of Comprehensive Income

For the year ended 30 September	2014 £m	2013 £m
Profit for the year	162	114
Total Comprehensive Income for the year	162	114
Total Comprehensive Income attributable to owners of the parent	162	114

Consolidated Statement of Changes in Equity

For the year ended 30 September 2014 for the Group									
Note	Called-up share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Translation reserve £m	Realised capital profits £m	Unrealised capital profits/(losses) £m	Revenue reserves £m	Total shareholders' equity £m
	Opening balance at 1 October 2013	9	24	34	23	(4)	1,059	(127)	12 1,030
	Net revenue profit added to the reserves	–	–	–	–	–	–	–	20 20
	Net profits on realisation of investments during the year	–	–	–	–	–	18	–	– 18
7	Financing costs	–	–	–	–	–	(4)	–	– (4)
	Increase in value of non-current investments	–	–	–	–	–	–	157	– 157
23	Increase in incentive provisions	–	–	–	–	–	–	(36)	– (36)
	Profit on foreign currencies	–	–	–	–	–	6	–	– 6
	Investments sold during the year	–	–	–	–	–	(74)	74	– –
18	Conversion of Convertible Bond	–	4	–	(1)	–	–	–	1 4
	At 30 September 2014	9	28	34	22	(4)	1,005	68	33 1,195

For the year ended 30 September 2013 for the Group									
Note	Called-up share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Translation reserve £m	Realised capital profits £m	Unrealised capital loss £m	Revenue reserves £m	Total shareholders' equity £m
	Opening balance at 1 October 2012	9	24	34	23	(4)	853	(44)	21 916
	Net revenue loss deducted from reserves	–	–	–	–	–	–	–	(9) (9)
	Net profits on realisation of investments during the year	–	–	–	–	–	148	–	– 148
7	Financing costs	–	–	–	–	–	(4)	–	– (4)
	Increase in value of non-current investments	–	–	–	–	–	–	45	– 45
23	Increase in incentive provisions	–	–	–	–	–	–	(63)	– (63)
	Losses on foreign currencies	–	–	–	–	–	(1)	(2)	– (3)
	Investments sold during the year	–	–	–	–	–	63	(63)	– –
	At 30 September 2013	9	24	34	23	(4)	1,059	(127)	12 1,030

Company Statement of Changes in Equity

For the year ended 30 September 2014 for the Company									
Note	Called-up share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Realised capital profits £m	Unrealised capital profits/ (losses) £m	Revenue reserves £m	Total shareholders' equity £m	
	Opening balance at 1 October 2013	9	24	34	23	1,113	(115)	(58)	1,030
	Net revenue profit added to reserves	–	–	–	–	–	–	2	2
	Net profits on realisation of investments during the year	–	–	–	–	13	–	–	13
	Increase in value of non-current investments	–	–	–	–	–	166	–	166
23	Increase in incentive provisions	–	–	–	–	–	(36)	–	(36)
	Profit on foreign currencies	–	–	–	–	6	–	–	6
	Investments sold during the year	–	–	–	–	(63)	63	–	–
	Revaluation of subsidiaries	–	–	–	–	–	10	–	10
18	Conversion of Convertible Bond	–	4	–	(1)	–	–	1	4
	At 30 September 2014	9	28	34	22	1,069	88	(55)	1,195

For the year ended 30 September 2013 for the Company									
Note	Called-up share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Realised capital profits £m	Unrealised capital loss £m	Revenue reserves £m	Total shareholders' equity £m	
	Opening balance at 1 October 2012	9	24	34	23	908	(39)	(43)	916
	Net revenue loss deducted from reserves	–	–	–	–	–	–	(15)	(15)
	Net profits on realisation of investments during the year	–	–	–	–	147	–	–	147
	Increase in value of non-current investments	–	–	–	–	–	45	–	45
23	Increase in incentive provisions	–	–	–	–	–	(63)	–	(63)
	Losses on foreign currencies	–	–	–	–	(1)	(2)	–	(3)
	Investments sold during the year	–	–	–	–	56	(56)	–	–
	Revaluation of subsidiaries	–	–	–	–	3	–	–	3
	At 30 September 2013	9	24	34	23	1,113	(115)	(58)	1,030

Consolidated Balance Sheet

Note	As at 30 September	£m	2014 £m	2013 £m
Non-Current Assets				
Investments held at fair value:				
13	Unlisted and listed	1,272		968
13	Liquidity funds	120		245
		1,392		1,213
Current Assets				
14	Trade and other receivables	13	4	
	Current tax asset	–	1	
	Cash and cash equivalents	198	207	
		211	212	
Current Liabilities				
15	Trade and other payables	25	4	
	Derivative financial instrument	1	1	
	Net Current Assets	185		207
	Total Assets less Current Liabilities	1,577		1,420
16	Bank loans	152	158	
17	Zero Dividend Preference Shares	65	61	
18	Convertible Bond	82	82	
23	Provisions for liabilities and charges	83	89	
	Non-Current Liabilities	382		390
	Net Assets	1,195		1,030
Equity				
20	Called up share capital	9		9
	Share premium	28	24	
	Capital redemption reserve	34	34	
18	Other reserves	22	23	
	Translation reserve	(4)	(4)	
	Realised capital profits	1,005	1,059	
	Unrealised capital profits/(losses)	68	(127)	
	Revenue reserve	33	12	
		1,186		1,021
	Total Equity Shareholders' Funds	1,195		1,030
12	Basic Net Asset Value per Ordinary Share	3,365.75p		2,914.08p
12	Diluted Net Asset Value per Ordinary Share	3,174.34p		2,763.61p
20	Ordinary Shares in issue at 30 September	35,507,751		35,342,292
The Notes on pages 68 to 97 are an integral part of the Financial Statements.				
The Accounts on pages 61 to 97 were approved by the Directors on 26 November 2014 and were signed on their behalf by:				
Mr Roger Yates, Chairman Electra Private Equity PLC Company Number: 303062				

Company Balance Sheet

Note	As at 30 September	£m	2014 £m	£m	2013 restated £m
Non-Current Assets					
Investments held at fair value:					
13	Unlisted and listed		151		285
13	Liquidity funds		120		245
13	Subsidiary undertakings		787		588
13			1,058		1,118
Current Assets					
14	Trade and other receivables	129		9	
	Current tax asset	–		1	
	Cash and cash equivalents	198		206	
		327		216	
Current Liabilities					
	Derivative financial instruments	1		1	
15	Trade and other payables	24		132	
	Net Current Assets	302		83	
	Total Assets less Current Liabilities	1,360		1,201	
18	Convertible Bond	82		82	
23	Provisions for liabilities and charges	83		89	
Non-Current Liabilities					
		165		171	
	Net Assets	1,195		1,030	
Equity					
20	Called up share capital		9		9
	Share premium	28		24	
	Capital redemption reserve	34		34	
18	Other reserves	22		23	
	Realised capital profits	1,069		1,113	
	Unrealised capital profit/(losses)	88		(115)	
	Revenue reserve	(55)		(58)	
		1,186		1,021	
	Total Equity Shareholders' Funds	1,195		1,030	

The Notes on pages 68 to 97 are an integral part of the Financial Statements.

The Accounts on pages 61 to 97 were approved by the Directors on 26 November 2014 and were signed on their behalf by:

Mr Roger Yates, Chairman
Electra Private Equity PLC
Company Number: 303062

Consolidated Cash Flow Statement

For the year ended 30 September	£m	2014 £m	2013 £m
Operating activities			
Purchase of investments	(330)		(340)
Purchase of liquidity funds	(115)		(280)
Amounts paid under incentive schemes	(25)		(5)
Sales of investments	219		436
Sales of liquidity funds	240		334
Dividends and distributions received	4		10
Other investment income received	37		9
Other income received	1		1
Expenses paid	(29)		(22)
Taxation paid	–		(2)
Net Cash Inflow from Operating Activities	2		141
Financing Activities			
Bank loans drawn	–		60
Bank loans repaid	–		(59)
Finance costs	(6)		(7)
Other finance costs	–		(1)
Convertible Bond Interest paid	(5)		(5)
Net Cash Outflow from Financing Activities	(11)		(12)
Changes in cash and cash equivalents	(9)		129
Cash and cash equivalents at 1 October	207		78
Cash and Cash Equivalents at 30 September	198		207

Company Cash Flow Statement

For the year ended 30 September	£m	2014 £m	2013 £m
Operating activities			
Purchase of investments	(79)		(254)
Purchase of liquidity funds	(115)		(280)
Amounts paid under incentive schemes	(25)		(5)
Sales of investments	195		369
Sales of liquidity funds	240		334
Dividends and distributions received	4		10
Other investment income received	19		6
Interest income received	1		–
Other income received	–		1
Expenses paid	(26)		(19)
Net Cash Inflow from Operating Activities	214		162
Financing Activities			
Intercompany loans	(217)		(27)
Interest paid	–		(1)
Convertible Bond Interest paid	(5)		(5)
Net Cash Outflow from Financing Activities	(222)		(33)
Changes in cash and cash equivalents	(8)		129
Cash and cash equivalents at 1 October	206		77
Cash and Cash Equivalents at 30 September	198		206

Notes to the Financial Statements

1 Segmental Analysis

The chief operating decision-maker has been identified as Electra Partners. Electra Partners reviews the Group's internal reporting in order to assess performance and allocate resources. Electra Partners has determined the operating segments based on these reports. Electra Partners considers the business as a single operating segment.

2 Investment Income

For the year ended 30 September	£m	2014 £m	£m	2013 £m
Income				
Dividend Income	16		12	
Other Investment Income	55		21	
	71		33	

3 Other Expenses

For the year ended 30 September	£'000	2014 £'000	£'000	2013 £'000
Other Expenses				
Administrative expenses	2,053		1,906	
Directors' remuneration (see Note 5)	315		302	
Exceptional expenses*	3,323		–	
Auditors' remuneration	471		282	
Total operating expenses		6,162		2,490

*These include the costs of holding a General Meeting in October 2014 and the preparation of two circulars to shareholders and related advisor fees.

Auditors' Remuneration

For the year ended 30 September	2014 £'000	2013 £'000
Audit of group	162	153
Audit of subsidiaries	55	49
	217	202
Tax advisory services	125	–
Tax compliance services	110	67
Other non-audit services not covered above*	19	13
Auditors' Remuneration	471	282

PricewaterhouseCoopers LLP services contracted by Electra Partners LLP under its discretionary management contract**

Tax advisory services	–	54
Corporate finance services and transaction services	43	95
Fees in relation to investment due diligence contracted by Electra Partners LLP	43	149

* These are professional services in relation to agreed upon procedures performed in respect of Electra's Internal Controls Monitoring Report (ICMR) £19,000 (2013: £13,000 in respect of ICMR).

**PricewaterhouseCoopers LLP have also been engaged by Electra Partners LLP, the Manager, under its discretionary management contract to provide due diligence and advisory services in connection with investments and potential investments. This work was awarded on a competitive basis and where the costs have been borne by the Group the amounts have been disclosed in the table above.

3 Other Expenses continued

Non-audit services

It is the Group's practice to employ PricewaterhouseCoopers LLP on assignments additional to their statutory audit duties where their expertise and experience with the Group are important, principally tax advice and compliance matters, or where they have been awarded assignments on a competitive basis. These services are services that could be provided by a number of firms. Work is allocated to the auditors only if it does not impact upon the independence of the audit team.

4 Income Reversals

This represents the reversal of accrued income recognised in previous periods arising from changes in valuation of certain investments.

5 Directors' Remuneration

For the year ended 30 September	2014 £'000	2013 £'000
Chairman's remuneration (Dr Colette Bowe)	45	100
Chairman's remuneration (Mr Roger Yates)	71	–
Directors' fees	199	202
	315	302
Emoluments		
Chairman and highest paid Director	71	–

Dr Colette Bowe held the position of Chairman for the period from 1 October 2013 to retirement on 11 March 2014 at which date Mr Roger Yates was appointed Chairman.

The Board of Directors are considered to be the Key Management Personnel. For further details see the Directors' Remuneration Report on pages 114 to 118.

No pension contributions were made in respect of any of the Directors and no Director will receive any pension from any company within the Group.

During the year no Director (2013: none) waived remuneration.

6 Employees (Excluding Directors)

The Company has no employees (2013: none).

7 Finance Costs

For the year ended 30 September	Revenue £m	Capital £m	2014 Total £m	Revenue £m	Capital £m	2013 Total £m
Loans Repayable After More Than One Year						
Bank facility	7	–	7	8	–	8
Convertible Bond costs	9	–	9	8	–	8
Zero Dividend Preference Share costs	–	4	4	–	4	4
	16	4	20	16	4	20

During the year ended 30 September 2013 the repayment date of the £195,000,000 committed revolving credit facility was extended to 28 December 2017. The interest remains payable at LIBOR rates plus a margin of 3.0%.

8 Income Tax Expense

For the year ended 30 September	Revenue £m	Capital £m	2014 Total £m	Revenue £m	Capital £m	2013 Total £m
Current tax:						
Current tax on profit/(loss) for the year	4	—	4	—	—	—
Income tax expense	4	—	4	—	—	—

The difference between the income tax expense shown above and the amount calculated by applying the effective rate of UK corporation tax, currently 22.0% pro-rata (2013: 23.5% pro-rata) to the profit before tax is as follows:

For the year ended 30 September	Revenue £m	Capital £m	2014 Total £m	Revenue £m	Capital £m	2013 Total £m
Profit/(loss) on ordinary activities before taxation	24	142	166	(9)	123	114
Profit/(loss) before tax multiplied by the effective rate of:						
UK corporation tax of 22.0% pro-rata (2013: 23.5% pro-rata)	5	31	36	(2)	29	27
Effects of:						
Dividend income	(3)	—	(3)	(2)	—	(2)
Disallowable expenses	1	—	1	—	—	—
Priority profit share of partnership income appropriated by General Partner	5	(5)	—	5	(5)	—
Unutilised losses arising in the year	—	—	—	1	—	1
Capital profits not chargeable due to Investment Trust status	—	(26)	(26)	—	(24)	(24)
Non-taxable income	(4)	—	(4)	(2)	—	(2)
Tax Charge	4	—	4	—	—	—

Changes to the UK corporation tax rates were substantively enacted as part of the finance bill 2013, on 2 July 2013. These include reductions to the main rate, reducing the rate to 21% from 1 April 2014 and 20% from 1 April 2015.

9 Dividends

No dividend was approved/paid during the year ended 30 September 2014 (30 September 2013: approved £nil, paid £nil).

10 Parent Company Profit

The profit after tax dealt with in the Financial Statements of the Company was £161,815,000 (2013: £113,558,000).

11 Earnings per Share

For the year ended 30 September	2014	2013
Net revenue profit/(loss) attributable to ordinary shareholders (£m)	20	(9)
Net capital return attributable to ordinary shareholders (£m)	142	123
Net revenue profit/(loss) on which diluted return per share calculated after adding back the finance charge net of taxation of £6,716,276 (2013: £6,329,777) (£m)	27	(3)
Net capital return on which diluted return per share calculated (£m)	142	123
Total Diluted Return (£m)	169	120
Weighted average number of ordinary shares in issue during the period on which the undiluted profit/(loss) per ordinary share was calculated	35,363,655	35,341,396
Weighted average number of ordinary shares in issue during the period on which the diluted profit/(loss) per ordinary share was calculated	40,216,732	40,216,732

Net revenue profit was £19,996,464 (2013: loss of £8,973,551) and net capital return was £141,848,038 (2013: £122,618,941).

	Basic earnings per share 2014 p	Diluted earnings per share 2014 p	Basic earnings per share 2013 p	Diluted earnings per share 2013 p
Revenue profit/(loss) per ordinary share	56.55	(25.39)	66.42	(6.57)
Capital return per ordinary share	401.11	346.95	352.71	304.90
Earnings per ordinary share	457.66	321.56	419.13	298.33

12 Net Asset Value per Ordinary Share

On 29 December 2010 Electra issued £100 million of 5% Subordinated Convertible Bonds at an issue price of 100 per cent and an initial conversion price of 2,050p. Bondholders may convert their Bonds into ordinary shares of the Company from 7 February 2011 up to and including the date falling seven business days prior to 29 December 2017. The Bond has been treated as a compound financial instrument containing both a liability and an equity component.

The basic Net Asset Value ("NAV") per share is calculated by dividing NAV of £1,195,101,395 (2013: £1,029,902,175) by the number of ordinary shares in issue amounting to 35,507,751 (2013: 35,342,292). The diluted NAV per share is calculated by adding the liability component of the Convertible Bonds amounting to £81,516,423 (2013: £81,529,734) to NAV of £1,195,101,395 (2013: £1,029,902,175) and then dividing by the number of ordinary shares amounting to 40,216,732 (2013: 40,216,732) after taking into account dilutive potential shares.

13 Non-Current Assets

Investments Held at Fair Value

As at 30 September	Group £m	2014 Company £m	Group £m	2013 Company restated £m
Unlisted at Fair Value	1,181	151	881	273
Listed at Fair Value	91	—	87	12
Subsidiary Undertakings at Fair Value	—	787	—	588
	1,272	938	968	873
Liquidity funds	120	120	245	245
	1,392	1,058	1,213	1,118

Investments Held at Fair Value

	Unlisted and Listed £m	Liquidity funds £m	Group Total £m	Unlisted and Listed £m	Liquidity funds £m	Company Total £m
Valuation						
Valuation at 1 October 2013	968	245	1,213	883	245	1,128
Purchases	410	115	525	112	115	227
Disposals	(352)	(241)	(593)	(280)	(241)	(521)
Increase in valuation	246	1	247	223	1	224
Valuation at 30 September 2014	1,272	120	1,392	938	120	1,058
	Unlisted and Listed £m	Liquidity funds £m	Group Total £m	Unlisted and Listed £m	Liquidity funds £m	Company restated Total £m
Valuation						
Valuation at 1 October 2012	868	299	1,167	757	299	1,056
Purchases	337	280	617	297	280	577
Disposals	(459)	(335)	(794)	(375)	(335)	(710)
Increase in valuation	222	1	223	194	1	195
Valuation at 30 September 2013	968	245	1,213	873	245	1,118

Prior-year restatement of the Company Balance Sheet

Investments held by certain limited partnerships were included in unlisted investments in the prior year financial statements. These have been re-categorised as investments in subsidiaries in the current year. The prior year numbers have been amended for comparability on the face of the Company Balance Sheet and in the Notes to the Financial Statements. There is no effect on net assets and no impact on the Consolidated Financial Statements.

14 Trade and Other Receivables – Current

As at 30 September	2014 £m	Group 2013 £m	2014 £m	Company 2013 £m
Prepayments	3	4	3	4
Amounts owed by subsidiary undertakings	—	—	116	5
Sales for future settlement	10	—	10	—
	13	4	129	9

15 Trade and Other Payables – Current

As at 30 September	2014	Group	2014	Company
	£m	2013 £m	£m	2013 £m
Amounts owed to subsidiary undertakings	–	–	–	129
Carried Interest payable	17	1	17	1
Other payables	8	3	7	2
	25	4	24	132

16 Bank Loans

As at 30 September	2014	Group	2014	Company
	£m	2013 £m	£m	2013 £m
Bank Loans are repayable as follows:				
Due between one to five years	152	158	–	–

A variable rate of interest is charged on the bank loan. The bank loan relates to a £195,000,000 committed unsecured multi-currency revolving credit facility and is repayable on 28 December 2017. Under the Facility Agreement the Group is liable to pay interest at LIBOR rates plus a margin of 3%. The weighted average effective interest rate for the year was 4.7% (2013: 4.7%). Interest rate swap and cap derivatives are utilised to manage the risk of interest rate fluctuation in interest payable on the multi-currency facility.

17 Zero Dividend Preference Shares

As at 30 September	2014	Group	2014	Company
	£m	2013 £m	£m	2013 £m
Zero Dividend Preference Shares	65	61	–	–

Under the Companies Act 2006, the concept of authorised share capital was abolished with effect from 1 October 2009 for companies incorporated after that date. Accordingly, the 60,000,000 Zero Dividend Preference ("ZDP") shares stated in the articles of association of Electra Private Equity Investments PLC ("EPEI") is the maximum amount of ZDP shares that may be allotted by EPEI unless otherwise authorised by shareholders in general meeting.

