

Registered number: SC468619

PARTNERSHIP ACCOUNTS

SHACKLETON SECONDARIES 3 GP LIMITED
Formerly Ensco 441 Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2014

FRIDAY



LD5

"L4DRGR1V"

14/08/2015

#15

COMPANIES HOUSE

162

150343

SHACKLETON SECONDARIES 3 GP LIMITED

COMPANY INFORMATION

DIRECTORS H J P Stewart (appointed 14 April 2014)
S Burton (appointed 14 April 2014)
D N Hudson (appointed 14 April 2014)

COMPANY SECRETARY W J Stewart

REGISTERED NUMBER SC468619

REGISTERED OFFICE 41 Charlotte Square
Edinburgh
EH2 4HQ

INDEPENDENT AUDITOR Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

BANKERS Lloyds
Hinksey Lane
Oxon
OX2 0QS

SOLICITORS Keystone Law
53 Davies Street
London
W1K 5JH

SHACKLETON SECONDARIES 3 GP LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

SHACKLETON SECONDARIES 3 GP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the period from incorporation on 29 January 2014 to ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company is to act as the General Partner of a venture capital fund, Shackleton Secondaries 3 Limited Partnership Fund ('SS3LP').

SS3GP is required to provide drawdown funds to contribute towards investments identified by SS3LP and receive a profit share in line with the Limited Partnership agreement.

The Company has delegated management of SS3LP to FCA authorised Shackleton Finance Limited ('SFL'). The Company pays SFL a management fee for its services.

The investments in SS3LP have generally performed well since purchase and the valuation of the fund exceeds cost. The Directors are satisfied with the performance of SS3LP in the period.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £5,445.

The Directors do not recommend payment of a final dividend.

SHACKLETON SECONDARIES 3 GP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

DIRECTORS

The directors who served during the period were:

H J P Stewart (appointed 14 April 2014)
S Burton (appointed 14 April 2014)
D N Hudson (appointed 14 April 2014)
HBJG Limited (appointed 29 January 2014, resigned 14 April 2014)
A G A Walker (appointed 29 January 2014, resigned 14 April 2014)

PRINCIPAL RISKS AND UNCERTAINTIES

The income stream of the business is derived principally from fees from funds under management and its expenses are chiefly a percentage of its income. As funds under management are currently increasing, the Directors feel there is little short term risk or uncertainty. In the long term the future of the company depends on an increase in value of the funds under management and the Directors feel that the advantageous prices achieved in buying the assets now owned by these funds minimise the risk of not attaining this goal.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal current assets of the business are cash or assets that are converted into cash within a short period of time. Therefore the principal financial instruments employed by the business are cash or cash equivalents and the Directors ensure that the business maintains surplus cash reserves to minimise liquidity risk. The income stream of the business is based on pre-agreed profit shares with SS3LP thereby reducing price risk and credit risk. Conversion of current assets into cash in accordance with the contractual arrangements is closely monitored.

DISCLOSURE OF INFORMATION TO AUDITOR

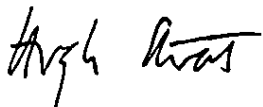
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



H J P Stewart
Director

Date:

30th July 2015

SHACKLETON SECONDARIES 3 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHACKLETON SECONDARIES 3 GP LIMITED

We have audited the financial statements of Shackleton Secondaries 3 GP Limited for the period ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

SHACKLETON SECONDARIES 3 GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHACKLETON SECONDARIES 3 GP
LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Nexia Smith & Williamson

Lindsay Manson (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

25 Moorgate

London

EC2R 6AY

Date: *31 JULY 2015*

SHACKLETON SECONDARIES 3 GP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Note	Period ended 31 December 2014 £
TURNOVER	1	50,298
Administrative expenses		(55,743)
OPERATING LOSS	2	(5,445)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,445)
Tax on loss on ordinary activities	4	-
LOSS FOR THE FINANCIAL PERIOD	9	(5,445)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 other than those included in the Profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

SHACKLETON SECONDARIES 3 GP LIMITED
REGISTERED NUMBER: SC468619

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £
FIXED ASSETS			
Investments	5		18,973
CURRENT ASSETS			
Debtors	6	1	
CREDITORS: amounts falling due within one year	7	(24,418)	
NET CURRENT LIABILITIES			(24,417)
TOTAL ASSETS LESS CURRENT LIABILITIES			(5,444)
CAPITAL AND RESERVES			
Called up share capital	8		1
Profit and loss account	9		(5,445)
SHAREHOLDERS' DEFICIT	10		(5,444)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


H J P Stewart
Director

Date: 30th July 2015

The notes on pages 7 to 10 form part of these financial statements.