On 5 August 2009, EPEI issued 43,000,000 ZDP shares at 100p each. On 2 December 2009, 4,295,000 ZDP shares were issued at a price of 104p each. Each share has a par value of 0.01p and a maturity price of 155.41p. The fair value of the ZDP shares at 30 September 2014 was £68,578,000 (2013: £66,154,000) based on the quoted offer price of 145.00p (2013: 139.88p) per ZDP share.

18 Convertible Bond

As at 30 September	2013	Finance	Finance	Bond	2014
	£m	charge £m	charge paid £m	conversion £m	£m
Fair value of debt (debt cashflows discounted at 9.9%)	82	4	–	(4)	82
Fair value of equity component*	23	–	–	(1)	22
5% coupon payable**	1	5	(5)	–	1
Issue of ordinary shares	–	–	–	4	4
Total Bond issue	106	9	(5)	(1)	109

* Included in other reserves.

**Included in trade and other payables.

18 Convertible Bond continued

As at 30 September	2012 £m	Finance charge £m	Finance charge paid £m	Bond conversion £m	2013 £m
Fair value of debt (debt cashflows discounted at 9.9%)	79	3	–	–	82
Fair value of equity component*	23	–	–	–	23
5% coupon payable**	1	5	(5)	–	1
Issue of ordinary shares	–	–	–	–	–
Total Bond issue	103	8	(5)	–	106

* Included in other reserves.

**Included in trade and other payables.

On 29 December 2010, Electra issued £100 million 5% Subordinated Convertible Bonds due 29 December 2017 at an issue price of 100 per cent and with an initial conversion price of 2,050p. Bondholders may convert their bonds into ordinary shares of the Company from 7 February 2011 up to and including the date falling seven business days prior to 29 December 2017. The conversion price of 2,050p will be adjusted to deal with certain events which would otherwise dilute the conversion of bondholders. These events include dividends paid to ordinary shareholders, share rights and share related securities issued to shareholders, issue of other securities to shareholders, demergers and other events detailed in the Prospectus for the Bond.

The number of 5% Subordinated Convertible Bonds outstanding as at 30 September 2014 was 96,534 (2013: 99,926).

The fair value of the 5% Subordinated Convertible Bonds at this date was £125,011,530 (2013: £123,108,832).

More information can be found on page 135.

19 Financial Instruments

(i) Management of Risk

As an investment trust, the Group's investment objective is to seek capital growth from a portfolio of securities drawn from markets both within the UK and worldwide. The holding of these financial instruments to meet this objective results in certain risks.

The Group's financial instruments comprise:

1. Securities in unlisted and listed companies, partnership interests, liquidity funds, trade receivables, trade payables and cash.
2. A loan facility, Zero Dividend Preference shares and Convertible Bonds, the purpose of which is the financing of new investment and refinancing of existing debt, and to finance on-market purchases of shares, other share buy-backs and tender offers.
3. Interest rate Swaps and Caps in order to manage the risk of interest rate fluctuation in interest payable on the new multi-currency loan facility.

The main risks arising from the Group's and Company's financial instruments are fluctuations in market price, interest rate, credit, liquidity, capital and foreign currency exchange rate risk. The policies for managing each of these risks are summarised below. These policies have remained constant throughout the year under review and the preceding year. The financial risks of the Company are aligned to the Group's financial risks.

19 Financial Instruments continued

Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding market positions in the face of price movements, mitigated by stock selection.

Electra Partners has responsibility for monitoring the portfolio in accordance with the Group's investment objectives and seeks to ensure that individual stocks meet an acceptable risk reward profile.

The Group is exposed to the risk of the change in value of its fund investments, listed and unlisted equity and non-equity shares and fixed income securities. For listed investments and liquidity funds the market risk variable is deemed to be the price itself. The impact on profit or loss after tax and on shareholders' equity, in absolute and percentage terms of those figures, due to movements in these prices, is set out in part (ii) of this Note. For unlisted equity and non-equity shares the market risk is deemed to be the price/earnings ratio or other appropriate valuation methodology as set out in the accounting policy. The impact on profit or loss after tax and on shareholders' equity, in absolute and percentage terms of those figures, due to movements in these variables, is set out in part (vii) of this Note.

Foreign Currency Risk

The Company's total return and net assets are affected by foreign exchange translation movements as a significant proportion of the investments held are denominated in or impacted by currencies other than sterling. The foreign investments held are principally held in the USA, Continental Europe and Asia. During the year, the Company held loans denominated in US Dollars and Euro, which partially offset foreign currency risk on foreign currency investments. The ratio of loans held in US Dollars and Euro is under regular review in order to partially hedge as efficiently as possible.

The impact on profit after tax and on shareholders' equity of 10% increases and decreases in the value of US Dollars and Euro, in absolute terms and as a percentage of those figures, are analysed in part (iii) of this Note.

Interest Rate Risk

The Group finances its operations through retained profits including realised capital profits. In addition, financing is obtained through the multi-currency facility, ZDP and Convertible Bonds. During the year, a long-term multi-currency loan facility was in existence. The multi-currency facility has a floating rate of interest. The Convertible Bonds have a fixed rate of interest. Interest rate swap and cap derivatives are utilised to manage the risk of interest rate fluctuation in interest payable on the multi-currency facility.

The cash balances held on deposit mitigate in part the interest rate risk.

Interest rate risk profiles for financial assets and liabilities and the impact of the profit or loss after tax and on shareholders' equity of a 1.0% increase or decrease in interest rates, in absolute terms and as a percentage of those figures, are shown in part (iv) of this Note. These profiles exclude short term receivables and payables.

Liquidity Risk

The Group's assets comprise listed and unlisted equity and non-equity shares, fixed income securities and liquidity funds. Whilst the unlisted equity is intentionally illiquid, short-term flexibility is achieved through the revolving loan facility, and liquidity funds which are relatively liquid and cash which is available on demand.

The maturity of the Group's existing borrowings are set out in part (v) of this Note.

19 Financial Instruments continued

Credit Risk

The Group's exposure to credit risk principally arises from its investment in liquidity funds and its cash deposits. Only major banks (with market capitalisation above £20 billion) are used when making cash deposits and the level of cash is reviewed on a regular basis. A well-diversified portfolio of liquidity funds is maintained with no more than 10% of gross assets held with any one institution. The total invested in liquidity funds was £120,000,000 with associated accrued income of £31,000 (2013: £244,800,000 with associated accrued income of £75,000). The cost of this investment was £120,000,000 (2013: £244,800,000). Cash held on deposit was principally with three UK banks (see table below) and totalled £198,271,000 (2013: £207,057,000).

Bank Credit Ratings at 30 September 2014	Moody's
Royal Bank of Scotland	A2
Barclays	A1 (Negative)
Lloyds	A1

Capital Risk Management

The Group's capital at 30 September comprised:

	30 Sep 2014 £m	30 Sep 2013 £m	Repayable
Debt			
Borrowing under the Credit Facility	152	158	December 2017
Zero Dividend Preference Shares	65	61	August 2016
Convertible Bond	82	82	December 2017
	299	301	
Equity			
Equity share capital	9	9	
Retained earnings and other reserves	1,186	1,021	
	1,195	1,030	
Total capital	1,494	1,331	
Debt as a percentage of total capital	20.0%	22.6%	

The Group's objective in the management of capital risk is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure. In doing so the Group may adjust the amount of dividends paid to shareholders (whilst remaining within the restrictions imposed by its investment trust status), return capital to shareholders, change the level of borrowing in the £195,000,000 committed multi-currency revolving credit facility or issue new shares or debt. During the year the Group paid no dividend (2013: £nil).

The Group manages the levels of cash deposits held whilst maintaining sufficient liquidity for investments. The Group has an existing authority to implement an on-market share buy-back programme to generate shareholder value. During the year £nil (2013: £nil) was utilised to repurchase shares for cancellation.

The level of outstanding borrowings is reviewed on an on-going basis taking into account the need to buy back shares, future levels of investment and any foreign currency hedging concerns.

19 Financial Instruments continued

(ii) Market Price Exposure

	Increase in variable £m	2014 Decrease in variable £m	Increase in variable £m	2013 Decrease in variable £m
10% movement in price of listed investments				
Impact on profit after tax	8	(8)	8	(8)
Impact as a percentage of profit after tax	5%	(5)%	7%	(7)%
Impact on shareholders' equity	8	(8)	8	(8)
Impact as a percentage of shareholders' equity	1%	(1)%	1%	(1)%

(iii) Foreign Currency Exposures

Currency	Sterling appreciation £m	2014 Sterling depreciation £m	Sterling appreciation £m	2013 Sterling depreciation £m
10% Movement in Euro				
Impact on (loss)/profit after tax	(8)	8	(10)	10
Impact as a percentage of (loss)/profit after tax	(5)%	5%	(9)%	9%
Impact on shareholders' equity	(8)	8	(10)	10
Impact as a percentage of shareholders' equity	(1)%	1%	(1)%	1%
10% Movement in US Dollar				
Impact on (loss)/profit after tax	(7)	7	(12)	12
Impact as a percentage of (loss)/profit after tax	(5)%	5%	(10)%	10%
Impact on shareholders' equity	(7)	7	(12)	12
Impact as a percentage of shareholders' equity	(1)%	1%	(1)%	1%

(iv) Interest Rate Risk Profile of Financial Assets and Liabilities

The financial instruments held by the Group include equity and non-equity shares as well as fixed interest securities.

The financial instruments shown below are separated into the type of income they generated as at 30 September 2014.

As at 30 September 2014	Total £m	Fixed rate financial instruments £m	Floating rate financial instruments £m	Financial instruments on which no interest is earned/paid £m
Financial Assets	1,603	319	629	655
Financial Liabilities	(325)	(148)	(152)	(25)
Total	1,278	171	477	630

Interest on floating rate financial assets is at prevailing market rates.

As at 30 September 2013	Total £m	Fixed rate financial instruments £m	Floating rate financial instruments £m	Financial instruments on which no interest is earned/paid £m
Financial Assets	1,424	459	452	513
Financial Liabilities	(305)	(143)	(158)	(4)
Total	1,119	316	294	509

19 Financial Instruments continued

Currency As at 30 September	Fixed rate financial assets weighted average interest rate		Fixed rate financial assets weighted average period until maturity	
	2014 %	2013 %	2014 years	2013 years
Sterling	7.4	7.9	5	5
US Dollar	8.1	8.1	4	5
Euro	10.0	10.0	3	3

The floating rate financial liabilities comprise a £195,000,000 committed multi-currency revolving credit facility (refer to Note 7). The weighted average effective interest rate for the year was 4.7% (2013: 4.7%). Interest rate swap and cap derivatives are used to manage the risk of interest rate fluctuation in the interest payable on the multi-currency facility. The fixed rate financial liabilities comprise £64,880,000 (2013: £60,684,000) Zero Dividend Preference shares and £81,516,000 (2013: £81,530,000) Subordinated Convertible Bonds.

	Increase in variable £m	2014 Decrease in variable £m	Increase in variable £m	2013 Decrease in variable £m
1% movement in interest rates				
Impact on interest income from cash	2	(2)	2	(2)
Impact on interest income on liquidity funds	1	(1)	3	(3)
Impact on interest payable on credit facility	—	—	(1)	1
Total impact on profit/(loss) after tax and shareholders' equity	3	(3)	4	(4)
Impact as a percentage of total profit/(loss) after tax	2%	(2)%	4%	(4)%
Impact as a percentage of shareholders' equity	0%	0%	0%	0%

(v) Maturity of Financial Liabilities

The maturity profile of the Group's undiscounted cash flow for financial liabilities as at 30 September was:

As at 30 September	2014 £m	2013 £m
Between one and two years (2013: Between one and three years)	73	73
Over two years (2013: Over three years)	249	258

The financial liability between one and two years (2013: one and three years) relates to the 47,295,000 Zero Dividend Preference Shares: 43,000,000 issued on 5 August 2009 and 4,295,000 issued on 2 December 2009. These are redeemable on 5 August 2016. The financial liability over two years relates to £100 million 5% Subordinated Convertible Bonds issued on 29 December 2010, convertible on or before 29 December 2017 (see Note 18). It also includes a £195,000,000 committed multicurrency revolving credit facility, repayable on 28 December 2017.

19 Financial Instruments continued

(vi) Fair Values of Financial Assets and Liabilities

Carrying values of the financial assets are equal to the fair value.

As at 30 September	Fair Value 2014 £m	Fair Value 2013 £m
Primary Financial Assets Held		
Equity shares	625	468
Non-equity shares	18	40
Fixed interest securities	629	460
Floating rate securities	120	245
Cash at bank and in hand	198	207
Primary Financial Liabilities held to Finance the Group's Operations		
Bank loans	152	158
Zero Dividend Preference Shares	69	66
Convertible Bond (including equity component)	125	123
Fair value of interest rate swaps and caps	(1)	(1)

The unlisted financial assets held at fair value, are valued in accordance with the Principles of Valuation of Unlisted Equity Investments as detailed within the Basis of Accounting (Note 24).

(vii) Fair Value Hierarchy

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

The Group has adopted IFRS 13 in respect of disclosures about the degree of reliability of fair value measurements. This requires the Group to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels of fair value measurement bases are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair values measured using valuation techniques for any input for the asset or liability significant to the measurement that is not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The following table represents the Group's assets by hierarchy levels:

All fair value measurements disclosed are recurring fair value measurements.

19 Financial Instruments continued

Financial assets and liabilities at fair value through profit or loss		Total £m	Level 1 £m	Level 2 £m	Level 3 £m
As at 30 September 2014					
Unlisted and listed investments	1,272	91	–	1,181	
Liquidity funds	120	120	–	–	
Interest rate swaps	(1)	–	(1)	–	
	1,391	211	(1)	1,181	
As at 30 September 2013					
Unlisted and listed investments	968	87	–	881	
Liquidity funds	245	245	–	–	
Interest rate swaps	(1)	–	(1)	–	
	1,212	332	(1)	881	

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Group does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include over-the-counter derivatives.

Investments classified within Level 3 make use of significant unobservable inputs in deriving fair value, as they trade infrequently. As observable prices are not available for these securities, the Group has used valuation techniques to derive the fair value. Investments classified within Level 3 consist of private equity direct investments and fund and secondary positions.

The main inputs into the Group's valuation models for private equity investments are EBITDA multiples (based on the budgeted EBITDA or most recent EBITDA achieved or a rolling 12 months basis of the issuer and equivalent corresponding EBITDA multiples of comparable listed companies), quality of earnings assessments, assessments of third party external debt, marketability discounts, cost of capital adjustments and probabilities of default. The Group also considers the original transaction prices, recent transactions in the same or similar instruments and completed third-party transactions in comparable companies' instruments and adjusts the model as deemed necessary.

In determining the valuation recommended to the Directors for the Group's equity instruments, the Manager uses comparable trading multiples in arriving at the valuation for private equity. In accordance with the Group's policy, the Manager determines appropriate comparable public companies based on industry, size, developmental stage, revenue generation and strategy. The Manager then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable group by its EBITDA. The trading multiple is then adjusted for discounts/premiums with regards to such considerations as illiquidity and other differences, advantages and disadvantages between the Group's portfolio company and the comparable public companies based on company specific facts and circumstances.

The value of private equity funds is primarily based on the latest available financial/capital account statement of the private equity fund. The Company may make adjustments to the value as set out in Note 24.

As at 30 September 2014 15% (2013: 23%) of financial assets at fair value comprise investments in private equity funds that have been valued in accordance with the policies set out in Note 24. The private equity funds are not publicly traded and prior to maturity an exit can only be made by the Company through a sale of its investment and commitment through a secondary market. The carrying values of the private equity funds may be significantly different from the values ultimately realised on an exit via a secondary market sale.

19 Financial Instruments continued

The following table presents assets measured at fair value based on Level 3.

	2014 £m	2013 £m
Opening balance	881	763
Purchases	410	337
Realisations	(294)	(448)
Transfer to Level 1	(6)	–
Increases in valuation	190	229
Closing balance as at 30 September	1,181	881

The tables below present those investments in portfolio companies whose fair values are recognised in whole or in part using valuation techniques based on assumptions that are not supported by prices or other inputs from observable current market transactions in the same instrument and the effect of changing one or more of those assumptions behind the valuation techniques adopted based on reasonable possible alternative assumptions.

Description	Fair value 2014 £m	Valuation Technique	Unobservable Inputs	Weighted Average Input	Reasonable possible shift +/- (absolute value/%)	Change in Valuation +/- £m
UK						
Consumer goods	388	Comparable trading multiples	EBITDA multiple	7.8x	1x	58/(66)
			Discount for lack of marketability	13.8%	5%	(5)/25
Property	28	Yield	Yield %	7.5%	1%	4/(4)
Private equity funds	93	NAV valuation	NAV	n/a	5%	5/(5)
Business services	450	Comparable trading multiples	EBITDA multiple	7.6x	1x	69/(72)
			Discount for lack of marketability	22.5%	5%	(23)/24
Continental Europe						
Consumer goods	6	Comparable trading multiples	EBITDA multiple	7.6x	1x	1/(1)
			Discount for lack of marketability	27.0%	5%	-/-
Private equity funds	63	NAV valuation	NAV	n/a	5%	3/(3)
Business services	50	Comparable trading multiples	EBITDA multiple	7.3x	1x	17/(19)
			Discount for lack of marketability	26.1%	5%	(10)/9
Property	18	Yield	Yield %	7.5%	1%	2/(2)
USA						
Business services	56	Comparable trading multiples	EBITDA multiple	11.8x	1x	12/(11)
			Discount for lack of marketability	4.9%	5%	(1)/1
Private equity funds	19	NAV valuation	NAV	n/a	5%	1/(1)
Asia and elsewhere						
Private equity funds	10	NAV valuation	NAV	n/a	5%	-/-
	1,181					

19 Financial Instruments continued

Description	Fair value 2013 £m	Valuation Technique	Unobservable Inputs	Weighted Average Input	Reasonable possible shift +/- (absolute value/%)	Change in Valuation +/- £m
UK						
Consumer goods	235	Comparable trading multiples	EBITDA multiple Discount for lack of marketability	7.1x 9.0%	1x 5%	38/(27) (7)/17
Property	22	Yield	Yield %	7.5%	1%	3/(3)
Private equity funds	114	NAV valuation	NAV	n/a	5%	6/(6)
Business services	269	Comparable trading multiples	EBITDA multiple Discount for lack of marketability	6.7x 19.5%	1x 5%	42/(36) (12)/10
Continental Europe						
Consumer goods	32	Comparable trading multiples	EBITDA multiple Discount for lack of marketability	2.8x 9.3%	1x 5%	1/(1) (-)/-
Private equity funds	77	NAV valuation	NAV	n/a	5%	1/(1)
Property	27	Yield	Yield %	7.5%	1%	4/(4)
Business services	20	Comparable trading multiples	EBITDA multiple Discount for lack of marketability	8.4x 12.7%	1x 5%	4/(4) (2)/2
USA						
Business services	56	NAV valuation	EBITDA multiple Discount for lack of marketability	12.8x 0.0%	1x	10/(10) (-)/-
Property	2	Yield	Yield %	7.5%	1%	-/(-)
Private equity funds	19	NAV valuation	NAV	n/a	5%	1/(1)
Asia and elsewhere						
Private equity funds	8	NAV valuation	NAV	n/a	5%	-/(-)
	881					

For the purposes of the above tables:

- Consumer goods includes non-cyclical consumer goods, travel & leisure and house leisure & personal goods
- Business services includes media, construction and materials, industrial general and transportation, support services and technology, hardware and equipment
- Private equity funds includes private equity funds and secondaries

The changes in valuations disclosed in the above table show the relative increase or decrease in the input variables deemed to be subject to the most judgement and the respective impact on the fair value presented in these Financial Statements. Increases in the EBITDA multiple would each lead to an increase in estimated value. However, an increase in the discount for lack of marketability would lead to a decrease in value.

No inter-relationships between unobservable inputs used in the Group's valuation of its Level 3 equity investments have been identified.