SHACKLETON SECONDARIES 3 GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The board of Shackleton Ventures Limited have confirmed that they will continue to provide financial and management support to meet the commitments of the Company. As a result of this support the Directors have prepared the financial statements on a going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover, which excludes value added tax, represents the Company's profit share allocation from SS3LP and is recognised on an accruals basis in accordance with the underlying contractual arrangement.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

SHACKLETON SECONDARIES 3 GP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

2. OPERATING LOSS

The operating loss is stated after charging:

	Period ended 31 December 2014 £
Auditor's remuneration	1,090
Auditor's remuneration - Tax services	3,440
Auditor's remuneration - Accountancy services	725
	<u>5,255</u>

3. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration.

4. TAXATION

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 21.5%.
The differences are explained below:

	Period ended 31 December 2014 £
Loss on ordinary activities before tax	(5,445)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5%	(1,171)
Effects of:	
Expenses not deductible for tax purposes	(10,814)
Unrelieved tax losses carried forward	11,985
Current tax charge for the period	<u>5,445</u>

At the year end, the company had estimated tax losses of £55,744 available to carry forward. The tax losses gave rise to a deferred tax asset of £11,149 which has not been recognised as the period over which the asset will be recognised cannot be determined.

SHACKLETON SECONDARIES 3 GP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014

5. FIXED ASSET INVESTMENTS

	Loan to SS3LP £
Cost or valuation	
Additions	18,973
At 31 December 2014	18,973
Net book value	
At 31 December 2014	18,973

6. DEBTORS

	2014 £
Called up share capital not paid	1

7. CREDITORS:
Amounts falling due within one year

	2014 £
Amounts owed to group undertakings	18,973
Accruals and deferred income	5,445
	24,418

8. SHARE CAPITAL

	2014 £
Allotted, called up and not paid	
1 Ordinary share of £1	1

1 Ordinary share of £1 was issued during the period for consideration of £1.

SHACKLETON SECONDARIES 3 GP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

9. RESERVES

	Profit and loss account £
Loss for the financial period	(5,445)
At 31 December 2014	<u>(5,445)</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £
Opening shareholders' funds	-
Loss for the financial period	(5,445)
Shares issued during the period	<u>1</u>
Closing shareholders' deficit	<u>(5,444)</u>

11. RELATED PARTY TRANSACTIONS

During the year, SS3GP extended loans of £18,973 to SS3LP, the fund to which SS3GP acts as General Partner. At 31 December 2014 £18,973 was outstanding.

SS3GP received £50,298 General Partner Share from SS3LP, the fund to which SS3GP acts as a General Partner.

The company has taken advantage of the exemption provided by paragraph 3c of FRS 8 not to report transactions with group related undertakings. The parent company publishes consolidated financial statements.

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 December 2014, the ultimate parent undertaking and controlling party was Shackleton Ventures Limited, a company registered in England.

CONTENTS	Pages
Manager and advisers	3-4
Statement of manager's responsibilities in respect of the financial statements:	5
Fund summary	6
Executive summary and manager's report	7-8
Investment summary	9
Auctioner's report	10
Profit and loss account	11
Balance sheet	12
Cashflow statement	13
Notes to the financial statements	14-20

Shackleton Secondaries 3 LP

MANAGERS AND ADVISERS

INVESTMENT COMMITTEE

The board of directors of the Manager

ADDRESS

41 Charlotte Square
Edinburgh
EH2 4HQ
United Kingdom

BANKERS

Lloyds TSB Bank PLC
Black Horse House
4 Wallbrook Court
North Hinksey Lane
Botley, Oxfordshire OX2 0ZS
United Kingdom

AUDITOR

Nexia Smith & Williamson
25 Moorgate
London EC2R 6AY
United Kingdom

SOLICITORS

Keystone Law
53 Davies Street
London
W1K 5JH

MANAGERS AND ADVISERS (CONTINUED)

FUND MANAGER

Shackleton Finance Limited

FUND MANAGER'S REGISTERED OFFICE

14-15 Jewry Street
Winchester
Hampshire SO23 8RZ
United Kingdom

FUND MANAGER'S DIRECTORS

Hugh J P Stewart
Deborah N Hudson
Stephen Burton

FUND MANAGER'S REGULATOR

The Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom

STATEMENT OF MANAGER'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Limited Partnership Agreement requires the manager to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Fund and of the profit or loss of the Fund for that period. In preparing those financial statements, the manager is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Comply with applicable accounting standards 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 Fund will continue in business.