19 Financial Instruments continued

The following table presents the transfers between levels for the year ended 30 September 2014:

Transfers between Level 1 and 3:	Level 1 £m	Level 2 £m	Level 3 £m
UK			
Business services	6	–	(6)

The equity securities transferred out of Level 3 relate to ordinary shares of esure Group Plc which had previously been subject to a sale restriction. The fair value is determined based on quoted market prices as described in Note 24.

There were no transfers between levels for the year ended 30 September 2013.

The following table presents the movement in Level 3 instruments for the year ended 30 September 2014 by sector of financial instrument:

	Consumer goods £m	Property £m	Business services £m	Fund positions £m	Total £m
Opening balance at 1 October 2013	267	51	344	219	881
Purchases	189	–	203	18	410
Realisations	(150)	(5)	(78)	(61)	(294)
Transfers to Level 1	–	–	(6)	–	(6)
Increase in valuation	88	–	93	9	190
Closing balance at 30 September 2014	394	46	556	185	1,181

20 Called-up Share Capital

As at 30 September	2014 £m	2013 £m
Allotted, called-up and fully paid 35,507,751 (2013: 35,342,292) ordinary shares of 25p each	9	9

During the year ended 30 September 2014, 3,392 Subordinated Convertible Bonds were converted into 165,459 ordinary shares (2013: 39 Convertible Bonds were converted into 1,901 ordinary shares). No shares were purchased by the Company from shareholders during the year ended 30 September 2014 (2013: nil).

21 Particulars of Holdings

Principal Subsidiary Undertakings

All companies are incorporated in Great Britain and registered in England and Wales unless otherwise stated. All companies operate in their country of incorporation.

The results and balances of the following significant subsidiaries are included in the consolidated Financial Statements of the Group.

Albion (Electra) Limited (trading partnership member)

4,995 ordinary shares of US\$1.00 (par value). Paid-in capital US\$11,565,002.

Incorporated in the Commonwealth of the Bahamas.

The subsidiary is 100% owned and held directly by the Company.

21 Particulars of Holdings continued

Electra Investments Limited (Investment Holding Company)

87,000 ordinary shares of £10 (par value). Paid-in capital £1,027,389.

Incorporated in England and Wales.

The subsidiary is 100% owned and held directly by the Company.

Electra Private Equity Investments PLC (Zero Dividend Preference Share Holding Company)

50,000 ordinary shares of £1.00 (par value). Paid-in capital £50,000.

Incorporated in England and Wales.

The subsidiary is 100% owned and held directly by the Company.

Kingsway Equity Partners LP

Capital contributions of £10,705,000. Incorporated in Scotland.

The subsidiary is 99% owned and held directly by the Company.

Electra Private Equity Partners 1995 LP

Capital contributions of £9,500. Incorporated in England and Wales.

The subsidiary is 99% owned and held through Kingsway Equity Partners LP.

Electra Quoted Partners 1995 LP

Capital contributions of £120,277,699. Incorporated in England and Wales.

The subsidiary is 99% owned and held through Kingsway Equity Partners LP.

EF Private Equity Partners (Americas) LP

Capital contributions of \$2,500. Incorporated in England and Wales.

The subsidiary is 99% owned and held through Kingsway Equity Partners LP.

Electra Far East LP

Capital contributions of \$5,640. Incorporated in England and Wales.

The subsidiary is 99% owned and held through Kingsway Equity Partners LP.

Electra Private Equity Partners (Scotland)

Capital contributions of £17,500,000. Incorporated in Scotland.

The subsidiary is 99% owned and held through Kingsway Equity Partners LP.

Electra Private Equity Partners 2001 – 2006 Scottish LP

Capital contributions of £20. Incorporated in Scotland.

The subsidiary is 99% owned and held through Kingsway Equity Partners LP.

Electra Private Equity Partners 2006 Scottish LP

Capital contributions of £20. Incorporated in Scotland.

The subsidiary is 99% owned and held through Kingsway Equity Partners LP.

Other Companies Held as Investments at Fair Value

All companies are incorporated in Great Britain and registered in England and Wales unless otherwise stated. All companies operate in their country of incorporation.

21 Particulars of Holdings continued

Significant Interests in Investee Undertakings

The fair value of the undertakings shown below each represent by value more than 1% of the non-current asset investments of the Group:

As at 30 September	2014 Carrying value £m	2014 Cost £m	2013 Carrying value £m
ALLFLEX HOLDINGS IV Class 'A' common stock 15.6% Class 'B2' common stock 5.3%	54	57	53
AXIO DATA SERVICES G Ordinary shares 62.4% Junior loan notes 42.3% Ordinary shares Senior loan notes 78.0%	140	69	105
BARCLAYS GLOBAL INVESTMENTS Liquidity fund 0.2%	40	40	59
CALA GROUP Ordinary shares 10.9% Unsecured loan 10.1%	38	32	16
CONSOLE GROUP A Shares 57.6% Loan notes 77.6%	64	64	—
DALER-ROWNEY B Ordinary shares 41.1% G Ordinary shares 100.0% B Unsecured loan notes 65.2%	29	17	28
DAVIES GROUP G Ordinary shares 57.1% Warrants Preference shares 58.5% C1 Ordinary shares C2 Ordinary shares Senior unsecured loan notes 70.7% Unsecured loan notes 70.2%	23	39	15
ELIAN B Ordinary shares 59.6% Preference shares 76.9%	81	81	—
GOLDMAN SACHS (FORMERLY RBS) Liquidity fund 1.0%	40	40	45
HOTTER SHOES A Ordinary shares (£0.10) 56.0% 10% Secured red PIK loan notes 2022 72.9%	72	84	—
INNOVIA PEL PEC Ordinary shares 23.8%	33	33	—

21 Particulars of Holdings continued

As at 30 September	2014 Carrying value £m	2014 Cost £m	2013 Carrying value £m
NUAIRE 'A' Ordinary shares 60.0% 'B' Ordinary shares 100.0% Series 'A' loan notes 99.6% Series 'B' loan notes 31.9%	38	14	35
PARK RESORTS Ordinary shares 54.5% Deferred shares PIK note 91.3% Preference shares 41.4% Senior debt 30.4%	135	70	87
PEVEREL GROUP Ordinary shares 49.4% Senior loan notes 66.7% Junior loan notes 55.8%	44	22	40
PINE Income units 99.0% Capital units 99.0%	24	14	18
PREMIER ASSET MANAGEMENT Ordinary shares 24.7% 4.0% Preference shares 33.0% 8.0% Preference shares 100.0%	26	30	36
PROMONTORIA 'B' Ordinary shares 10.7% Loan notes 10.4%	18	12	27
SCOTTISH WIDOWS Liquidity fund 0.4%	40	40	65
SOUTH LAKELAND PARKS B Ordinary shares 66.2% PIK loan notes 86.4%	41	19	21
SOUTHVIEW AND MANOR PARK B Shares 77.3% Loan notes 98.6%	20	20	—
THE ORIGINAL BOWLING COMPANY A Ordinary shares 86.8% Unsecured loan notes 99.5%	50	50	—
TREETOPS NURSERIES Shares of 0.0001p 79.2% 12% Unsecured loan notes 2017	16	12	9
ZENSAR TECHNOLOGIES Ordinary shares 22.1%	63	4	24

22 Related Party Transactions

Carried interest schemes

Certain members of Electra Partners (the "participants") are entitled to benefit from carried interest schemes under the terms of the limited partnerships through which Electra invests. Details of these schemes are as follows:

Long term incentive scheme ("LTI")

Under this scheme participants invested in every new investment made by Electra between 1995 and March 2006. In return, the participants are entitled to a percentage of the total capital and revenue profits made on each such investment. The participants do not receive any profit until Electra has received back its initial investment.

1995 LTI

Participants are entitled to a percentage of the incremental value of unlisted investments held at 31 March 1995, subject to Electra having received total proceeds equal to the valuation of those investments as at 31 March 1995 plus a preferred return.

The Initial Pool

This relates to a pool of investments valued at £160 million at 31 March 2006 (the "initial pool"). Under this arrangement participants are entitled to 10% (the "carried interest") of the aggregate realised profits of the initial pool. The realised profits are calculated as being the aggregate of income and sale proceeds received by Electra less the £160 million opening value, less any additional purchases and less priority profit share. Carried interest is payable only once realised profits exceed a preferred return of 15% compounded annually on the opening value of the initial pool plus the cost of further investments less realisations. A full catch-up is payable once the realised profits of the initial pool exceed the preferred return. This catch-up means that all proceeds above the cumulative preferred return accrue to participants until they have been paid an amount equating to 10% of the total realised profits of the initial pool. Thereafter proceeds are split 90%:10% between Electra and the participants.

2006, 2009 and 2012 Pools

In October 2006 new arrangements were entered into in respect of investments made over each consecutive three year period. At the reporting date such arrangements are in operation in relation to the three year periods from 2006 to 2009, 2009 to 2012 and 2012 to 2015 (investments being made in each such period being referred to as a "pool").

Under these arrangements participants are entitled to a carried interest of 18% of the aggregate realised profits in relation to direct investments in each pool. The realised profits are calculated as being the aggregate of income and sale proceeds received by Electra less the purchase costs of investments and less priority profit share. Carried interest is payable only once realised profits exceed a preferred return of 8% compounded annually on the cost of investments less realisations. A full catch-up is payable once the realised profits exceed the preferred return. This catch-up means that all proceeds above the cumulative preferred return accrue to participants until they have been paid an amount equating to 18% of the total realised profits. Thereafter proceeds are split 82%:18% between Electra and the participants.

Similar arrangements are in place for indirect investments, the difference from the above arrangements being that the carried interest is 9% over an 8% preferred return.

No Directors of Electra participate in the above schemes.

22 Related Party Transactions continued

Summary of carried interest pools

As at 30 September 2014		Initial Pool £m	2006 Pool £m	2009 Pool £m	2012 Pool £m		
Amount invested		(236)	(452)	(327)	(631)		
Amount realised		662	684	195	140		
Valuation of remaining investments		38	79	326	622		
Pool profit		464	311	194	131		
Priority Profit Share		(7)	(30)	(13)	(10)		
Net profit		457	281	181	121		
Multiple of cost		3.0x	1.7x	1.6x	1.2x		
As at 30 September 2014	LTI £'000	1995 LTI £'000	Initial Pool £'000	2006 Pool £'000	2009 Pool £'000	2012 Pool £'000	Total £'000
Provisional Entitlement	10,509	—	3,775	14,205	32,524	21,797	82,810
Outstanding Entitlement	1,016	63	782	15,496	—	—	17,357
Total Amount Outstanding	11,525	63	4,557	29,701	32,524	21,797	100,167
Amount Paid in Period	1,992	—	2,700	21,000	—	—	25,692
As at 30 September 2013	LTI £'000	1995 LTI £'000	Initial Pool £'000	2006 Pool £'000	2009 Pool £'000	2012 Pool £'000	Total £'000
Provisional Entitlement	9,493	53	6,774	45,135	19,085	8,847	89,387
Outstanding Entitlement	78	—	846	—	—	—	924
Total Amount Outstanding	9,571	53	7,620	45,135	19,085	8,847	90,311
Amount Paid in Period	2,126	—	2,762	—	—	—	4,888

Electra Partners Club 2007 LP co-investment agreement

In November 2007, Electra entered into a co-investment agreement with Electra Partners Club 2007 LP ("Club"), a fund managed by Electra Partners LLP. The co-investment agreement required Electra to co-invest at the ratio of 2:1 in all Electra Partners investments in private equity opportunities in Western Europe where the combined investment of Electra and the Club would represent a controlling stake and where the combined equity investment is between £25 million to £75 million. Both parties invested on the same terms and conditions. The agreement allowed for variations to these arrangements in certain prescribed circumstances. For example, where investment would compromise Electra's ability to qualify as an Investment Trust or where the Club would exceed certain concentration ratios. Investments that arise from interests that Electra already held prior to the establishment of the Club are unaffected by these sharing arrangements. These arrangements expired in May 2013.

Electra Partners priority profit share

Electra Partners is a related party and receives a priority profit share of 1.5% per annum on the gross value of the Company's investment portfolio including cash (but excluding any amounts committed to funds established and managed by Electra Partners). For the year ended 30 September 2014 this was an amount of £25,383,000 (2013: £22,041,000).

Participants Investment

From October 2006 the participants in the 2006, 2009 and 2012 pools are required to invest 1% of the cost of each direct investment on a pari passu basis with Electra. In the year ended 30 September 2014 £3,914,000 was invested (2013: £3,747,000).

22 Related Party Transactions continued

Intragroup Transfers

Net Sales of Investments to Electra from Electra Investments Limited amounted to £16,244,000 for the year ended 30 September 2014 (2013: £45,366,000). Net loans advanced by Electra to Electra Investments Limited were £245,399,000 (2013: £20,501,000). Interest of £315,668 (2013: £1,423,000) was paid on these loans.

Net loans for working capital and/or to clear intercompany balances were made from Albion (Electra) for £9,000 (2013: £10,000), from Electra Holdings Inc., for £1,649,000 (2013: £9,000), from Electra Property Inc., for £6,000 (2013: £7,000), from Electra Private Equity Investments PLC for £1,756,000 (2013: £2,313,000), from Electra Securities Ltd for £1,396 (2013: nil).

Remuneration Disclosure

The AIFMD requires certain disclosures to be made in relation to remuneration paid to the Manager during the financial year.

Electra Partners LLP substantially reorganised its group structure as part of its AIFMD variation of permission application, which took effect from 11 July 2014. As a consequence the partners and remuneration structures in place within Electra Partners LLP prior to 11 July 2014 do not accurately reflect the partners and remuneration structures in place following Electra Partners LLP's AIFMD reorganisation and we consider that any disclosure of the remuneration paid prior to that date will not accurately reflect the steps taken to ensure AIFMD compliance.

In line with the FCA's guidance on the AIFMD remuneration code, we consider that in this first year after the implementation of Electra Partners LLP's AIFMD reorganisation it would be unhelpful to provide the complete remuneration disclosure for the financial year ended 30 September 2014 because it would not be materially relevant and would not be a proper basis for comparison.

However, Electra Partners LLP considers it appropriate to disclose that the total remuneration paid to its partners in the period 11 July 2014 to 30 September 2014 by Electra Partners LLP as an AIFM was £429,000. The remuneration paid in the period was fixed remuneration with no variable remuneration or carried interest being paid and the number of beneficiaries was eight in the period from 11 July 2014 to 30 September 2014.

Remuneration Policy

Following the AIFMD reorganisation referred to above, Electra Partners LLP has reviewed its remuneration policies and procedures in order to ensure financial and non-financial criteria are considered when assessing the remuneration of all the Manager's partners in order to ensure that incentives are aligned with the detailed requirements of the AIFMD.

Electra Partners LLP's remuneration policy includes measures to avoid conflicts of interest such as:

- The remuneration of all the Manager's partners is in the form of fixed drawings of profit allocations determined by a formula fixed in advance of any annual period in which remuneration is paid.
- No variable or performance related remuneration is paid to any member of the Manager's partners.
- The Manager will not pay remuneration for potential future revenues whose timing and likelihood remain uncertain.
- The only individuals who receive remuneration are all equity partners of Electra Partners LLP and all are members of its Management Committee.

23 Provision for Liabilities and Charges

Incentive Scheme	2014 £m	2013 restated £m
At 1 October	89	32
Amounts paid	(25)	(5)
Amounts payable	(17)	(1)
	47	26
Increase in provision	36	63
At 30 September	83	89

Prior-year restatement of Company Balance Sheet

Provisions in certain subsidiary companies were recognised in Provision for Liabilities and Charges in the prior year. These have been re-categorised to reduce investments in subsidiaries in the current year. The prior year numbers have been amended for comparability on the face of the Company Balance Sheet and in the Notes to the Financial Statements. There is no effect on net assets and no impact on the Consolidated Financial Statements.

24 Basis of Accounting and Significant Accounting Policies

The Financial Statements for the year ended 30 September 2014 have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ("IFRS"). IFRS comprises standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") as adopted in the European Union as at 30 September 2014.

In order to reflect the activities of an investment trust company, supplementary information which analyses the Consolidated Income Statement between items of a revenue and capital nature has been presented alongside the Consolidated Income Statement. In analysing total income between capital and revenue returns, the Directors have followed the guidance contained in the Statement of Recommended Practice for investment companies issued by the Association of Investment Companies in January 2009 (the "SORP").

The recommendations of the SORP which have been followed include:

- Realised and unrealised profits or losses arising on the revaluation or disposal of investments classified as held at fair value through profit or loss should be shown in the capital column of the Income Statement. Realised gains are taken to the realised reserves in equity and unrealised gains are transferred to the unrealised reserves in equity.
- Returns on any share or debt security (whether in respect of dividends, interest or otherwise) should be shown in the revenue column of the income statement. The total of the revenue column of the Income Statement is taken to the revenue reserve in equity.
- The Board should determine whether the indirect costs of generating capital gains should also be shown in the capital column of the Income Statement.

If the Board decides that this should be so, the management fee should be allocated between revenue and capital in accordance with the Board's expected long term split of returns, and other expenses should be charged to capital only to the extent that a clear connection with the maintenance or enhancement of the value of investments can be demonstrated. The Board has decided that the Company should continue to charge priority profit share and finance costs, other than those in relation to the Zero Dividend Preference shares, as revenue items for the year ended 30 September 2014.

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 and accordingly has not presented a separate parent company income statement.

The Financial Statements have been prepared on a going concern basis and under the historical cost basis of accounting, modified to include the revaluation of certain assets at fair value, as disclosed in the Principles of Valuation of Investments.

24 Basis of Accounting and Significant Accounting Policies continued

Application of New Standards

The accounting policies used are consistent with those applied in the last annual financial statements, as amended to reflect the adoption of new standards, amendments, and interpretations which became effective in the year. During 2013, the following relevant standards, amendments and interpretations endorsed by the EU became effective for the first time for the Group's 30 September 2014 year end:

- IFRS 7 Financial Instruments: Disclosures (amendment);
- IFRS 13 Fair Value Measurement;
- IAS 1 Presentation of Financial Statements (amendment);
- IAS 12 Income Taxes (amendment); and

These have resulted in changes to presentation and disclosures only.

New Standards to be applied

The following relevant standards have been issued and adopted by the EU but are not effective until 1 January 2014 and have not been adopted early:

- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities;
- IAS 27 Separate Financial Statements (revised);
- IAS 28 Investments in Associates and Joint Ventures (revised);
- IAS 32 Financial Instruments: Presentation (amendment);
- IAS 36 Impairment of Assets (amendment); and
- Amendments to IFRS 10, IFRS 11 and IFRS 12 (transition guidance).

None of the standards, amendments and interpretations are expected to have a significant effect on the consolidated financial statements of the Group. These will result in changes to presentation or disclosure only.

Other pronouncements are not expected to have a material impact on the financial statements, but may result in changes to presentation or disclosure.

Additionally a number of standards have been issued but are not yet adopted by the EU and so are not available for early adoption. The most significant of these is IFRS 9 Financial Instruments along with related amendments to other IFRSs and the impact on the Group is being reviewed.

None of the standards, amendments and interpretations are presently expected to have a significant effect on the consolidated Financial Statements of the Group.

Basis of Consolidation

The consolidated Financial Statements include the Company and its subsidiary undertakings. Where subsidiaries are acquired or sold during the year their results are included in the consolidated Financial Statements from the date of acquisition and up to the date of disposal respectively. A subsidiary is an entity where the Company has the power to govern the financial and operating policies so as to obtain benefit from its activities. The principal subsidiaries comprise wholly owned companies and near wholly owned investment holding limited partnerships set up by the Company through which investments are made and through which external borrowings for investment purposes are raised. These are set out in Note 21. The holdings in investment holding limited partnerships and wholly owned investment holding companies are included in the consolidated Financial Statements, on the basis that they are considered to be special purpose entities of the Company, which have been set up for the specific purpose of holding investments. These investment holding limited partnerships and wholly owned investment holding companies are considered to be controlled by the Company under the interpretation of SIC 12 'Special Purpose Entities' as the Company enjoys predominantly all the risks and rewards from their activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

24 Basis of Accounting and Significant Accounting Policies continued

Investments

The Board have appointed Electra Partners LLP ("Electra Partners"), an independent investment manager, under a contract of full discretionary management to manage the investments of the Company. This is effected through the Management and Investment Guideline Agreement and the relevant limited partnership agreements of the investment holding limited partnerships through which the Company makes its investments. Under these agreements, Electra Partners as Manager has full power to exercise the voting rights attaching to any of the Company's investments without reference to the Board. Consequently, the Company does not have the power to participate in or govern the financial and operating policies of any of its investments and therefore even where the holding is greater than 50% of the equity, or between 20% and 50% of the equity, investments are not consolidated or accounted for using the equity method respectively.

Purchases and sales of listed investments and floating rate notes are recognised on the trade date where a contract exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional. Investments are designated at fair value through profit or loss (described in the Financial Statements as investments held at fair value) and are subsequently measured at reporting dates at fair value. The fair value of direct unquoted investments is calculated in accordance with the Principles of Valuation of Investments below. Changes in the fair value of investments are recognised in the Income Statement through the capital column.

Principles of Valuation of Investments

(i) General

In valuing investments, Electra Partners (the "Manager") values investments at Fair Value at the reporting date, in accordance with IAS 39 and IPEV guidelines.

Fair Value represents the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating Fair Value, the Manager uses a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio. Methodologies are applied consistently from one period to another except where a change results in a more accurate estimate of Fair Value.

(ii) Unlisted Investments

The principal methodologies applied in valuing unlisted investments include the following:

- Earnings multiple
- Price of recent investment
- Net assets
- Discounted cash flows
- Industry valuation benchmarks
- Exit price

In assessing whether a methodology is appropriate the Manager will be biased towards those methodologies that draw heavily on market based measures of risk and return, favouring those that rely on observable market data rather than assumptions.

Typically an earnings multiple basis will be used. In applying the earnings multiple methodology, the Manager applies a market based multiple that is appropriate and reasonable to the maintainable earnings of the portfolio company. In the majority of cases the Enterprise Value of the underlying business is derived by the use of an earnings multiple applied to the current year's earnings where these can be forecast with a reasonable degree of certainty and are deemed to represent the best estimate of maintainable earnings. Where this is not the case, historic earnings will generally be used in their place.

24 Basis of Accounting and Significant Accounting Policies continued

- The Enterprise Value of the underlying business will be calculated using the earnings multiple or other appropriate basis (as above);
- The Enterprise Value of the underlying business will then be adjusted for surplus assets, in particular surplus cash or excess liabilities to arrive at an Enterprise Value for the portfolio company; and
- The valuation of Electra's investment will be calculated from the Enterprise Value for the portfolio company after deduction of prior ranking debt and other financial instruments.

The Manager will normally derive the earnings multiple by reference to current market based multiples reflected in the valuations of quoted comparable companies or the price at which comparable companies have changed ownership. Differences between the comparator multiple and the unquoted company being valued are reflected by adjusting the multiple for points of difference. The reasons why such adjustments may be necessary include the following:

- Size and diversity of the entities
- Rate of growth of earnings
- Reliance on a small number of key employees
- Diversity of product ranges
- Diversity and quality of customer base
- Level of borrowing
- Risks arising from the lack of marketability of the shares
- Any other reason the quality of earnings may differ

Where a recent investment has been made, either by Electra or by a third party in one of Electra's investments, after considering the background of the underlying investment, this price will generally be used as the estimate of Fair Value, subject to consideration of changes in market conditions and company specific factors. Other methodologies, as detailed above, may be used at any time if this is deemed to provide a more accurate assessment of the Fair Value of the investment. The indicators that the price of recent investment may no longer be appropriate include:

- Significant under/over achievement of budgeted earnings
- Concerns with respect to debt covenants or refinancing
- Significant movements in the market sector of the investment
- Regulatory changes in the industry

The Company's valuation model for debt instruments is the net present value of estimated future cash flows based on a discounted cash flow model. The discount rate used by the Company is based on the risk-free rate of the economic environment in which portfolio companies operate and is adjusted in relation to other factors such as liquidity, credit and market risk. Similar to the earnings multiple model the cash flows used in the discounted cash flow model are based on projected cash flow or earnings of the portfolio companies.

(iii) Listed Investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

(iv) Limited Partnership Funds

Limited partnership funds are those set up by a third party where the Company does not hold a majority share and are at fair value, typically using the third party manager's valuation after adjustment for purchases and sales between the date of the valuation and current financial year end.

(v) Other Investments

Liquidity funds are held at the current Fair Value of the note.

24 Basis of Accounting and Significant Accounting Policies continued

(vi) Subsidiary Undertakings

Investments in subsidiaries are stated in the Company Balance Sheet at the Fair Value of the subsidiary.

Accrued Income

Accrued income is included within investment valuations.

Derivative Financial Instruments

Derivative financial instruments are used by the Group to manage the risk associated with changes in interest rates on its borrowings. This is achieved by the use of interest rate swaps and interest rate caps. All derivative financial instruments are held at fair value.

Derivative financial instruments are recognised initially at fair value on the contract date and subsequently re-measured at fair value at each reporting date. The fair value of currency swaps and interest rate swaps is determined with reference to future cash flows and current interest and exchange rates. All changes in the fair value of financial instruments are accounted for in the Income Statement.

Cash and Cash Equivalents

Cash comprises cash at bank and short term deposits with an original maturity of less than three months.

Foreign Currencies

The Group's presentational currency and the Company's functional and presentational currency is pounds sterling ("sterling"), since that is the currency of the primary economic environment in which the Group operates. Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currencies of the Group's respective entities at rates prevailing at the balance sheet date. Exchange differences arising are recognised through the Income Statement. At each balance sheet date assets and liabilities of foreign operations are translated into sterling at the rates prevailing on the balance sheet date. Foreign exchange differences arising on retranslation of the equity and reserves of subsidiaries with functional currencies other than sterling, are recognised directly in the Translation Reserve in equity. Foreign exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Income Statement for the period.

Investment Income

Dividends receivable from equity shares are accounted on the ex-dividend date or, where no ex-dividend date is quoted, are accounted when the Group's right to receive payment is established. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield when it is probable that economic benefit will flow to the Group. Where income accruals previously recognised, but not received, are no longer considered to be reasonably expected to be received, either through investee company restructuring or doubt over its receipt, then these amounts are reversed through expenses.

Income distributions from limited partnership funds are recognised when the right to distribution is established.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement except for expenses in connection with the disposal and acquisition of non-current asset investments, which are deducted from the disposal proceeds and added to acquisition costs of investments.

Finance Costs

Costs of borrowings are expensed as revenue items through the Income Statement as they accrue on an effective interest rate basis. Any costs incurred which were not directly related to the borrowing facility are expensed in the revenue account.

24 Basis of Accounting and Significant Accounting Policies continued

Priority Profit Share

The majority of the investments are made by the Company through investment holding limited partnerships managed by Electra Partners. Under the terms of the relevant limited partnership agreements the general partner is entitled to appropriate, as a first charge on the net income or net capital gains of the limited partnerships, an amount equivalent to its priority profit share. In periods in which the investment holding limited partnerships have not yet earned sufficient net income or net capital gain to satisfy this priority profit share the entitlement is carried forward to the following period. In all instances the cash amount paid to the general partner in each period is equivalent to the priority profit share.

The priority profit share is charged wholly to the revenue column of the Income Statement.

Taxation

The tax effect of different items of income/gain and expense/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax basis used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Zero Dividend Preference Shares

Zero Dividend Preference Shares which exhibit the characteristics of debt are recognised as liabilities in the Balance Sheet in accordance with IAS 32. After initial recognition, these liabilities are measured at amortised cost, which represents the initial net proceeds from the issuance after issue costs plus the accrued entitlement to the balance sheet date.

The accrued entitlement is calculated as the difference between the proceeds on the issue of these shares and the redemption amount at maturity and is charged as interest expense over the life of these shares using the effective interest method. In accordance with the AIC SORP this interest expense is allocated to the capital column of the Income Statement.

Convertible Bonds

The Bond, in accordance with IFRS, has been treated as a compound financial instrument that contains both a liability and an equity component. The economic effect of issuing the instrument is substantially the same as issuing both a debt instrument with an obligation to payment of interest and principal (assuming it is not converted) and an equity instrument (a written call option granting the holder the right for a specified period of time to convert into a fixed number of ordinary shares). The proceeds from issuing Convertible Bonds are split on Electra's balance sheet into its constituent parts of debt and equity in accordance with the requirement of IFRS.

The fair value of the debt element of the bond has been calculated by using a market rate of interest for a similar borrowing that does not include an equity component or a conversion option. The rate used for these purposes was 9.9%, which, using discounted cash flow, gives a fair value for the debt component of £81.5 million. The fair value of the equity element is calculated by deducting the fair value of debt from the issue value of the Bond.

Finance costs are taken to the Income Statement and are calculated as the yield to maturity of the fair value of the debt component of the Bond. On conversion the value of the Bonds converted will be debited to long-term liabilities. The nominal value of the ordinary shares issued on conversion will be credited to share capital and the balance representing the excess of conversion proceeds over nominal value of the shares will be credited to the share premium account. On conversion, the fair value of the equity element will be credited to the revenue reserve and debited to other reserves.

24 Basis of Accounting and Significant Accounting Policies continued

Provisions

Provisions are recognised when the Group has a present obligation of uncertain timing or amount as a result of past events and it is probable that the Group will be required to settle that obligation and a reliable estimate of that obligation can be made. The provisions are measured at the Directors' best estimate of the amount to settle the obligation at the balance sheet date. Changes in provisions are recognised in the Income Statement.

The provision for the incentive schemes is based on the valuation of investments as at the balance sheet date. The incentive scheme is charged to the capital column of the Income Statement as a direct cost.

Revenue and Capital Reserves

Net Capital return is taken to the Capital Reserve in the Consolidated Statement of Changes in Equity. The net revenue return is taken to the Revenue Reserve.

Bank Loans

Bank loans are initially recognised at the fair value of the consideration received net of issue costs associated with the loan. After initial recognition, these are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

24 Basis of Accounting and Significant Accounting Policies continued

Share Capital

Ordinary shares issued by the Group are recognised at the proceeds or fair value received with the excess of the amount received over nominal value being credited to the share premium account. Direct issue costs net of tax are deducted from equity.

Key Estimates and Assumptions

Estimates and judgements used in preparing the financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of unquoted investments. These are valued by Electra Partners in accordance with IAS 39. Judgement is required in order to determine the appropriate valuation methodology under this standard and subsequently in determining the inputs into the valuation model used. These judgements include making assessments of the future earnings potential of portfolio companies, appropriate earnings multiples to apply, and adjustments to comparable multiples.

See Note 24 for Principles of Valuation of Investments on pages 90 to 97.

Independent Auditors' Report to the Members of Electra Private Equity PLC

Report on the financial statements

Our opinion

In our opinion:

- Electra Private Equity PLC's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2014 and of the group's profit and the group's and the parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

What we have audited

Electra Private Equity PLC's financial statements comprise:

- the Consolidated and Company Balance Sheets as at 30 September 2014;
- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and the Company Cash Flow Statements for the year then ended;
- the Consolidated and the Company Statements of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Our audit approach

Overview:

Materiality:

- Overall group materiality: £21 million which represents 1.75% of net assets.

Audit scope:

- The principal activities of the group comprise investing in a portfolio of private equity investments.
- The group is based solely in the UK and the financial statements are a consolidation of the parent company and a number of subsidiaries which hold the private equity investments.
- We have audited the financial statements of the two significant subsidiaries, the parent company and the investments held by a number of limited partnerships controlled by the group (which themselves do not require an audit).

Our areas of focus comprise:

- Valuation of unlisted investments.
- Risk of fraud in the recognition of investment income and net gains.
- Calculation of incentive schemes and priority profit share.

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 is evidence of bias by the directors that may represent 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 together with an explanation of how we tailored our audit to address these specific areas. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
<p>Valuation of unlisted investments Refer to page 124 (Report of the Audit Committee), page 92 (Basis of Accounting and Significant Accounting Policies) and page 72 (Notes of the Accounts).</p> <p>The Group holds investments in unlisted private equity vehicles as well as various private equity funds and listed companies.</p> <p>The valuation of the unlisted investments is complex and requires significant judgement by the directors. The unlisted investments are valued on a basis considered most appropriate by the directors dependent on the nature of the underlying business which has been invested in. This includes:</p> <ul style="list-style-type: none"> ■ Applying a multiple to earnings; ■ Using recent transaction prices; and ■ Using underlying asset valuations. <p>Both determining the valuation methodology and determining the inputs to the valuation are subjective. This, combined with the significance of the unlisted investments balance to the balance sheet, meant that this was an area of focus for our audit.</p>	<p>The unlisted investments are initially valued by the independent investment manager (the "Manager") and then subject to review by the Group's Valuations Committee. We attended the Valuations Committee meeting to observe this process and assess the level of challenge and rigour in the valuations process. This also enabled us to discuss with and challenge the Manager as to the appropriateness of the valuations using our knowledge of the investments and the International Private Equity and Venture Capital Valuation guidelines.</p> <p>The majority of the unlisted investments have been valued based on a multiple of earnings. We tested the techniques that the Manager used to value these unlisted investments as follows:</p> <ul style="list-style-type: none"> ■ We obtained the Manager's valuation model containing earnings, trading multiples for listed comparable companies and the multiple used to value the investment. ■ We checked the mathematical accuracy of the model. ■ We corroborated the earnings being used in the model using management information and other data including budgets and forecasts in relation to the portfolio company being valued. We assessed the appropriateness of the earnings being used based on our understanding of the financial position of the portfolio companies. ■ We independently sourced trading multiples for comparable companies including, where applicable, considering other comparable companies which may be relevant. ■ We challenged management on the discount taken to these comparable multiples to arrive at the multiple used in their valuation. This included considering changes in the discount since the deal date and how this compared relative to the performance of the portfolio company against the relevant industry sector. <p>Where a recent transaction has been used as a source to fair value investments, we challenged the Manager on whether there had been any changes in facts and circumstances since the deal date which may indicate that a change in valuation would be appropriate. This included a review of financial information to assess performance of the company.</p> <p>Where underlying asset valuations were used we corroborated these to supporting documentation such as third party valuation reports.</p>

Area of focus (continued)	How our audit addressed the area of focus (continued)
<p>Recognition of investment income and net gains</p> <p>See page 94 to the financial statements for the directors' disclosures of the related accounting policies, judgements and policies and page 68 for further information.</p> <p>Investment income comprises mainly dividends and interest received from investments.</p> <p>Net gains represent fair value increases in the value of investments over the financial year and gains made on the disposal of investments. Fair value movements are unrealised and are based on the change in investment valuations which in themselves are subjective as noted above.</p> <p>Investment income and net gains is the measure used to calculate returns being achieved by the group and so there is a potential incentive for management to overstate this figure in order to enhance results.</p> <p>This, combined with the size of the balance, made this an area of focus.</p>	<p>We tested investment income receipts to supporting documentation by performing procedures, including:</p> <ul style="list-style-type: none"> ■ agreeing amounts to bank statements; and ■ re-calculating accrued interest based on the terms of investment agreements. <p>We recalculated unrealised net gains based on the valuation movement in investments over the year. These gains are supported by the work we have performed over investment valuations as outlined above.</p> <p>We recalculated realised gains based on the difference between the value of the investment at the date of disposal and the proceeds received as per supporting documentation such as sales agreements and bank statements.</p> <p>We also assessed the appropriateness of the allocation of investment income and net gains between income and capital based on the requirements of the Association of Investment Companies Statement of Recommended Practice.</p>

Area of focus (continued)	How our audit addressed the area of focus (continued)
<p>Calculation of incentive schemes provisions and priority profit share charges See pages 95 and 96 to the financial statements for the directors' disclosures of the related accounting policies, judgements and policies and note 22 for further information.</p> <p>Incentive scheme provisions comprise amounts payable to certain members of the Manager to compensate them for their services in a way which aligns their remuneration with investment performance. There are a number of different schemes in place and the calculations are relatively complex which increases the risk of error.</p> <p>The incentive scheme provisions are calculated based on a percentage share of a combination of:</p> <ul style="list-style-type: none"> ■ The gross value of investments held; ■ Total profits and returns of the investments; and ■ Profits realised on the sale of investments. <p>In some instances the percentages are variable based on when certain returns are achieved. This, together with the dependency on investment valuations means that some of the calculations are based on subjective judgements.</p> <p>In addition, the Manager is paid a priority profit share based on a percentage of the value of investments at each quarter end. Similarly to the incentive schemes, the investment valuations are a key input to the calculation and these are subjective in nature.</p> <p>The nature of both the incentive scheme provisions and priority profit share charges means that there is a related party relationship and there may be an incentive for these to be overstated.</p>	<p>We recalculated the amounts due to the Manager based on the methodology and fee rates outlined in management agreements. We tested the methodologies applied for each of the separate schemes based on the underlying scheme documentation.</p> <p>Where applicable, we checked inputs to the calculation back to supporting documentation such as:</p> <ul style="list-style-type: none"> ■ Agreeing gains recognised on the sale of investments to the work we performed over net gains; ■ Agreeing the gross value of investments to the work we performed over the fair value of investments; ■ Agreeing total profits and returns to the work we performed over investment income; <p>We also recalculated the returns achieved to ensure that the conditions of the incentive scheme agreements had been met before the incentives were paid.</p> <p>For the priority profit share we have recalculated the amounts paid each quarter and agreed the inputs to the calculation to the underlying accounting records. We have also ensured that the calculation was consistent with the underlying priority profit share agreement and was mathematically accurate.</p>

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 group, the accounting processes and controls, and the industry in which the group operates.

The Group has one line of business which is to make investments, primarily in the private equity sector. The objective of the group is to increase the value of these investments over the long-term in order to deliver returns to shareholders. The Group comprises a number of subsidiary companies, including limited partnerships which hold the investments. The Manager of the investments is not part of the group. All accounting is performed by a finance function in the UK.

Audit work has been performed in respect of the two significant subsidiaries for which we are also the auditor, together with the parent company. The limited partnerships which hold the investments do not require an audit, however we have audited the investments held by them. This, together with procedures performed over the consolidation, has provided the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality

The scope of our audit is 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 and to evaluate 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 group materiality	£21 million (2013: £18 million).
How we determined it	1.75% of net assets.
Rationale for benchmark applied	We believe that net assets is the most appropriate benchmark because this is the key metric of interest to investors. It is also a generally accepted measure used for companies in this industry.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £1 million (2013: £900k) 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 page 109, in relation to going concern. We have nothing to report having performed our review.

As noted in the directors' statement, the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the group and parent company have adequate resources to remain in operation, and that the directors intend them 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 group's and parent 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 119 to 123 in the Annual Report 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:

<ul style="list-style-type: none"> ■ Information in the Annual Report is: <ul style="list-style-type: none"> – materially inconsistent with the information in the audited financial statements; or – apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group and parent company acquired in the course of performing our audit; or – is otherwise misleading. 	We have no exceptions to report arising from this responsibility.
<ul style="list-style-type: none"> ■ the statement given by the directors on page 126, 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 group's performance, business model and strategy is materially inconsistent with our knowledge of the group acquired in the course of performing our audit. 	We have no exceptions to report arising from this responsibility.
<ul style="list-style-type: none"> ■ the section of the Annual Report on page 124, 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.

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

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

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the parent company's compliance with nine provisions of the UK Corporate Governance 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 Statement of Directors' Responsibilities set out on page 126, 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 group's and the parent 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.

Alison Morris (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 November 2014

- (a) The maintenance and integrity of the Electra Private Equity PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Objective and Investment Policy

Electra has been quoted on the London Stock Exchange since 1976. Electra is managed as an HM Revenue and Customs approved investment trust and invests primarily in the private equity mid-market.

The business and affairs of Electra are managed on an exclusive and fully discretionary basis by Electra Partners, an independent private equity fund manager with over 25 years' experience in the mid-market.

Electra's objective is to achieve a rate of return on equity of between 10-15% per year over the long-term by investing in a portfolio of private equity assets.