The manager is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and to enable it to ensure that the financial statements comply with the Limited Partnership Agreement. The manager is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Shackleton Secondaries 3 LP

FUND SUMMARY

Final Closing	24 April 2014
Vintage Year	2014
Total Commitments	£5,493,801
Domicile	United Kingdom
Legal Form	Limited Partnership
Structure	Equity and non-equity shares, loans, options and warrants
Investment Focus by Stage	Secondary purchases
Investment Focus by Geography	UK and Europe

EXECUTIVE SUMMARY AND MANAGER'S REPORT

Commitments and relative proportions of the Fund are as follows:

Partner	Proportion	Commitments £
Shackleton Secondaries 3 GP Limited (General Partner)	1.17%	71,735
European Secondary Development Fund IV LP	49.12%	2,971,126
Scottish Enterprise Fife	23.07%	1,395,301
Sigma Technology Investments Limited	8.14%	492,216
Scottish and Southern Energy plc	8.4%	508,001
Angus Morrison	-	27,711
David Douglas	-	27,711
	100.00%	5,493,801

As of 31 December 2014, the Fund had drawn down £4,984,956 of the total committed capital.

Fund Manager's Report

The fund manager presents its report on the affairs of Shackleton Secondaries 3 LP (hereafter "SS3LP"), together with the financial statements and auditor's report for the period ended 31 December 2014.

Activities

The principal activities of SS3LP are the purchase of venture capital investments from existing investors, and the development of such investments to realisation, including the provision of additional equity and loan finance to portfolio companies.

EXECUTIVE SUMMARY AND MANAGER'S REPORT (CONTINUED)

Review of developments and future activities

The 9 month period since the formation of the Fund on 24 April 2014 has been satisfactory. The Fund Net Asset Value rose by 13.6% over the period to 31 December 2014 to £5,554,316, representing an annual return of over 20%. Each of the three larger assets, AVITT, DEM and Exterity, has made good progress over the period in developing a strategy for growth towards exit. Some small realisations were also achieved for cash which has helped to minimise drawdowns and one cash-hungry company, Factonomy, was sold in a share-for-share exchange with a larger company Sentinex. Amongst the smaller assets, Nandi was noteworthy, raising £0.6m at an uplifted price.

No further transactions have taken place since the year end. Progress to date in 2015 has continued positively with a further small uplift in NAV in the first quarter.

Capital commitments and post balance sheet events

As at 31 December 2014 the fund had no outstanding commitments to invest in portfolio companies.

Fund size and committed capital

The new investments made from SS3LP are disclosed in note 4. Although there are likely to be follow-on investments in some portfolio companies, the overall fund size is not expected to increase materially, as a result of continued realisations.

Hugh Stewart

Hugh Stewart (Director – Shackleton Finance)
Date: 30 April 2015

Shackleton Secondary 3 LP

INVESTMENT SUMMARY

	31 December 2014 £
Capital Committed	5,493,801
Cumulative Fund Value	
Capital contributed	4,985,016
Less capital distributed	
Unrealised gain on revaluation	4,985,016
Operating loss	678,345
Realised gains and losses	5,663,361
General partner's share distributed	(95,052)
Value of Fund at period end	84,943
	(50,298)
Represented by:	5,602,954
Value of current portfolio	
Current assets	5,554,316
Current liabilities	76,466
	(27,829)
	5,602,954

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE UNITED PARTNERS OF SHACKLETON SECONDARIES 3 LP

We have audited the financial statements of Shackleton Secondaries 3 LP for the period ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members, as a body, in accordance with Regulation 9 of The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the partnership and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of manager and auditor

As explained more fully in the Manager's Responsibilities Statement set out on page 5, the manager is 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the manager was not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Nexia Smith & Williamson

Lindsay Manson
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

30 April 2015

Shackleton Secondaries 3 LP

PROFIT AND LOSS ACCOUNT for the period ended 31 December 2014

	Notes	Period ended 31 December 2014 £	Period ended 31 December 2014 £
Revenue			
Income		2,521	
Expenses	1,2 3	(97,573)	
Operating loss			(95,052)
Capital			
Realised gains from the repayment/sale of investments		84,943	
Unrealised gain on revaluation of investments		678,345	
Capital profit			763,288
Profit for the period			
SSSGP – Partnership Share			668,236
Retained Earnings brought forward			(50,298)
Retained Earnings carried forward			617,938

All of the Fund's operations are classed as continuing.