Electra Partners aims to achieve this target rate of return on behalf of Electra by utilising a flexible investment strategy and:

- exploiting a track record of successful private equity investment;
- utilising the proven skills of its management team with a strong record of deal flow generation and long-term presence in the private equity market;
- targeting private equity opportunities (including direct investment, fund investments and secondary buyouts of portfolios and funds) so that the perceived risks associated with such investments are justified by expected returns;
- investing in a number of value creating transactions with a balanced risk profile across a broad range of investment sectors through a variety of financial instruments; and
- actively managing its capital position and levels of gearing in light of prevailing economic conditions.

The investment focus is principally on Western Europe, with the majority of investments made in the United Kingdom where Electra Partners has historically been most active. There is an emphasis on areas where Electra Partners has specific knowledge and expertise. In circumstances where Electra Partners feels that there is merit in gaining exposure to countries and sectors outside its network and expertise, consideration is given to investing in specific funds managed by third parties or co-investing with private equity managers with whom it has developed a relationship.

In implementing Electra's flexible investment strategy, Electra Partners typically targets investments at a cost of £40 million to £100 million in companies with an enterprise value of up to £300 million.

Electra Partners attempts to mitigate risk through portfolio diversification. Investments will therefore be made across a broad range of sectors and industries. At the time of investment, not more than 15% of Electra's total assets will typically be invested in any single investment. If Electra acquires a portfolio of companies in a single transaction, this limitation shall be applied individually to each of the underlying companies purchased and not to the portfolio as a whole.

Electra has a policy to maintain total gearing below 40% of its total assets.

Unless required to do so to maintain Electra's investment trust status, it is the policy of the Directors not to pay dividends.

Report of the Directors

To the Members of Electra Private Equity PLC

The Directors present the audited Accounts of the Group for the year ended 30 September 2014 and their Report on its affairs.

In accordance with the requirement for the Directors to prepare a Strategic Report and an enhanced Directors' Remuneration Report for the year ended 30 September 2014, the following information, some of which has been previously included within the Directors' Report, is set out in the Strategic Report on pages 7 to 13: a review of the business of the Company including details about its objective, strategy and business model, details of the principal risks and uncertainties associated with the Company's activities, information regarding community, social, employee, human rights and environmental issues and the Company's policy regarding Board diversity. Information about Directors' interests in the Company's ordinary shares and or subordinated convertible bonds is included within the Annual Report on Remuneration section of the Directors' Remuneration Report on pages 114 to 118.

Results

A revenue profit attributable to shareholders of £19,996,000 (2013: loss of £8,974,000) was transferred to Revenue Reserves. No dividend is proposed in respect of the year ended 30 September 2014 (2013: nil).

Management Arrangements

Electra Partners is appointed as the Manager of the Company under a management agreement dated 12 October 2006 and as amended on 11 July 2014 to facilitate compliance with AIFMD regulations. The agreement may be terminated by either party giving notice of not less than 12 months. Whatever notice period is worked, Electra Partners will be entitled to receive additional compensation equivalent to 12 months' priority profit share (determined by reference to the previous 12 months' priority profit share).

If Electra Partners terminates the management agreement, Electra may pay compensation in lieu of any part of the notice period but Electra Partners is not entitled to any additional compensation.

During the year the Company continued to operate carried interest and co-investment schemes for executives of Electra Partners and details of these schemes are contained in Notes 22 and 23 of the Notes to the Financial Statements.

As detailed in the Corporate Governance Statement, the Board reviews the activities of Electra Partners on an ongoing basis and believes that the continuing appointment of Electra Partners on the terms agreed is in the best interests of shareholders as a whole.

Electra Partners is responsible for the investment management of a number of limited partnership funds to which the Company has subscribed. Electra Partners manages the Company's investments in accordance with guidelines determined by the Directors and as specified in limited partnership agreements and the management and investment guideline agreements.

Share Capital

On 29 December 2010 the Company issued £100 million of 5% Subordinated Convertible Bonds due 29 December 2017 at an issue price of 100 per cent and with an initial conversion price of 2,050p. Bondholders may convert their bonds into ordinary shares of the Company from 7 February 2011 up to and including the date falling seven business days prior to 29 December 2017. The conversion price of 2,050p will be adjusted to deal with certain events which would otherwise dilute the conversion of bondholders. These events include dividends paid to ordinary shareholders, share rights and share related securities issued to shareholders, issue of other securities to shareholders, demergers and other events detailed in the Prospectus for the Bond.

During the year, 3,392 Subordinated Convertible Bonds were converted into 165,459 ordinary shares (2013: 39 Subordinated Convertible Bonds were converted into 1,901 ordinary shares).

At 30 September 2014 there were 35,507,751 ordinary shares of 25p each in issue. The Company does not hold any shares in treasury.

Since the year end and prior to 21 November 2014 (being the latest practicable date before the signing of this Directors' Report) a further 1,069 Subordinated Convertible Bonds have been converted into a total of 52,141 ordinary shares.

Authority to Make Market Purchases of Shares

As at 30 September 2014, the Company had authority to purchase for cancellation up to 5,297,860 shares. This authority will lapse at the 2015 Annual General Meeting when a Special Resolution will be proposed to renew the Company's authority to make market purchases of its own shares.

During the year the Company did not purchase any shares for cancellation.

Multi-Currency Loan Facility

At 30 September 2014 borrowings under the £195 million (2013: £195 million) multi-currency revolving credit facility amounted to £151,912,000 (2013: £158,340,000).

During the year to 30 September 2013, the repayment date of the facility was extended from June 2016 to December 2017.

Directors

The current Directors of the Company are listed on pages 128 and 129. Mr R Yates, Dame Kate Barker, Ms F Barnes, Mr G Cullinan, Mrs J Gold and Mr R Perkin served as Directors throughout the year ended 30 September 2014.

Dr C Bowe retired as a Director and Chairman of the Company at the Annual General Meeting in 2014.

No other person was a Director of the Company during any part of the year.

All of the Directors will retire at the Annual General Meeting in 2015 and, being eligible, offer themselves for re-election.

Directors' Conflicts of Interest

Directors report on actual or potential conflicts of interest at each Board meeting. The Board has agreed that the Remuneration and Nomination Committee is responsible for considering and reviewing conflicts of interest. Any Director or Directors with a potential conflict would be excluded from such a review. After consideration, if required, the Remuneration and Nomination Committee would subsequently make a recommendation to the Board of Directors.

Directors' Indemnity

Directors' and Officers' Liability insurance cover has been put in place. In addition, the Company's Articles of Association provide, subject to the provisions of applicable UK legislation, an indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them by third parties arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour.

Substantial Interests

The Company has received the following notifications of interests of 3% or more in the voting rights attached to the Company's ordinary shares:

	Direct No.	Voting Rights Notified Indirect No.	Direct %	*Percentage of Voting Rights Indirect %
Prudential PLC Group of Companies	3,907,208	1,825	10.99	–
Sherborne Investors Management (Guernsey) LLP and its associates	–	7,087,485	–	19.93
Investec Wealth & Investment Limited	–	1,761,217	–	4.95
Aviva plc & its subsidiaries	1,088,628	–	3.06	–

*Percentage shown as a percentage of 35,559,892 ordinary shares, being the number of shares in issue at the latest practicable date before the publication of this Directors' Report.

Global Greenhouse Gas Emissions for the Year ended 30 September 2014

Electra has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013, including those within its underlying investment portfolio.

Statement of Disclosure of Information to Auditors

Each of the Directors confirms that so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware and they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Independent Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as Auditors to the Company will be proposed at the Annual General Meeting. A separate resolution will be proposed at the Annual General Meeting authorising the Directors to determine the remuneration of the Auditors.

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are described in the Chairman's Statement, the Investment Highlights, the Portfolio Review and the Strategic Report.

At each Board meeting, the Directors review the Company's latest financial information. The Board regularly considers commitments to private equity investments, long-term cash flow projections for the Company and the use of gearing.

After due consideration of the balance sheet and activities of the Company and the Company's assets, liabilities, commitments and financial resources, the Directors have concluded that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the Accounts of the Company.

Annual General Meeting

The Annual General Meeting will be held on Monday 16 March 2015. In addition to the ordinary business, the following special business will be considered:

Authority to Purchase own Shares (Resolution 11)

A special resolution will be proposed to renew the Board's authority to purchase its own shares, so as to permit the purchase of up to 5,330,427 of the Company's ordinary shares (or such lesser number of shares as is equal to 14.99% of the total number of ordinary shares in issue at the date of the passing of the resolution) subject to the constraints set out in the special resolution. The Directors would intend to use this authority to purchase shares only if this would result in an increase in net asset value per share and would be in the best interests of shareholders generally. Should any shares be purchased under this authority, it is the intention of the Board that such shares be cancelled.

The Directors believe that the renewal of the Board's authority to purchase shares, as detailed above, is in the best interests of shareholders as a whole and therefore recommend shareholders to vote in favour of Resolution 11.

Additional Information for Shareholders

Set out below is a summary of certain provisions of the Company's current Articles of Association (the "Articles") and applicable English law concerning companies (the Companies Act 2006 ("Companies Act")). This is a summary only and the relevant provisions of the Articles or the Companies Act should be consulted if further information is required.

Alteration of Articles of Association

Any change to the Company's Articles of Association needs to be approved by shareholders by means of a special resolution.

Share Capital

The Company has a single class of share capital which is divided into ordinary shares of 25 pence each. The shares are in registered form.

Dividends and Distributions

Subject to the provisions of the Companies Act, the Company may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. The Board may pay interim dividends whenever the financial position of the Company, in the opinion of the Board, justifies such payment.

The Board may withhold payment of all or any part of any dividends payable in respect of the Company's shares from a person with a 0.25% interest of a class of shares if such a person has been served with a notice after failure to provide the Company with information concerning interest in those shares required to be provided under the Companies Act.

Voting Rights

Subject to any rights or restrictions attached to any shares, on a show of hands, every member who is present in person has one vote and every proxy present who has been duly appointed has one vote. However if the proxy has been duly appointed by more than one member entitled to vote on the resolution, and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution. Every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder of in respect of which his appointment as proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.

A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. The appointment of a proxy shall be deemed also to confer authority to demand or join in demanding a poll. Delivery of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it. A proxy need not be a member. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

Restrictions on Voting

No member shall have the right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid. In addition if a person with a 0.25% interest of a class of shares has been served with a notice after failure to provide the Company with information concerning interest in those shares required to be provided under the Companies Act 2006 the member shall not be entitled to vote.

Deadlines for exercising Voting Rights

Votes are exercisable at a general meeting of the Company in respect of which the business being voted upon is being heard. Votes may be exercised in person, by proxy, or in relation to corporate members, by corporate representative. The Articles provide a deadline for submission of a proxy form in hard copy and electronic form of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. In the case of a poll taken subsequently to the date of the meeting or adjourned meeting, the proxy form must be received not less than 24 hours (or such shorter time as the Directors may determine) before the time appointed for the taking of the poll.

Variation of Rights

The Articles specify that if the capital of the Company is divided into different classes of shares, rights attached to any class may be varied, either in such manner (if any) as may be provided by those rights; or in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise. At every such separate meeting other than an adjourned meeting the quorum shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares). At an adjourned meeting, the quorum shall be two persons holding shares of the class in question (other than treasury shares) or his proxy.

Transfer of Shares

The instrument of transfer of a share in certificated form may be in any usual form or in any other form which the Directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. Where any class of shares is, for the time being, a participating security, title to shares of that class which are recorded on an operator register of members as being held in uncertificated form may be transferred by means of the relevant system. The transfer may not be in favour of more than four transferees. Transfers of shares in uncertificated form are effected by means of the relevant system.

The Directors may, in their absolute discretion, refuse to register the transfer of a share in certificated form which is not fully paid provided that if the share is listed on the Official List of the UK Listing Authority such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of a share in certificated form (whether fully paid or not) unless the instrument of transfer:

- (a) is lodged, duly stamped, at the Office or at such other place as the Directors may appoint and (except in the case of a transfer by a financial institution where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of only one class of share; and
- (c) is in favour of not more than four transferees.

If the Directors refuse to register a transfer of a share, they shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company (in the case of a transfer of a share in certificated form) or the date on which the Operator-instruction was received by the Company (in the case of a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form) send to the transferee notice of the refusal together with reasons for the refusal. The Directors shall send such further information about the reasons for the refusal to the transferee as the transferee may reasonably request.

Nothing in the Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Appointment and Replacement of Directors

Unless otherwise determined by the Company by ordinary resolution the number of Directors (disregarding alternate Directors) shall not be less than three nor more than fifteen.

At the annual general meeting in every year all Directors who held office at the time of each of the two preceding annual general meetings and who did not retire at either of them shall retire from office by rotation and such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the number of Directors in office at the date of the notice of the meeting (or, if their number is not a multiple of three, the number nearest to but not greater than one third). The additional Directors to retire shall be those who have been longest in office since their last appointment or reappointment, but, as between persons who became or were last reappointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any non-executive Director (other than the chairman) who has held office as a non-executive Director for nine years or more shall retire from office at each annual general meeting and shall be eligible for reappointment. A Director who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting elects someone in his place or, if it does not do so, until the close of the meeting.

If the Company, at the meeting at which a Director retires under any provision of the Articles, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost.

The office of a Director shall be vacated if a Director:

- (i) becomes bankrupt or compounds with his creditors generally;
- (ii) is prohibited by law from being a Director;
- (iii) has a court order made in respect of his mental health which wholly or partly prevents him from exercising powers or rights which he would otherwise have;
- (iv) sends a notice to the Company that he is resigning or retiring from his office and such resignation or retirement has taken effect;
- (v) sees his appointment (at an executive office) terminated or expiring and the Directors resolve that he should cease to be Director;
- (vi) is absent without permission of the Board from meetings of the Board for six consecutive months and the Board resolves that the office is vacated; or
- (vii) notice is served upon a Director in writing by all other co-Directors.

Powers of the Directors

Subject to the Articles, the Companies Act and any directions given by special resolution, the business of the Company will be managed by the Board who may exercise all the powers of the Company.

The Directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Company and its subsidiaries shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed (i) the amount paid up or credited as paid up on the share capital of the Company or (ii) the total of any credit balance on the distributable and undistributable reserves of the Company and its subsidiaries, subject to certain adjustments.

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors. Subject to the provisions of the Articles and to the rights attaching to any shares, any dividends or other monies payable on or in respect of a share may be paid in such currency as the Directors may determine. The Directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company. The Directors may retain any dividends payable on shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Significant Agreements: Change of control

If there is a no fault termination by the Company of the Management Agreement (between the Company and Electra Partners), dated 12 October 2006 and as amended on 11 July 2014 to facilitate compliance with AIFMD regulations, within 24 months of a change of effective control of the Company, 100% of the carried interest which has accrued as at the date of termination will be payable to the members of Electra Partners over three years and any future additional carry on existing investments will vest at 80% and will be paid on the realisation of investments when it becomes due in the ordinary course.

By order of the Board of Directors
Frostrow Capital LLP, Company Secretary
Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB
26 November 2014

Directors' Remuneration Report

Statement by Chairman of the Remuneration and Nomination Committee

This is the second reporting period that we have reported in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. This Remuneration Report includes the Annual Report on Remuneration required by the Regulations and also, for information only, the Remuneration Policy which was approved by the Company's members at the Annual General Meeting in March 2014.

The Annual Report on Remuneration sets out annually how the Remuneration Policy has been implemented, including a single figure for the total remuneration of each of the Directors in the financial year to 30 September 2014.

The Annual Report on Remuneration is subject to the approval of the members at the forthcoming Annual General Meeting. The vote will be advisory but if the Company fails to pass a resolution in a year where the Remuneration Policy was not put to a members' resolution this will trigger the need for the Company to put the Remuneration Policy to a vote of its members the following year.

The Remuneration Policy sets out how the Company pays the Directors, including each element of remuneration to which the Directors are entitled and how this supports the Company's long-term strategy and performance. The policy also includes details of the Company's approach to recruitment and loss of office payments.

The Remuneration Policy was subject to the approval of the members at the 2014 Annual General Meeting and following the approval by the members is binding on the Company. The Remuneration Policy must be put to a shareholder resolution at least every three years and if the Company wishes to make any changes to the Remuneration Policy it will have to put the new policy to a vote of its members at a general meeting.

There have been no substantial changes in the Company's approach to the remuneration of its Directors during the year and the Remuneration and Nomination Committee did not consider it necessary to recommend any changes to the existing Directors' fee arrangements during the year.

Remuneration Policy

The Directors prepared this policy in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An Ordinary Resolution for the approval of this policy was put to members at the 2014 Annual General Meeting and following the passing of the resolution the policy took effect from the date of the Annual General Meeting. All provisions of this policy are expected to remain in effect until the Annual General Meeting in 2017 when the Company is next required to submit its policy on the remuneration of its Directors to the members.

Future Policy Table

The fee levels paid to the Company's Directors are determined by the Remuneration and Nomination Committee.

The Company's policy is that the remuneration of non-executive Directors should be fair and sufficient to oversee the affairs of the Company and should reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. The policy is to pay a basic fee to each Director and to pay additional fees to the Chairman of the Company, the Chairmen of the Board's Committees and the Senior Independent Director as set out in the future policy table below. Fees may be increased in line with inflation from time to time.

The Remuneration and Nomination Committee may consider paying additional fees to a Director or Directors in the event that they carry out additional work for the Company, except that non-executive Directors are not eligible to receive bonuses, pension benefits, share options or other benefits and are subject to the requirement that the total remuneration of the Directors is determined by the provisions of the Company's Articles of Association and by shareholder resolution.

Components of Remuneration Package	Current Level of Fee
Basic Director's Fee	£35,000
Additional fee for Chairman of Company	£65,000
Additional fee for Chairman of Audit Committee	£6,000
Additional fee for Chairman of Valuations Committee	£6,000
Additional fee for Chairman of Management Engagement Committee	£6,000
Additional fee for Chairman of Remuneration and Nomination Committee	£3,000
Additional fee for Senior Independent Director	£6,000

The Company's remuneration policy for its non-executive Directors as described above is considered by the Board to be effective in supporting the short and long-term strategic objectives of the Company by ensuring that the Company continues to be able to recruit Directors who are suitably qualified and experienced to supervise the Company's affairs.

Statement of Principles of the Company's Approach to Recruitment Remuneration

- 1) Remuneration of non-executive Directors should be fair and sufficient to enable Directors properly to oversee the affairs of the Company and should reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs.
- 2) Non-executive Directors are not eligible to receive bonuses, pension benefits, share options or other benefits.
- 3) The total remuneration of the Directors is determined by the provisions of the Company's Articles of Association and by shareholder resolution.
- 4) The basic Director's fee will be paid to each Director with an additional fee per annum for the Chairman of the Company. An additional fee per annum will be paid to the Chairman of each of the Audit, Valuations, Management Engagement, Remuneration and Nomination Committees and to the Chairman of any other Committees that the Company forms and to the Senior Independent Director.
- 5) Directors are not entitled to any variable remuneration.

Service Contracts

None of the Directors has a service contract with the Company. No arrangements have been entered into, nor is it proposed that arrangements be entered into, between the Company and the Directors to entitle any of the Directors to remuneration or compensation for loss of office which is not disclosed elsewhere in this policy.

Notice Period and Loss of Office Payment Policy

The Directors are subject to a notice period of one month. It is the Company's policy not to enter into any arrangement with any of the Directors to entitle any of the Directors to compensation for loss of office.

Statement of Consideration of Conditions elsewhere in the Company

The Company has no employees and therefore the Company cannot take into account the pay and employment conditions of its employees when setting the remuneration policy. For similar reasons the Company cannot consult with its employees when setting the policy for Directors' Remuneration or use comparison metrics or other specific information comparing its employees' remuneration when determining Directors' Remuneration.

Statement of Consideration of Shareholder Views

The Company places great importance on communication with its shareholders. The Company has had regular dialogues with institutional shareholders and City analysts throughout the year to 30 September 2014 and at the Annual General Meeting held in 2014 and can confirm that it is not aware of negative views being expressed by shareholders in relation to its policy on Directors' Remuneration.

Annual Report on Remuneration

The Directors are submitting this report in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An Ordinary Resolution for the approval of this report will be put to members at the forthcoming Annual General Meeting.

The law requires the Company's Auditors to audit certain of the disclosures provided. Where disclosures have been audited they are indicated as such.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises all the non-executive Directors of the Company: I am Chairman of the Committee. The Board considers it appropriate, given the number of non-executive Directors that all Directors should be members of the Committee.

The Committee met twice in the year, to consider the appointment of Mr Yates as Chairman of the Company and as Director and Chairman of Electra Private Equity Investments PLC and to review Directors' remuneration.

The Committee did not consider it necessary to recommend any changes to the existing fee arrangements during the year which are set out in the Future Policy Table of the Remuneration Policy.

The Company has no employees.

Single Total Figure Table for the Year (Audited)

Director	Fees/total 30 Sept 2014 £000	Fees/total 30 Sept 2013 £000
R Yates (appointed Chairman 11 March 2014)	71	35
Dame Kate Barker*	47	44
F Barnes (appointed 7 March 2013)	35	20
G Cullinan	41	41
J Gold (appointed 12 September 2013)	35	2
RK Perkin	41	41
C Bowe (retired 11 March 2014)	45	100
L Webber (retired 7 March 2013)	—	19
Total	315	302

*I have waived the £3,000 payable as Chairman of the Remuneration and Nomination Committee.

The Directors were not entitled to any taxable benefits in the year ended 30 September 2014 (2013:£nil).

The Directors were not entitled to any pension benefits in the year ended 30 September 2014 (2013:£nil).

The Directors were not entitled to any variable pay based on the achievement of performance conditions in future periods in the year ended 30 September 2014 (2013:£nil).

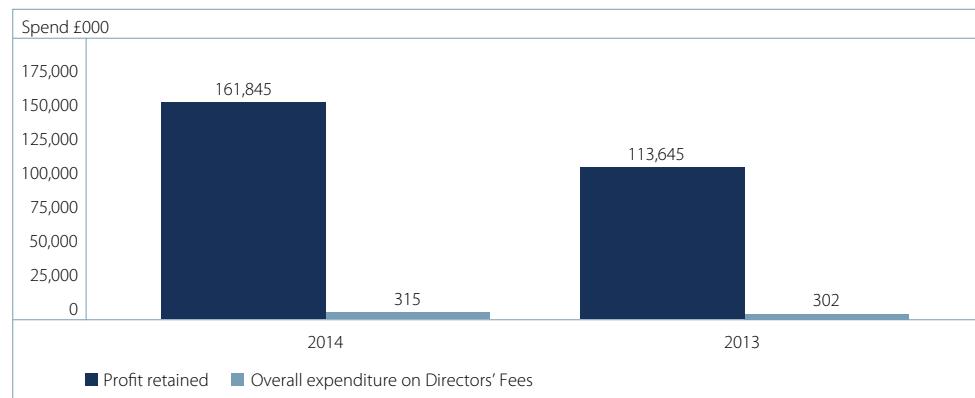
No payments were made to any person who was not a Director of the Company at the time the award was made but had previously been a Director of the Company, other than sums disclosed in the Single Total Figure Table for the year ended 30 September 2014 (2013:£nil).

No loss of office payments were made to any person who served as a Director of the Company at any time during the year ended 30 September 2014 (2013:£nil).

As the Company does not have a Chief Executive Officer or any employees apart from its Directors it is not possible to compare the percentage increase in remuneration of the Chief Executive Officer with that of all the employees of the Company as a whole.

Relative Importance of Spend on Pay

Spend	£000	2014 %	£000	2013 %
Profit retained	161,845	100.00	113,645	100.00
Overall expenditure on Directors' Fees	315	0.19	302	0.27

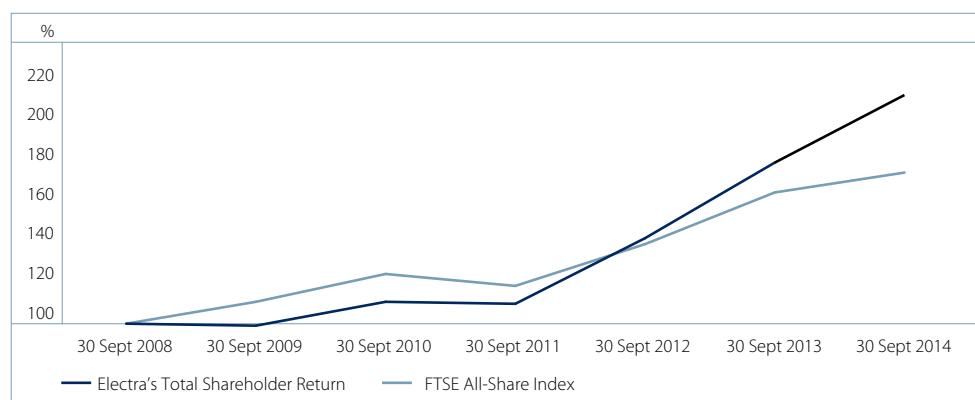


The Directors consider it appropriate to compare the overall expenditure on Directors' fees with the profit retained to demonstrate the relative scale of these figures to each other. It is not meaningful to compare the overall expenditure on Directors' fees with the amounts distributed by dividend or share buybacks and with employee remuneration as these amounts were nil for the current and previous financial years.

Total Shareholder Return

The Directors consider that, since the Company invests in a broad range of commercial sectors, the FTSE All-Share Index is the most appropriate index against which to compare the Company's performance.

Electra Private Equity Total Shareholder Return versus FTSE All-Share Index As at 30 September



Statement of Directors' Shareholdings and Share Interests (Audited)

The interests of the Directors (including connected persons) in the ordinary shares and 5% Subordinated Convertible Bonds of the Company are shown below. There is no requirement for the Directors to own securities of the Company. No share options or other share scheme interests, with or without performance conditions, are awarded to the Directors. Save as disclosed, no Director had any notifiable interest in the securities of the Company or of any subsidiary of the Company. There have been no changes in the interests of any of the Directors in the ordinary shares and 5% Subordinated Convertible Bonds of the Company between 1 October 2014 and 26 November 2014.

	30 Sept 2014 Shares	30 Sept 2014 Bonds	30 Sept 2013 Shares	30 Sept 2013 Bonds
R Yates	2,000	—	—	—
Dame Kate Barker	1,500	—	1,500	—
F Barnes	500	—	—	—
G Cullinan	1,500	—	1,500	—
J Gold	500	—	—	—
RK Perkin	—	42	—	42

Statement of Shareholder Voting

At the Annual General Meeting held on 11 March 2014 an Ordinary Resolution to approve the Remuneration Policy was passed on a poll with the following votes cast:

- Votes for 16,442,446 (99.65%), Votes against 57,998 (0.35%), Votes withheld 1,704,340

Also at the Annual General Meeting an Ordinary Resolution to approve the Annual Report on Remuneration was passed on a poll with the following votes cast:

- Votes for 16,453,581 (99.72%), Votes against 46,689 (0.28%), Votes withheld 1,704,514

The Directors did not consider that there were substantial shareholder votes against either resolution.

Dame Kate Barker, Chairman of the Remuneration and Nomination Committee
Paternoster House
65 St Paul's Churchyard, London EC4M 8AB
26 November 2014

Corporate Governance

The Board of the Company has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide") both of which were issued in February 2013. The AIC Code as explained by the AIC Guide, addresses all of the principles set out in the UK Corporate Governance Code, which was issued in September 2012, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code during the year to 30 September 2014 except as set out below.

The UK Corporate Governance Code includes provisions relating to the role of chief executive, executive directors' remuneration and the need for an internal audit function. For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company as it is an externally managed investment company. The Company has, therefore, not reported further in respect of these provisions.

The Board of Directors

The Board comprised six Directors as at 30 September 2014, all of whom were non-executive. Mr Yates succeeded Dr Bowe as Chairman of the Company following the retirement of Dr Bowe as Chairman and Director after the Annual General Meeting on 11 March 2014. The Board has nominated Dame Kate Barker as the Senior Independent Director. The Directors' terms of appointment are available for inspection on request from the Company Secretary.

It is the responsibility of the Board to ensure that there is effective stewardship of the Company's affairs. The Board has agreed a schedule of matters reserved for its specific approval, which includes a regular review of the Company's management arrangements with Electra Partners.

Management agreements between the Company and Electra Partners set out the matters for which Electra Partners is responsible and those over which Electra Partners has authority in accordance with the policies and directions of the Board. Regular Board meetings are held to consider, as appropriate, such matters as overall strategy, investment performance, gearing, share price performance, share price discount, the shareholder profile of the Company and communication with shareholders. The Chairman is responsible for setting the Board's agenda and ensuring that adequate time is available for discussion on all agenda items, in particular strategic issues. The Board considers that it meets sufficiently regularly to discharge its duties effectively.

The number of meetings of the Board and Committees of the Board held during the year and the attendance of the individual Directors at those meetings is shown in the table below. All the Directors attended the 2014 Annual General Meeting.

Directors' Attendance at Meetings of the Board and Committees of the Board

	Board	Audit Committee	Remuneration and Nomination Committee	Valuations Committee	Management Engagement Committee
Number of Meetings	13	3	2	2	1
R Yates*	13	1/1	1	1/1	1
C Bowe**	3/3	–	2	–	–
Dame Kate Barker***	13	3	2	2	–
G Cullinan	13	3	2	2	1
RK Perkin****/****	13	3	2	1	–
F Barnes	13	3	2	2	1
J Gold	13	3	2	2	1

* Mr Yates ceased to be a member of the Audit, Valuations and Management Engagement Committees following his appointment as Chairman.

** Dr Bowe was not a member of the Audit, Valuations or Management Engagement Committee.

*** Dame Kate Barker and Mr Perkin were not members of the Management Engagement Committee during the year.

**** In the current year, due to an unavoidable conflict with a previously arranged meeting, Mr Perkin was unable to attend the May meeting of the Valuations Committee. However, he thoroughly reviewed all relevant documentation, submitted questions and challenges, and received a full response thereto.

The Board receives information that it considers to be sufficient and appropriate to enable it to discharge its duties. Directors receive board papers several days in advance of Board meetings and are able to consider in detail the Company's performance and any issues to be discussed at the relevant meeting.

The Directors believe that the Board has an appropriate balance of skills and experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper governance of the Company. Information about the Directors, including their relevant experience, can be found on pages 128 and 129.

Independence of the Board

Mr Yates was appointed as a non-executive Director of Electra Private Equity Investments PLC on 26 November 2013 and Mr Perkin and Mr Cullinan were non-executive Directors of that company throughout the year. Dr Bowe retired as a Director of Electra Private Equity Investments PLC on 11 March 2014. Electra Private Equity Investments PLC is a wholly-owned subsidiary of Electra which was established solely for the purpose of issuing and redeeming Zero Dividend Preference shares.

The Board has carefully considered the independence of each Director under the provisions of the AIC Code and, notwithstanding the cross-directorships detailed above, has concluded that each Director is wholly independent on the basis that the Board firmly believes that independence is a state of mind and the character and judgement which accompany this are distinct from and are not compromised by cross-directorships.

The Board carries out a formal appraisal process of its own operations and performance and those of its Committees each year. In 2012, the Board commissioned Boardroom Review to carry out an externally-facilitated evaluation of its operations and performance and those of its Committees. Issues covered included Board composition, meeting arrangements and communication. Boardroom Review presented a detailed report to the Board on the conclusions of its evaluation and these were discussed with the Board. The report did not identify any material weaknesses or concerns. Both the former and current Chairmen have led on implementing those changes recommended by Boardroom Review that the Board considered should be made. The Board considered that it was not necessary to carry out an externally-facilitated evaluation of its operations and performance and those of its Committees in 2014 but carried out the appraisal through questionnaires which were completed by Directors, the results of which were discussed by the Board. The process was considered by the Board to be constructive in identifying areas for improving the functioning and performance of the Board and its Committees. The Board concluded that its performance and that of its Committees was satisfactory.

The Chairman carried out a formal appraisal of each of the Directors during the year and the Board, under the leadership of the Senior Independent Director, similarly appraised the Chairman. Relevant matters considered included attendance and participation at Board and Committee meetings, commitment to Board activities and the effectiveness of the contribution made by the relevant Director. As a result of this process, the Chairman has confirmed that each of the Directors being proposed for election or re-election continues to be effective and that each of them continues to show commitment to his or her role. The Senior Independent Director has also confirmed the continuing effectiveness and commitment of the Chairman.

Directors' Terms of Appointment

The Company's Articles of Association require that Directors shall retire and be subject to appointment by shareholders at the first Annual General Meeting following their appointment by the Board and be subject to re-election at least every third year thereafter. Directors who have served for more than nine years and who wish to continue in office are required to submit themselves for re-election annually. The Board does not believe that length of service disqualifies a Director from seeking re-election.

The AIC Code's provisions on re-election of Directors state that all Directors of FTSE 350 companies should be subject to annual re-election by shareholders. Previously, the Board did not consider it to be in the interests of shareholders that all Directors should be re-elected annually. However, the Board has decided that it should change its policy so that all Directors are re-elected each year. This change of policy will take effect with effect from the Annual General Meeting to be held in 2015.

Re-election of Directors

In accordance with the Board's policy on Directors' Terms of Appointment, all the Directors will retire at the Annual General Meeting to be held in 2015 and offer themselves for re-election. Biographical details of the Directors are set out on pages 128 and 129.

Independent Professional Advice

Individual Directors may seek independent professional advice in furtherance of their duties at the Company's expense within certain parameters. All Directors have access to the advice and services of the Company Secretary.

Company Secretary

Frostrow Capital LLP acted as the independent Company Secretary in addition to its role as Board Advisor during the year under review.

The Audit Committee

The Board is supported by the Audit Committee which comprised all the Directors during the year, other than Mr Yates who ceased to be a member of the Committee following his appointment as the Chairman of the Board and Dr Bowe prior to her retirement. Mr Perkin is Chairman of the Committee. The Committee met three times in the year under review and the report of its activities is contained in the Report of the Audit Committee on pages 124 to 125. The Committee has written terms of reference which are available on the Company's website.

The Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises all the Directors of the Company, all of whom are considered to be independent. The Board considers it appropriate, given the number of Directors, that the Committee should comprise all Directors. The Remuneration and Nomination Committee was chaired by Dame Kate Barker throughout the year.

The Committee met twice in the year under review. The report of its activities is contained in the Directors' Remuneration Report on pages 114 to 118. The Committee has written terms of reference which are available on the Company's website.

The Committee's duties in relation to remuneration include determining and agreeing with the Board the policy for remuneration of the Directors. Where appropriate, the Committee will consider both the need to judge the position of the Company relative to other companies regarding the remuneration of Directors and the need to appoint external remuneration consultants. The Committee's duties in relation to nomination include identifying and nominating, for the approval of the Board, candidates to fill Board vacancies based on merit and against objective criteria and with due regard for the benefits of diversity on the Board including gender.

The Valuations Committee

The Valuations Committee adds a further level of oversight to the valuation process carried out by Electra Partners under its contractual arrangements with the Company. The Valuations Committee is chaired by Dame Kate Barker and comprised all the Directors during the year, other than Mr Yates who ceased to be a member of the Committee following his appointment as the Chairman of the Board and Dr Bowe prior to her retirement. The Committee met twice during the year.

Management Engagement Committee

The Management Engagement Committee is chaired by Mr Cullinan. Mr Cullinan, Ms Barnes and Mrs Gold were members of the Committee throughout the year. Mr Yates was a member of the Committee until his appointment as Chairman of the Board in March 2014. The Committee has written terms of reference which are available on the Company's website.

The Committee's duties are to review the terms of the Management Contract to ensure that they are competitive and sensible for shareholders by satisfying itself that the investment management of the Company's portfolio is in accordance with the Objective and Investment Policy; satisfying itself that all other duties of the Manager are being performed; reviewing the overall performance of the Manager; and deciding, at the intervals prescribed by the Management Agreement, on the continuation or termination of the agreement and by agreeing the terms and fees of any ongoing agreement. The Committee met once during the year to discuss these matters.

Induction and Training

New Directors are provided with an induction programme which is tailored to the particular circumstances of the appointee and which includes being briefed fully about the Company by the Chairman, senior executives of Electra Partners and the Company Secretary. Following appointment, the Chairman regularly reviews and agrees with Directors their training and development needs as necessary to enable them to discharge their duties.

The Company's Relationship with its Shareholders

The Company places great importance on communication with its shareholders. The Company, in conjunction with Electra Partners, endeavours to provide the fullest information on the Company to its shareholders, maintaining a regular dialogue with institutional shareholders and City analysts, as well as making a number of presentations and visits throughout the year. Meetings are held with principal shareholders to discuss relevant issues as they arise.

At the Annual General Meeting all shareholders are welcome to attend and have the opportunity to put questions to the Board and hear a presentation from Electra Partners covering the investment performance during the last financial year.

The notice of the Annual General Meeting and related papers are sent to shareholders at least 20 working days before the meeting. A separate resolution is proposed on each substantially separate issue including receipt of the annual report and accounts. All proxy votes are counted and, except where a poll is called, the level of proxies lodged for each resolution is announced at the Meeting and is published on the Company's website. The Chairmen of the Audit, Remuneration and Nomination, Valuations and Management Engagement Committees are normally available to answer questions at the Annual General Meeting each year.

The Chairman and the Senior Independent Director can be contacted either through the Company Secretary, Frostrow Capital LLP, at 25 Southampton Buildings, London WC2A 1AL or at the Company's registered office at Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB.

Internal Control

The appointment of the Manager as AIFM of the Company under the AIFMD means that it is now responsible for risk management and the ongoing process of identifying, evaluating, monitoring and managing the risks facing the Company in accordance with the requirements of AIFMD. The Board keeps the Manager's performance of these responsibilities under review as part of its overall responsibility for the Company's internal controls.

The Board has reviewed the effectiveness of the Company's system of internal control for the year ended 30 September 2014. This review encompasses all controls including financial, operational and compliance controls and risk management. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company's consolidated annual Financial Statements, along with the half-yearly Financial Statements and interim management statements are prepared in accordance with applicable regulatory requirements.

Since investment management, custody of assets and many administrative systems are provided or arranged for the Company by Electra Partners, the Company's system of internal control mainly comprises the monitoring of the services provided by Electra Partners, including the operating controls established by them to ensure they meet the Company's business objectives. As part of this process Electra Partners is responsible for submitting performance statistics, investment valuations and management accounts to the Board. The key elements designed to provide effective internal control are as follows:

- Financial Reporting – regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, analyses of transactions and performance comparisons.
- Investment Strategy – regular review by the Board of the Company's Objective and Investment Policy, including commitments to new funds.
- Management Agreements and Investment Performance – the Board regularly monitors the performance of Electra Partners to ensure that the Company's assets are managed in accordance with the Company's Objective and Investment Policy.

The Board keeps under review the effectiveness of the Company's system of internal control by monitoring the operation of the key controls of Electra Partners as follows:

- The Board reviews the terms of the management agreements and receives regular reports from Electra Partners executives.
- The Board reviews the certificates verifying compliance with documented controls provided by Electra Partners on a six monthly basis.
- Additionally, the external auditors perform certain agreed upon procedures regarding these controls.

Voting Policy

Under the investment management arrangements Electra Partners has complete discretion in relation to all voting issues in respect of the Company's investments.

Electra Partners has adopted the UK Stewardship Code and has made disclosures regarding its policies on stewardship on its website www.electrapartners.com. Electra Partners' policies on stewardship have been reviewed and endorsed by the Board.

Other Information in the Report of the Directors

Other information regarding voting rights of shares, restrictions on voting, deadlines for exercising voting rights, appointment and replacement of Directors, powers of Directors, authority to make market purchases of shares, substantial interests in the Company's shares and details concerning alteration of the Articles of Association of the Company is contained in the Report of the Directors.

Report of the Audit Committee

The Board is supported by the Audit Committee which comprised all the Directors during the year, other than the Chairman of the Board, Roger Yates. I am Chairman of the Audit Committee. The Board has taken note of the requirement that at least one member of the Audit Committee should have recent and relevant financial experience and is satisfied that the Audit Committee is properly constituted in this respect, as I am a former partner at Ernst & Young LLP and a chartered accountant.

The Audit Committee's authority and duties are clearly defined in its written terms of reference which are available on the Company's website.