The notes on pages 14 to 20 form part of these financial statements.

Shackleton Secondaries 3 LP

BALANCE SHEET as at 31 December 2014

	Notes	At 31 December 2014 £	At 31 December 2014 £
Fixed asset investments			
Unlisted	4		5,554,316
Current assets			
Debtors	5	37,735	
Cash at bank		38,731	
			76,466
Creditors: amounts falling due within one year	6		(27,020)
Net current assets			48,738
Net assets			5,602,954
Capital and reserves			
Capital account	7	60	
Loan account	7	4,984,956	
Current account	7	-	
Retained earnings account	7	617,938	
Partners' funds			5,602,954

The financial statements were approved by the manager of the Fund on 30 April 2015 and were signed on its behalf by:

Hugh Stewart

Hugh Stewart (Director – Shackleton Finance Ltd)

The notes on pages 14 to 20 form part of these financial statements.

Registered number SL016534.

Shackleton Secondaries 3 LP

CASH FLOW STATEMENT for period ended 31 December 2014

	Notes		Period ended 31 December 2014 £	Period ended 31 December 2014 £	
Net cash outflow from operating activities	8			(104,959)	
Capital expenditure and financial investment					
Investment in unlisted companies – UK		(4,791,028)		(4,791,028)	
Net cash outflow for capital expenditure and financial investment				(4,895,987)	
Net cash outflow before financing					
Financing					
Total funds received in the period from the Partners General Partner's profit share distributed			4,985,016 (50,298)		
Net cash inflow from financing				(4,934,718)	
Increase in cash in the period				38,731	
Cash brought forward at start of period				-	
Cash carried forward at period end				38,731	
Reconciliation of net funds					
		At 17 April 2014	Cash inflow	Non-cash movements	At 31 December 2014
Cash in bank			38,731	-	38,731

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2014

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards and The Partnership (Accounts) Regulations 2008. A summary of the more important accounting policies adopted are described below.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Income

Income, which excludes value added tax, represents fees and dividends obtained from portfolio companies and interest income.

Expenses

Expenses represent set fees and management fees paid to the Fund Manager.

Investments

Investments are held at the Manager's estimate of Fair Value in accordance with BVCA Guidelines.

Investments are made with the intention of capital appreciation and the receipt of income.

Capital account

The capital account represents 0.001% of total committed funds in accordance with the Limited Partnership Agreement.

Loan account

The loan account is the aggregate of investments made by the Partners in the Fund.

Current account

The current account represents the amount of profit share which would be attributed and payable to the General Partner if sufficient profits were available. As required by the Limited Partnership Agreement, where insufficient profits are available, the Fund will advance a loan to the General Partner equivalent to the profit share accrued, such loan to be repaid by the General Partner on receipt of the relevant profit share when such profits become available.

Retained earnings

Retained earnings comprise the net position of total income and expenses to date.

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2014 (continued)

Accounting policies (continued)

Profit and loss account:

The Fund's business is to purchase, manage and exit investments in secondary holdings. The Manager has therefore decided to disclose the movements in the valuations of the investments on the face of the Profit and loss account rather than in the Statement of total recognised gains and losses.

2	Income	Period ended 31 December 2014 £
	Interest and similar income:	2,521
3	Expenses	Period ended 31 December 2014 £
	Audit fees: Professional and other fees	6,285 91,288
		97,573

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2014 (continued)

4 Fixed asset investments

	Total value b/bwd at 17 April 2014 £	Transferred from Predecessor Funds (see note below) £	Additions £	Disposals £	Unrealised appreciation/ Provision Release £	Total value c/bwd at 31 December 2014 £
Unlisted – UK						
AVIT	-	780,117	-	-	175,977	956,094
Dalapa	-	193,184	-	-	(93,166)	100,018
DEM Solutions Ltd	-	792,025	-	-	32,423	824,448
Exerity	-	2,801,388	-	-	568,212	3,369,600
Factionomy	-	53,638	140,000	(193,638)	-	-
IRT Surveys Ltd	-	78,957	-	-	46,707	125,664
Logicalware	-	66,020	-	-	(40,946)	25,074
Nandi Proteins	-	-	-	-	58,353	58,353
Senitorx	-	-	164,280	-	(69,213)	95,067
Investments total	-	4,765,330	304,280	(193,638)	-678,345	5,554,316

The investments are unquoted private companies, and accordingly there is limited financial information publicly available. Copies of the statutory accounts for the investments can be obtained on request from the Fund Manager.

The historic cost of the unlisted investments at 31 December 2014 is £4,875,972.

The investments were transferred into SS3LP by the Investors from predecessor funds at their market value at the date of transfer.

Shackleton Secondaries 3 LP

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2014 (continued)

4 Fixed asset investments (continued)
Associates

	Country of incorporation	Class of shares held	Proportion of the shares held	Aggregate amount of capital and reserves £m	Profit/(loss) for the period £m
AVIT	United Kingdom	Ordinary	26.9%	0.6	0.2
Datapa	United Kingdom	Ordinary	46.7%	0.1	0.0
DEM Solutions Ltd	United Kingdom	Ordinary	20.9%	0.7	0.1
Extensy	United Kingdom	Ordinary	28.4%	2.6	0.5
IRT Surveys Ltd	United Kingdom	Ordinary	37.2%	0.1	(0.1)
Nandi Proteins	United Kingdom	Ordinary	24.6%	0.1	(0.2)

* Relates to the latest available accounts:

5 Debtors	31 December 2014 £
Other debtors	37,735
6 Creditors: amounts falling due within one year	31 December 2014 £
Accruals and deferred income	27,828

Shackleton: Secondaries 3.LP.

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2014 (continued)

7 Partners: capital and current financial statements

A **Loan accounts**

Limited partner

	Balance at 17 April 2014	Initial investment	Drawdowns	Repayments	Balance at 31 December 2014
Limited partner	£	£	£	£	£
SSSGP	-	-	18,973	-	18,973
European Secondary Development Fund IV L.P.	-	2,593,173	99,952	-	2,693,125
Scottish Enterprise Fife	-	1,217,806	46,950	-	1,264,756
Sigma Technology Investments Limited	-	492,211	-	-	492,211
Scottish and Southern Energy plc	-	443,379	17,090	-	460,469
Angus Morrison	-	27,711	-	-	27,711
David Douglas	-	27,711	-	-	27,711
	-	4,801,991	182,965	-	4,984,956

NOTES TO THE FINANCIAL STATEMENTS for period ended 31 December 2014 (continued)

- 7 Partners' capital and current financial statements.
8 Capital and income accounts

Limited partner

SS3GP
European Secondary Development Fund IV L.P.
Scottish Enterprise, Fife
Sigma Technology Investments Limited
Scottish and Southern Energy plc
Angus Morrison
David Douglas
SS3GP Founder Partner

	Initial commitment £	Appropriated profit £	Total £
1	24,394	24,395	
30	337,784	337,814	
13	158,630	158,643	
5	39,376	39,381	
5	57,754	57,759	
-	-	-	
-	-	-	
6	-	6	
60	617,938	617,998	

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2014 (continued)

8 Reconciliation of operating loss to net cash outflow from operating activities

	Period ended 31 December 2014
Net operating loss	£
Increase in debtors	(95,052)
Increase in creditors	(37,735)
	27,828
Net cash outflow from operating activities	(104,959)

9 Capital commitments and post balance sheet event

There are no outstanding commitments that may be called without the Manager's consent.

10 Related party transactions

SS3GP was due £50,298 General Partner Share from SS3LP during the period. The balance due to SS3GP at 31 December 2014 was £Nil. No other member received any remuneration.

As at 31 December 2014, £3,770 was due from Shackleton Finance Limited, the fund manager.

As at 31 December 2014, £6,065 was due from the predecessor funds, Sigma Technology Venture Fund, Sigma Sustainable Energies Fund Limited Partnership and Sigma Innovation Fund (East of Scotland) in relation to fees payable on their behalf.

11 Ultimate controlling party

At 31 December 2014, the immediate controlling party is considered to be Shackleton Secondaries 3 GP Limited (General Partner) a wholly owned subsidiary of Shackleton Ventures Limited. However, the beneficial interest of the Fund is retained by the Limited Partners.