The Audit Committee's responsibilities include:

- monitoring and reviewing the integrity of the Financial Statements, the internal financial controls and the independence, objectivity and effectiveness of the external auditors;
- making recommendations to the Board in relation to the appointment of external auditors and approving their remuneration and the terms of their engagement;
- developing and implementing the Company's policy on the provision of non-audit services by the external auditors;
- reviewing the arrangements in place within Electra Partners whereby their staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters insofar as they may affect the Company;
- considering annually whether there is a need for the Company to have its own internal audit function;
- providing advice to the Board on whether the annual Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Audit Committee met three times during the year under review. The main matters discussed at those meetings were:

- review and approval of the annual plan of the external auditors;
- discussion and approval of the fee for the external audit;
- detailed review of the Annual and Half Year Report and Accounts and recommendation for approval by the Board;
- discussion of reports from the external auditors following their audit;
- assessment of the effectiveness of the external audit process as described below;
- review of the Company's key risks and internal controls;
- consideration of the 2012 UK Corporate Governance Code, 2013 AIC Code of Corporate Governance, Guidance on Audit Committees and 2012 UK Stewardship Code and the impact of these on the Company.

The most significant risk in the Company's accounts is whether its investments are fairly valued and this issue is considered carefully when the Audit Committee reviews the Company's Annual and Half Year Accounts. The Manager provides detailed explanations of the rationale for the valuation of each investment and these are discussed in detail with Electra Partners and the auditors at a meeting of the Valuations Committee which is normally attended by all members of the Audit Committee. The key areas of focus in the review and challenge by the Valuations Committee are the overall methodology and underlying business performance/EBITDA of investee companies, multiples and discounts used where valuations derive from an earnings basis. The Auditors separately report on their procedures and the conclusions from their work. This is more fully described in their report on pages 98 to 104. The Audit Committee concluded that the year-end valuation process had been properly carried out and that the investments have been fairly valued.

The Audit Committee is also keen to ensure that the Manager's priority profit share and incentive scheme provisions are correctly provided for in the Accounts due to the sensitive nature of these amounts. The Audit Committee ensures that the auditors have checked that the amounts are consistent with the management agreement, are correctly calculated and properly attributable to the underlying valuations. The auditors confirmed to the Audit Committee that they had not identified any issues relating to their work in this area and the Audit Committee concluded that the figures are fairly stated.

I report to the Board after each Audit Committee meeting on the main matters discussed at the meeting.

The Audit Committee annually reviews the performance of PricewaterhouseCoopers LLP, the Company's external auditors. In doing so the Audit Committee considers a range of factors including the quality of service, the auditors' specialist expertise and the level of audit fee. The Audit Committee remains satisfied with their effectiveness and therefore has not considered it necessary, to date, to require the auditors to tender for the audit work. The auditors are required to rotate the audit partner every five years and the current partner has been in place for three years. There are no contractual obligations restricting the choice of external auditor. Under Company law the reappointment of the external auditors is subject to shareholder approval at the Annual General Meeting.

PricewaterhouseCoopers LLP and its predecessor firms have been the auditors of the Company since its listing in 1976 and the audit has not been put out to tender during that time. The Financial Reporting Council has stated that FTSE 350 companies should put the audit services contract out to tender at least once every ten years, to enable the audit committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms. Under the transitional arrangements, companies may defer the first tendering process to coincide with the five-yearly rotation of audit partner. The Company intends to put the audit out to tender, at the latest, following the completion of the audit for the accounts for the year ending 30 September 2016. The Audit Committee keeps under review the ongoing legislation proposals on audit tendering and rotation from the EU and the Competition and Markets Authority.

The Audit Committee has reviewed the provision of non-audit services and believes them to be cost-effective and not an impediment to the external auditors' objectivity and independence. It has been agreed that I must approve all non-audit work to be carried out by the external auditors for the Company and that any special projects must be approved in advance.

The non-audit services include the provision of taxation advice and agreed upon procedures performed in respect of Electra's Internal Controls Monitoring Report as reported below.

It is the Group's practice to employ PricewaterhouseCoopers LLP on assignments additional to their statutory audit duties where their expertise and experience with the Group are important, principally tax advice and compliance matters, or where they have been awarded assignments on a competitive basis. These services are services that could be provided by a number of firms. Work is allocated to the auditors only if it does not impact upon the independence of the audit team.

It is of note that, under their fully discretionary mandate over investment activities, Electra Partners may engage PricewaterhouseCoopers LLP without reference to the Audit Committee in relation to investment transactions. Given the separation of responsibilities and reporting lines as between the role of external auditors to the Company and advisors to Electra Partners and the use of entirely separate teams, the Audit Committee is satisfied that this work does not compromise their independence as external auditors.

Following the review carried out by the Audit Committee as to whether there is a need for the Company to have its own internal audit function, the Board has considered and continues to believe that the internal control systems in place within Electra Partners and the internal control reports provided by it give sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets is maintained. In addition, the work of the external auditors is extended to include agreed upon procedures which test certain of Electra Partners' internal controls. The Audit Committee considers, therefore, that an internal audit function specific to the Company is unnecessary.

Mr Roger Perkin, Chairman of the Audit Committee
Paternoster House
65 St Paul's Churchyard, London EC4M 8AB
26 November 2014

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 Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and the Company and of the profit or loss of the Group for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Financial Statements are published on www.electraequity.com, which is a website maintained by Electra Partners. The maintenance and integrity of the website, so far as it relates to the Company, is the responsibility of Electra Partners. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditors accept no responsibility for any changes that have occurred to the Financial Statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

The Directors are responsible for keeping proper 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 the Group and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed in the Board of Directors section of the Annual Report, confirms that, to the best of their knowledge:

- The Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- The Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal risks and uncertainties that it faces;
- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information;
- The Group Financial Statements, taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board of Directors

Roger Yates, Chairman, Paternoster House
65 St Paul's Churchyard, London EC4M 8AB
26 November 2014

Nuaire
Ventilation systems manufacturer



Board of Directors



Roger Yates (Chairman)

Mr Yates has 30 years' experience as an investment professional and a business manager in the fund management industry having begun his career with GT Management Limited in 1981. He was Chief Executive of Henderson Global Investors from 1999 to 2003 and then, following the company's listing, of Henderson Group Plc until 2008. Prior to that he was Chief Investment Officer of Invesco Global and Morgan Grenfell Investment Management Limited. He is currently non-executive Chairman of Pioneer Global Asset Management, part of the UniCredit Group, and a non-executive director of JP Morgan Elect plc, IG Group Holdings plc and St. James' Place plc and was, from 2009 to 2010, non-executive director of F&C Asset Management plc.

Mr Yates was appointed a Director in 2012 and Chairman in 2014.



Dame Kate Barker

Dame Kate is a non-executive director of Taylor Wimpey PLC and the Yorkshire Building Society, a non-executive member of the Office for Budget Responsibility and a senior adviser to Credit Suisse. She is also Chairman of Trustees for the British Coal Staff Superannuation Scheme. She was, until May 2010, a member of the Monetary Policy Committee of the Bank of England, on which she served for three terms, and has held a range of other senior positions, including chief economic adviser to the Confederation of British Industry from 1994 to 2001.

Dame Kate was appointed a Director in 2010. She is Chairman of the Valuations Committee, the Remuneration and Nomination Committee and the Senior Independent Director.



Francesca Barnes

Ms Barnes recently retired from a 27 year career in finance, the last seven of which were spent as Global Head of Private Equity for UBS. She worked for Chase Manhattan for 11 years in the UK and US then Swiss Bank/UBS working in restructuring, loan portfolio management and ultimately running the global private equity business. Ms Barnes is now a non-executive director of Coutts and Co; non-executive director of Capvis private equity; Chair of Governors of the Bridge Academy Hackney and Chair of Trustees of Penny Brohn Cancer Care.

Ms Barnes was appointed a Director in 2013.



Geoffrey Cullinan

Mr Cullinan was a Director of Bain & Company from 1997 to 2005. He was the founder and leader of their private equity business in Europe and continues to be an Adviser to Bain. He was formerly Chief Executive of Hamleys plc (1996) and senior non-executive director of Datamonitor plc (1994 to 2002). Prior to that he was the managing partner of OC&C Strategy Consultants, which he co-founded in 1986.

Mr Cullinan was appointed a Director in 2011. He is Chairman of the Management Engagement Committee.

Josyane Gold

Mrs Gold has 32 years' experience as a lawyer in corporate practice in the City. For 25 years she was a partner of SJ Berwin where she was a founder of its private equity and investment funds practices. She continues to act as a consultant to the firm (now King & Wood Mallesons SJ Berwin).

Mrs Gold was appointed a Director in 2013.

**Roger Perkin**

Mr Perkin is a former senior partner at Ernst & Young with extensive global accounting experience and financial services expertise. He spent 40 years at Ernst & Young and its predecessor firms, including over 30 years as a Partner, working with a wide range of clients before specialising in financial services. He is a director of Nationwide Building Society, Friends Life Group Limited and Tullett Prebon plc.

Mr Perkin was appointed a Director in 2009. Mr Perkin is Chairman of the Audit Committee.



Alternative Investment Fund Managers Directive

AIFMD Article 23 – Supplemental Disclosure

As Electra Private Equity Plc (the "Company" or "Electra") and its alternative investment fund manager, Electra Partners LLP (the "AIFM" or the "Manager") are each domiciled in the United Kingdom, the FCA Handbook rules require that, among other things, the AIFM makes available the following information to existing shareholders of Electra, in order to supplement the information provided to them before they invested, pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and its implementing measures (the "AIFMD") and to notify them of any material change to information previously provided.

In cases where the AIFM has determined that the requisite information is already set forth in the Annual Report or in any other source document which existing shareholders have access to or may request, this supplemental disclosure contains information with respect to the relevant source materials. In cases where the AIFM has determined that the requisite information has not been provided to existing shareholders, this supplement contains additional disclosure items.

Investment Policy, Leverage and Liquidity (AIFMD 23(1)(a)(b)(h))

The investment strategy and objective of Electra, the types of asset it may invest in and the investment techniques it may employ, associated risks and any investment restrictions are laid out in the Objective and Investment Policy, Strategic Report and The Manager sections of the Company's 30 September 2014 Annual Report.

For information about the circumstances in which the Company may use leverage, the types of sources permitted and the associated risks and any restrictions on the use of leverage and any collateral and asset re-use arrangements, shareholders are directed to the disclosures contained in the Objective and Investment Policy and the Strategic Report of the Company's 30 September 2014 Annual Report as well as specific AIFMD related disclosures further below.

Under the UK Listing Authority listing rules to which the Company is subject it needs the prior approval of its shareholders to make a material change to its Investment Policy.

Since the Company is closed-ended without redemption rights, liquidity risk management is limited to the liquidity required to meet the Company's obligations in relation to its financing arrangements and on its ability to meet calls on unfunded liabilities to third party funds and other investments. The Manager utilises various risk assessment methods to measure the risk of portfolio illiquidity to meet the Company's obligations. This measurement enables the provision of management information to the Manager and the Board of the Company to enable these risks to be monitored and managed.

Legal Relationship with Investors (AIFMD 23(1) (c))

The Company is a public limited company listed on the London Stock Exchange. The Company is incorporated under the laws of England and Wales. The constitutional document of the Company is its articles of association ("Articles") which may only be amended by way of a special resolution of its shareholders. Upon the purchase of shares, an investor becomes a shareholder of the Company. A shareholder's liability to the Company will be limited to the amount uncalled on their shares. The Company has one class of share, namely ordinary shares, with standard rights as to voting, dividends and payment on winding-up and no special rights and obligations attaching to them. Transfers to US persons are restricted but otherwise, there are no material restrictions on transfers of shares. No redemption rights attach to the ordinary shares in the Company.

As the Company is incorporated under the laws of England and Wales, it may not be possible for a shareholder located outside that jurisdiction to effect service of process within the local jurisdiction in which that shareholder resides upon the Company. All or a substantial portion of the assets of the Company may be located outside a local jurisdiction in which a shareholder resides and as a result, it may not be possible to satisfy a judgement against the Company in such local jurisdiction or to enforce a judgement obtained in the local jurisdiction's courts against the Company.

AIFM and its Delegates (AIFMD 23(1)(d), (e) and (f))

The Manager is a limited liability partnership with its registered office at Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB and which is authorised and regulated by the Financial Conduct Authority (FRN 455358). It has been appointed by the Company to manage the Company under a management agreement dated 12 October 2006 as amended on 11 July 2014 to facilitate compliance with AIFMD regulations (the "Management Agreement"). The Manager is responsible for portfolio management and risk management and monitoring of the assets of the Company and has full discretionary authority over the acquisition and disposition of the Company's assets, with power to give guarantees and undertake other transactions on behalf of the Company subject to the provisions of the Management Agreement. The Manager is also responsible for ensuring compliance with the AIFMD. The Manager's duties under the Management Agreement are owed to the Company as a whole rather than directly to the shareholders, whether individually or in groups. The Board of Electra is responsible under the Management Agreement for representing the Company in its dealings with the Manager.

In accordance with the Management Agreement, the liability of the Manager and any officer, partner or employee of them or any of their Associates or Nominated Director ("Indemnified Persons") is limited and subject to certain limitations they are entitled to be indemnified out of the assets of the Company.

The Manager maintains appropriate additional own funds to meet its obligations under AIFMD, including in relation to professional liability risks. The Manager has not delegated the performance of any of its functions.

Depositary and its Delegates (AIFMD 23(1)(d) and (f))

Ipes Depositary (UK) Limited (the "Depositary") has been appointed as the Depositary of the Company under a Depositary Agreement agreed in accordance with AIFMD requirements. The Depositary is a company incorporated in England (registered number 08749704) whose registered office is at 10 Lower Grosvenor Place, London SW1W 0EN. It is authorised to act as a Depositary by the FCA (FRN 610203). The Depositary is responsible for safekeeping of the Company's investments, including holding in custody those investments which are required to be held in custody and verifying ownership (on the basis of evidence provided by the AIFM) and keeping records of the Company's other investments, and for cash monitoring.

The Depositary's duties under the Depositary Agreement are owed to the Company as a whole and not directly to the shareholders, whether individually or in groups.

Most of the investments of the Company are not of a kind required to be held in custody by the Depositary. The Depositary has appointed a custodian, RBC Investor Services Trust, in respect of the holding of custody assets belonging to the Company.

Independent Auditors (AIFMD 23(1)(d))

The Independent Auditors of the Company are PricewaterhouseCoopers LLP.

Under the terms of their engagement the auditors are responsible for assessing the appropriateness, application and disclosure of the Company's accounting policies and the reasonableness of significant accounting estimates and the overall presentation of the Financial Statements. The auditors' duties are owed to the Company as a whole. They have a statutory responsibility to report to the members of the Company as a whole in relation to the truth and fairness of the Company's state of affairs and profit or loss.

Valuation (AIFMD 23(1)(g))

The Manager values the assets of the Company in accordance with the provisions set out in the Principles of Valuation of Investments as set out on pages 92 and 94 of the Notes to the Financial Statements in the 30 September 2014 Annual Report of the Company. The Valuations Committee of the Company adds a further level of oversight to the valuation process as set out on page 122 of the Corporate Governance section of the Annual Report.

Fees and Expenses (AIFMD 23(1)(i))

The Manager receives an annual priority profit share of 1.5% calculated on the gross assets of the Company. In addition the Company operates carried interest and co-investment schemes for executives of the Manager and details of these schemes are contained in Notes 22 and 23 of the Notes to the Financial Statements in the 30 September 2014 Annual Report of the Company.

The finance costs in respect of the Company's bank facility, convertible bond and zero dividend preference shares are contained in Note 7 of the Notes to the Financial Statements in the 30 September 2014 Annual Report of the Company.

In addition the Company incurs costs in the form of depositary fees, custodian fees, bank fees and charges, marketing fees, auditors' fees, lawyers' fees and other fees.

Given the nature of all these fees and expenses it is not possible to provide a maximum fee payable.

Fair Treatment of Investors and Preferential Treatment (AIFMD 23(1)(j))

No preferential rights have been granted to any existing shareholder.

The Manager and the Board of the Company are committed to ensuring that all shareholders are treated fairly and in accordance with UK Company Law. They have not and will not enter into any arrangement with one shareholder which would result in any overall material disadvantage to the other shareholders.

Issue and Redemption of Shareholder Interests in the Company ((AIFMD 23 (1)(l))

The Fund is closed-ended and does not provide for redemption or repurchase of the interests of ordinary shareholders at their request.

Reporting and Performance (AIFMD 23(1)(k), 23(1)(m) and 23(1)(n))

The historic performance of the Company, to the extent available, has been disclosed to shareholders in the Company's Annual Reports, the latest of which covers the year to 30 September 2014 and which will be sent to shareholders.

The latest NAV of the Company is published in the latest Annual or Half Yearly report.

Prime Broker (AIFMD 23(1)(o))

The Company does not have a prime broker.

Method of Making Ongoing/Periodic Disclosures (AIFMD 23(1)(p), 23(4), 23(5))

Information about the Company's risk profile and risk management, total leverage and any material change to the arrangements for managing the Company's liquidity, the proportion of assets (if any) subject to special arrangements arising from liquidity, the maximum permitted leverage or the grant of rights of re-use of collateral or guarantees in relation to leverage will be provided in the Company's Annual Reports.

Risk Profile and Risk Management (AIFMD 23(4)c)

The appointment of the Manager as the AIFM of the Company under the AIFMD means that it is now responsible for risk management and the ongoing process of identifying, evaluating, monitoring and managing the risks facing the Company in accordance with the requirements of the AIFMD. The Board of the Company keeps the Manager's performance of these responsibilities under review as part of its overall responsibility for the Company's internal controls.

The principal risks of the Company are set out in the Strategic Report and in Note 19 of the Notes to the Financial Statements. The Manager's risk management system incorporates regular review of these risks and the establishment of appropriate risk limits and internal control processes to mitigate the risks. The sensitivity of the Company to relevant risks is further detailed in Note 19 of the Notes to the Financial Statements.

The risk limits currently put in place for the Company by the Manager are in relation to the parameters for diversity of investment set out in the Objective and Investment Policy, for Credit Risk set out in Note 19 of the Notes to the Financial Statements and the limits on the Company's leverage set out below. These risk limits have not been exceeded in the year ended 30 September 2014 and the Manager does not currently consider it likely they will be exceeded.

Restrictions on the Use of Leverage and Maximum Leverage (AIFMD 23(5))

As specified in the Objective and Investment Policy in the Company's 30 September 2014 Annual Report, the Company has a policy to maintain total gearing below 40% of its total assets and the Manager oversees the use of leverage to ensure that the use of borrowing and derivatives is consistent with this requirement. The Company does not have any asset re-use arrangements in relation to collateral and has not granted any guarantees.

Under AIFMD the Company is required to calculate leverage under the two methodologies specified by the Directive, the 'Gross Method' and the 'Commitment Method', the difference being that the Commitment Method allows certain exposures to be offset or netted.

Leverage is calculated using gross assets, with various adjustments, divided by net assets.

The Manager has currently set a limit of 230% on the use of leverage based on the Gross Method and a limit of 230% on the use of leverage based on the Commitment Method which the Manager considers consistent with the gearing limit set out in the Objective and Investment Policy as at 30 September 2014. The Company's leverage calculated at 30 September 2014 under the methods stipulated by AIFMD was 135% under the Gross Method and 162% under the Commitment Method.

Information for Shareholders

Financial Calendar for 2015

Annual General Meeting	16 March 2015
Half-year Results announced	May 2015
Annual Results announced	November/December 2015

Website and Electra News via Email

For further information on share and Bond prices, regulatory news and other information, please visit www.electraequity.com.

If you would like to receive email notice of our announcements please visit the Electra website at www.electraequity.com and click on the "Subscribe to receive news alerts" logo on the Home page. Registering for email alerts will not stop you receiving Annual Reports or any other documents you have selected to receive by post.

Shareholder Enquiries

In the event of queries regarding your ordinary shareholding, please contact the Company's registrar, Equiniti Limited, who will be able to assist you with:

- registered holdings
- balance queries
- lost certificates
- change of address notifications

Equiniti Limited's full details are provided on page 143 or please visit www.equiniti.com.

If you are an existing shareholder and wish to buy more/sell your shares in Electra:

An internet and telephone dealing service has been arranged through Equiniti, which provides a simple way for UK shareholders of Electra to buy or sell Electra's shares. For full details and terms and conditions simply log onto www.shareview.co.uk/dealing or call 0871 384 2351. Please note that lines are open 8.30am to 5.30pm Monday to Friday (excluding bank holidays) and calls to this number cost 8p per minute plus network extras.

The service is only available to shareholders of Electra who hold shares in their own name, with a UK registered address, who are aged 18 and over.

Shareview Dealing is provided by Equiniti Financial Services Limited. Equiniti Financial Services Limited is authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (FCA reference 468631). Equiniti Financial Services Limited is registered in England and Wales with number 6208699.

If you are not an existing shareholder:

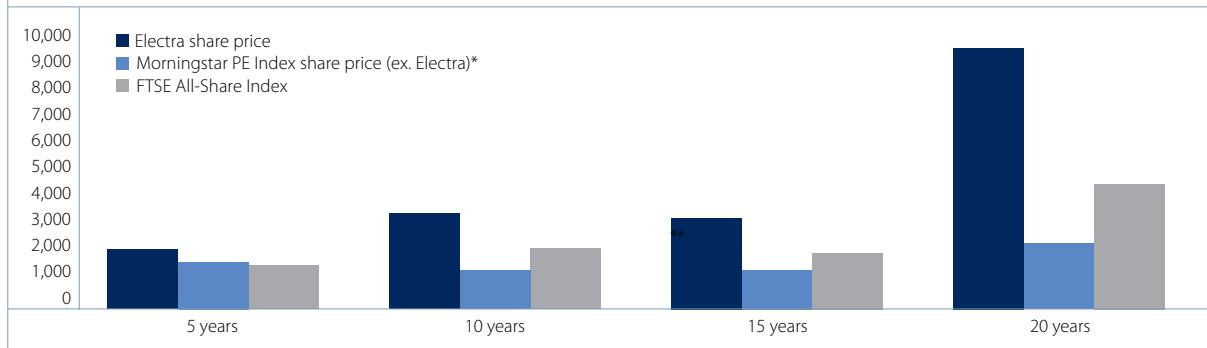
We recommend you seek your own personal financial advice from an appropriately qualified independent adviser or alternatively contact your own broker. Electra Private Equity's shares are listed on the London Stock Exchange as ELTA.

Please note. The above information is not a recommendation to buy or sell shares. The value of shares and any income from them can fluctuate and you may get back less than the amount invested. If you have any doubt over what action you should take, please contact an authorised financial adviser.

Dividend policy

It is the policy of the Directors not to pay dividends unless required to do so to maintain Electra's investment trust status.

Shareholder total return performance for £1,000 invested As at 30 September 2014



* The above index, prepared by Morningstar UK Limited, reflects the performance of 19 private equity vehicles, excluding Electra, listed on the London Stock Exchange.

** 18 year period only.

Trading Information – Ordinary shares

Listing	London Stock Exchange
ISIN	GB0003085445
SEDOL	0308544
Ticker/EPIC code	ELTA
Bloomberg	ELTALN
Reuters	ELTAL

Convertible Bond

What is a Convertible Bond?

A convertible bond is a tradable debt that can be converted into a predetermined amount of the company's equity during its life.

In the case of Electra, £100 million of Convertible Bonds were raised in December 2010. Each bond was priced at £1,000 per bond and generates 5% interest per annum payable semi-annually in equal instalments in arrears on 29 June and 29 December in accordance with the terms of the Prospectus.

Bondholders can convert their bonds into Electra shares at any time within the life of the bond (expires 2017) in accordance with the terms of the Prospectus. The conversion price in effect immediately upon issue of the bonds is 2,050p. The Convertible Bond is listed on the London Stock Exchange and can be traded like other listed securities.

The Company has the option to convert all of the Bonds to ordinary shares on or after 29 December 2015. This option is exercisable providing that on each of at least 20 dealing days in any period of 30 consecutive dealing days the Parity Value shall have exceeded 130% of the principal amount of the Bond. Parity Value is the number of ordinary shares each Bond will convert into multiplied by the volume weighted average price of an ordinary share. This option is additionally exercisable if 85% or more of the original principal amount of the Bonds have been redeemed/converted.

In the unlikely event of Electra winding up, the Bondholders would rank above the ordinary shareholders in terms of being entitled to the capital of Electra.

For further information please visit our website www.electraequity.com/convertible.

Trading Information – Convertible Bond

Listing	London Stock Exchange
ISIN	GB00B5B0NW64
SEDOL	B5B0NW6
Ticker/EPIC code	ELTC
Bloomberg	ELTALN5 12/29/2017 Corp.

Zero Dividend Preference Shares

What is a Zero Dividend Preference Share?

ZDPs are a class of share with a limited life. They provide no annual income or dividend but instead will pay out a fixed amount of capital (known as the "final capital entitlement") at a specific date in the future (known as the "redemption date"). In the case of Electra Private Equity Investments PLC, £46 million of ZDPs were raised in 2009 and have a redemption date of 5 August 2016.

In the unlikely event of Electra winding up, the holders of ZDPs would rank above both the holders of Convertible Bonds and the ordinary shareholders in terms of being entitled to the capital of Electra.

For further information please visit our website www.electraequity.com/Eltz.

Share Fraud Warning

We are aware that in the past a number of shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares. These operations are commonly known as 'Boiler Room' scams.

Please be very wary of any such calls or correspondence. Ask for the name and organisation of the person calling you and check if they can be found on the FCA Register. If they are not listed, please report it directly to the FCA using their consumer helpline (0800 111 6768) or at www.fca.org.uk/consumers/scams. You may also wish to advise us by telephoning 020 7214 4200 or emailing ir@electrapartners.com.

It is very unlikely that either the Company or the Company's Registrars, Equiniti, would make unsolicited telephone calls to shareholders. Such calls would only relate to official documentation already circulated to shareholders and never be in respect of investment 'advice'.

Please remember that if you use an unauthorised firm to buy or sell shares, you will not be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong.

Other Useful Websites

LPEQ

Electra is a founder member of LPEQ, a group of private equity investment trusts and similar vehicles listed on the London Stock Exchange and other major European stock markets, formed to raise awareness and increase understanding of listed private equity.

LPEQ provides information on private equity in general, and the listed sector in particular, undertaking and publishing research and working to improve levels of knowledge about private equity among investors and their advisers.

For further information visit www.lpeq.com

Association of Investment Companies (AIC)

Electra is a member of the AIC, the trade organisation for closed-ended investment companies. The AIC represents a broad range of closed-ended investment companies, including investment trusts, offshore investment companies and venture capital trusts which are traded on the London Stock Exchange, Alternative Investment Market, Special Financials Market, Euronext and the Channel Islands Stock Exchange.

For further information visit www.theaic.co.uk

British Private Equity & Venture Capital Association (BVCA)

Electra is a member of the BVCA, the industry body and public policy advocate for the private equity and venture capital industry in the UK. The BVCA's aim is to aid understanding around the activities of its members, promote the private equity and venture capital industry to entrepreneurs and investors as well as to Government, the EU, trade unions, international media and the general public. They communicate the industry's impact and reinforce the crucial role its members play in the global economy as a catalyst for change and growth.

For further information visit www.bvca.co.uk

Ten Year Record

Ten Year Record of Net Assets, Share Price and Earnings

As at 30 Sept	Net Assets £'000	Diluted Net Asset Value per share p	Diluted earnings per share p	Basic earnings per share p	Dividends paid per share p	Share price ¹ as at 5 April per share p	Share price ¹ as at 30 Sept per share p
2005	⁽²⁾ 520,883	1,197.22	–	64.09	–	931.00	1,113.00
2006	⁽³⁾ 598,292	1,545.07	–	20.58	⁽⁴⁾ 20.00	1,326.00	1,371.00
2007	⁽⁵⁾ 745,506	2,001.21	–	24.60	⁽⁶⁾ 17.00	1,605.00	1,680.00
2008	⁽⁷⁾ 640,949	1,800.64	–	(13.98)	⁽⁸⁾ 25.00	1,570.00	1,235.00
2009	⁽⁹⁾ 607,953	1,720.36	–	34.05	–	632.50	1,224.00
2010	724,531	2,050.25	–	4.41	–	1,361.00	1,368.00
2011	821,492	2,224.78	23.00	11.90	–	1,414.00	1,360.00
2012	916,304	2,473.10	(6.46)	(24.29)	–	1,720.00	1,770.00
2013	1,029,902	2,763.61	(6.57)	(25.39)	–	2,305.00	2,230.00
2014	1,195,101	3,174.34	66.42	56.55	–	2,632.00	2,650.00

Notes

The net asset value per share for 2005 to 2014 have been prepared on an IFRS basis as explained in the Basis of Accounting.

1. Middle market price at close of business on 5 April or 30 September or, if appropriate, previous business day in each case.
2. During the year ended 30 September 2005 3,238,000 shares were repurchased for cancellation (cost: £29,677,000).
3. During the year ended 30 September 2006 4,785,000 shares were repurchased for cancellation (cost: £64,257,000).
4. Includes special dividend of 20.00p per share paid in March 2006.
5. During the year ended 30 September 2007 1,470,000 shares were repurchased for cancellation (cost: £22,304,000).
6. Includes special dividend of 17.00p per share paid in March 2007.
7. During the year ended 30 September 2008 1,657,000 shares were repurchased for cancellation (cost: £26,492,000).
8. Includes special dividend of 25.00p per share paid in March 2008.
9. During the year ended 30 September 2009 257,000 shares were repurchased for cancellation (cost: £2,096,000).

Glossary

Carried interest

The incentive arrangements, which are similar to arrangements found elsewhere in the private equity industry, are designed to align Electra Partners' interests with Electra shareholders'. These arrangements are typically referred to as "carried interest".

The carried interest payable to the members of Electra Partners is based on three year pools of investments. Under the terms of this arrangement all qualifying investments in a three year period are aggregated into a separate pool. Electra must first receive back the aggregate cost of all the investments in the pool, plus related priority profit share (see below) and an 8% compound return (this is often referred to as the "hurdle"). Once Electra has received sufficient cash to pay the amounts as described above the members of Electra Partners will be entitled to a carried interest of 18% of the profits. Consequently, they will receive the next 18/82 of the hurdle so that they will have an amount equal to 18% of the profits on the pool up to that point (this is referred to as a "catch up"). Thereafter, Electra and the members of Electra Partners will share future cash flows in the ratio of 82:18.

Below is an example to illustrate in principle how the above described arrangements work:

	£m	Assumptions
Amount invested	500	Amount invested and priority profit share
Amount realised	1,000	Realised after year five
Pool profit	500	
Hurdle	(210)	8% per annum compound
Catch up	46	18/82 of the hurdle
Balance	44	The amount over the hurdle to get to an aggregate 18% of the pool profit
Total carry	90	18%
Electra	369	82%

Commitments

Legal obligation to provide capital for future investment in a private equity fund or in relation to a single investment.

Discount

Investment trust shares frequently trade at a discount to NAV. This occurs when the share price is less than the NAV. In this circumstance, the price that a shareholder would pay or receive for a share would be less than the value attributable to it by reference to the underlying assets. Traditionally expressed as a percentage.

Earnings multiple

This is normally referred to as a price earnings (P/E) ratio. It is the ratio of a company's valuation compared to its earnings.

EBITDA

Earnings Before Interest, Tax, Depreciation and Amortisation. Often used to compare the profitability of similar companies.

EBITDA margin

EBITDA expressed as a percentage derived by dividing EBITDA by net sales.

EV (enterprise value)

This is the aggregate value of a company's entire issued share capital and net debt.

Gearing

This is the level of a company's debt related to its equity capital and is usually expressed in percentage form. It shows the extent to which a company is funded by lenders as opposed to shareholders.

Hedging

Hedging is an investment technique designed to offset a potential loss on one investment by purchasing a second investment that is expected to perform in the opposite way.

IPO (initial public offering)

An offering by a company of its share capital to the public with a view to seeking an admission of its shares to a recognised stock exchange.

IRR (internal rate of return)

Is the annualised return on an investment calculated from the cash flows arising from that investment taking account of the timing of each cash flow. It is derived by computing the discount rate at which the present value of all subsequent cash flows arising from an investment are equal to the original amount invested.

Listed company

Any company where the shares are freely tradable and are listed or traded on a recognised stock exchange.

LTM

Last twelve months.

NAV

This is the value of all the Company's assets minus current and long-term liabilities. Can also be referred to as 'shareholders' funds'.

NAV per share

This is the value of the Company's assets attributable to one Ordinary share. It is calculated by dividing 'shareholders' funds' by the total number of Ordinary shares in issue.

Permanent Capital

An investment entity that manages capital for an unlimited time horizon.

Priority Profit Share

This is a share of profits equivalent to a management fee. It is calculated at 1.5% of the gross value of the Company's investment portfolio including cash.

Return on Equity (ROE)

This is the total return divided by opening shareholder funds. Electra's ROE has been calculated by taking the percentage change in diluted NAV per share and adding back dividends paid per share.

Total return

The total return to shareholders is the aggregate of income and capital profits of the investment portfolio for the year less all costs.

Unlisted company

Any company whose shares are not listed or traded on a recognised stock exchange.

Notice of Annual General Meeting

Notice is hereby given that the eightieth Annual General Meeting of Electra Private Equity PLC will be held at 12.00 noon on Monday 16 March 2015 in The Livery Hall at The Grocers' Hall, Princes Street, London, EC2R 8AD for the following purposes:

Ordinary Business

1. To receive the reports of the Directors and Auditors and the Group Accounts for the year ended 30 September 2014.
2. To approve the Annual Report on Remuneration as set out in the Directors' Remuneration Report for the year ended 30 September 2014 which is set out in the Annual Report and Accounts of the Company for the year ended 30 September 2014.
3. To re-elect Mr R Yates as a Director of the Company.
4. To re-elect Dame Kate Barker as a Director of the Company.
5. To re-elect Ms F Barnes as a Director of the Company.
6. To re-elect Mr G Cullinan as a Director of the Company.
7. To re-elect Mrs J Gold as a Director of the Company.
8. To re-elect Mr R Perkin as a Director of the Company.
9. 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 laid before the Company.
10. To authorise the Directors to fix the remuneration of the Auditors.

Special Business

As Special Business, to consider and, if thought fit, to pass the following Resolution as a Special Resolution:

11. Special resolution to renew share buyback authority:

That the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the said Act) of ordinary shares of 25 pence each, provided that:

- (i) the maximum number of ordinary shares hereby authorised to be purchased is 5,330,427 or such lesser number of shares as is equal to 14.99 per cent of the total number of ordinary shares in issue as at the date of the passing of this resolution;
- (ii) the minimum price which may be paid for an ordinary share shall be 25 pence;
- (iii) the maximum price, exclusive of any expenses, which may be paid for an ordinary share shall be an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased;
- (iv) any purchase of ordinary shares will be made in the market for cash at prices below the prevailing net asset value per ordinary share (as determined by the Directors); and
- (v) unless renewed, the authority hereby conferred shall expire on the earlier of 16 June 2016 or the conclusion of the Company's Annual General Meeting in 2016 save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after such expiry.

By order of the Board of Directors
Frostrow Capital, Company Secretary
Paternoster House, 65 St Paul's Churchyard, London, EC4M 8AB
26 November 2014

Notes

- 1 Members of the Company who are entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote at the Meeting. A member may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
- 2 A member may vote at the Annual General Meeting subject to being on the Register of Members as at 6pm on 12 March 2015.
- 3 A Form of Proxy is enclosed. To be effective, the Form of Proxy and any power of attorney under which it is executed (or a duly certified copy of any such power) must reach the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA, not less than 48 hours, excluding non-working days, before the time of the Meeting (i.e. 12.00 noon on 12 March 2015) or adjourned Meeting or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned Meeting) for the taking of the poll at which it is to be used. Completion and return of the Form of Proxy will not prevent a member from attending and voting at the Meeting. Replacement forms of proxy may be obtained from the Company's Registrar.
- 4 In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those holders of ordinary shares entered on the Register of Members of the Company as at 6pm on 12 March 2015 ("the Specified Time") shall be entitled to attend and vote at the Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the register of members after the Specified Time shall be disregarded in determining the rights of any person to attend and vote at the Meeting. If the Meeting is adjourned to a time not more than 48 hours after the Specified Time applicable to the original Meeting, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned Meeting. If, however, the Meeting is adjourned for a longer period, then to be so entitled, members must be entered on the Company's register of members at 6pm on the date two days prior to the adjourned Meeting.
- 5 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 16 March 2015 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. 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 CREST specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified in the notice of 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 Applications Host) from which the issuer's agent 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 providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com). The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

- 6 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- 7 Shareholders are entitled to attend and vote at general meetings of the Company. On a vote by show of hands, every member and every duly appointed proxy who is present in person shall have one vote. On a poll vote, every member who is present in person or by proxy shall have one vote for every share of which he is the holder.
- 8 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. A member that is a company may appoint either a proxy or a corporate representative. Members wishing to appoint a corporate representative should examine the Company's Articles of Association and the provisions of the Companies Act 2006.
- 9 Under Regulation 12, Section 319A of the Shareholder Rights Directive, the Company must answer any question relating to the business being dealt with at the Meeting put by a member at the Meeting. However, the Company need not answer if a) to do so would interfere unduly with the preparation for the Meeting; b) to answer would involve the disclosure of confidential information; c) the answer has already been given on a website in the form of an answer to a question; d) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
- 10 Information about the Annual General Meeting is published on www.electraequity.com.
- 11 The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excepted) from the date of this Notice until the close of the Annual General Meeting, and will be available at the place of the Annual General Meeting from 11.45 am until the conclusion of the Meeting:
 - (a) the current Articles of Association of the Company; and
 - (b) the terms and conditions of appointment of all Directors.
- 12 No Director has a service contract with the Company.
- 13 Short biographical details regarding all the Directors are to be found on pages 128 and 129.
- 14 The total number of issued ordinary shares/voting rights in the Company on 25 November 2014, which is the latest practicable date before the publication of this document, is 35,559,892.
- 15 Shareholders may require the Company to place on its website a statement, made available also to the Company's auditors, setting out any matter relating to the audit of the Company's accounts, including the Independent Auditor's Report and the conduct of the audit, which shareholders intend to raise at the Annual General Meeting. The Company becomes required to place such a statement on the website once a) members with at least 5% of the total voting rights of the Company or b) at least 100 members who are entitled to vote and on whose shares an average sum per member of at least £100 has been paid have submitted such a request to the Company. Members seeking to do this should write to the Company providing their full name and address.
- 15 You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

If you have sold or otherwise transferred all your shares in Electra Private Equity PLC, you should pass this document and other relevant accompanying documents (other than any personalised form of proxy and/or letter) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale transfer was made for transmission to the purchaser or transferee.

Contact Details

Board of Directors

Roger Yates (Chairman)
Dame Kate Barker
Francesca Barnes
Geoffrey Cullinan
Josyane Gold
Roger Perkin
Telephone +44 (0)20 7214 4200
www.electraequity.com

Secretary

Frostrow Capital LLP
25 Southampton Buildings
London WC2A 1AL
Telephone +44 (0)20 3008 4910

Registered Office

Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

Company Number

303062

Manager

Electra Partners LLP
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB
Telephone +44 (0)20 7214 4200
www.electrapartners.com

Investor Relations

Andrew Kenny and Nicholas Board
Telephone +44 (0)20 7214 4200
Email ir@electrapartners.com

Registered Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants &
Statutory Auditors
7 More London Riverside
London SE1 2RT

Stockbroker

J.P. Morgan Cazenove

Depository

Ipes Depositary (UK) Limited
10 Lower Grosvenor Place
London
SW1W 0EN

Registrar and Transfer Office

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone (UK) 0871 384 2351*
Textel/Hard of hearing line (UK)
0871 384 2255*
Telephone (Overseas)
+44 121 415 7047

*Calls to these numbers cost
8p per minute plus network
extras. Lines open 8.30am to
5.30pm, Monday to Friday.

Notes

Electra Private Equity PLC
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB
T: +44 (0)20 7214 4200
www.electraequity.com



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