SVG Diamond Private Equity III plc

Unaudited Consolidated Financial Statements

For the Six Months ended 30 September 2013

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SVG Diamond Private Equity III plc

Company Information

30 September 2013

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Portfolio administrator, trustee and cash manager
The Bank of New York Mellon (Ireland) Limited
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Administrator and registrar
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Company secretary
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Independent auditors
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[1] Formerly SVG Managers Limited (see Note 21 in the financial statements)
[2] Formerly SVG Advisers Limited (see Note 21 in the financial statements)

SVG Diamond Private Equity III plc

Fund Summary

30 September 2013

Overview

SVG Diamond Private Equity III plc ("SVG Diamond III" or the "Company") is a €600.0 million* closed-ended investment company whose investment objective is to earn superior returns through investments in private equity funds.

SVG Diamond III was designed to deliver investment returns by using a combination of debt and equity to fund commitments. The capital structure at 30 September 2013 comprises €300.0 million of debt (31 March 2013: €320.0 million), provided by a long term senior revolver facility and €280.0 million of callable equity.

General information

Structure/domicile: Closed ended Investment Company/ Irish domicile
Registered number: 434572
Reporting currency: Euro
Investment period: May 2007 – March 2012*
* Early termination in Q4 2011
Legal life: 15 years, subject to certain exceptions

Reporting calendar:

31 March (year end)
30 September

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Equity calls (due date)	€000's	Call amount
17 May 2007	56,000	20%
8 February 2008	14,000	5%
18 July 2008	14,000	5%
29 October 2008	14,000	5%
12 December 2008	14,000	5%
13 March 2009	33,600	12%
16 April 2009	28,000	10%
28 June 2010	28,000	10%
Total	201,600	72%

*Following the renegotiation and reduction of the debt facility, the total fund size was reduced from €700 million to €600 million on 1 April 2010. The nature of SVG Diamond III is that the debt facility will be reduced over time, as SVG Diamond III matures.

SVG Diamond Private Equity III plc

Investment Adviser's Report

30 September 2013

SVG Diamond Private Equity III plc ("SVG Diamond III" or the "Fund") is a €600.0 million[1] vehicle. The capital structure consists of a senior long term revolving credit facility[2] and callable equity.

The Central Bank of Ireland requires the Fund to publish its interim accounts within two months after the end of its semi-annual period. Accordingly, these accounts will not capture 100% of the September valuations issued by the General Partners ("GPs") of the underlying funds. Typically, when the Fund is not in receipt of the September valuations, roll forward valuations from 30 June are used unless the Directors consider such valuations to be inappropriate. As at 21 November 2013, SVG Diamond III had received 27 out of 39 GP valuations at 30 September 2013 which accounted for 70% of the Fund's portfolio value. These valuations have been incorporated into the interim accounts resulting in a total return of circa €11.3 million at the Fund level. 12 GP valuations were not received by the reporting cut-off date of 21 November 2013 and are therefore not incorporated in these interim accounts (for these funds 30 June 2013 roll forward valuations have been used).

Overview

SVG Diamond III's performance has continued to strengthen over the six months to 30 September 2013. The Fund reported a total return on shareholders' net asset value ("NAV") of 8.4%[3], as a result of the valuation growth from the underlying portfolio and the enhancing effect of SVG Diamond III's leveraged structure.

The underlying portfolio reported a total return of 3.3%[3] in the six months to 30 September 2013[3]. On a constant currency basis, the performance of the underlying portfolio over the period was 5.3%[3,4]. The US dollar depreciated against the Euro by 5% which adversely impacted the Euro value of the US dollar denominated portfolio (which represents c.40% of the portfolio). However, at the Fund net asset level, the impact of the depreciation of the US dollar on the portfolio was partially offset by the Fund's US dollar borrowings. €40.2million[5] of distribution proceeds were received over the six month period, with the majority of these being used to deleverage the Fund.

The growth in Fund NAV over the last six months is presented in the table below.

	Unaudited 30 September 2013	Audited 31 March 2013
Value of investment portfolio	€378.9 million[3]	€394.5 million
Net liabilities	(€233.5 million)	(€260.4 million)
NAV (IFRS basis)	€145.4 million[3]	€134.1 million
Total equity called	€201.6 million (72%)	€201.6 million (72%)
NAV per share (IFRS basis)[6]	€0.7213[3]	€0.6652
	6 months to 30 September 2013	12 months to 31 March 2013
Growth in NAV (IFRS basis)	8%[3]	25%

This equates to a net asset value per share of:

	Unaudited 30 September 2013	Audited 31 March 2013
A Shares (IFRS basis)	€0.7399[3]	€0.6828
B Shares (IFRS basis)	€0.6479[3]	€0.5955

1 Following the renegotiation and reduction in size of the debt facility, the total Fund size was reduced from €700.0 million to €600.0 million on 01 April 2010 (senior facility €320.0million, callable equity €280.0 million). On 10 May 2013 the bank facility was reduced by €20.0 million. Since the reporting period end, the bank facility was reduced by a further €20.0 million

2 Available subject to compliance with its terms

3 Based on 27 out of 39 GP valuations at 30 September 2013 which accounted for 70% of the Fund's portfolio value, with the remainder based on roll forward valuations from 30 June 2013

4 Using FX rates as at 31 March 2013

5 Including income distributions

6 Aggregate NAV per share for the A and B shares combined and excluding uncalled equity from shareholders

Highlights

- The Fund's NAV was €145.4[1] million at 30 September 2013 which equates to an NAV per (paid-in) share of €0.72[1,2]
- The underlying portfolio reported a total return of 3.3%[1] over the six months to 30 September 2013 (5.3%[1,3] on a constant currency basis)[3]
- We have seen continued exit activity from the underlying funds over the six month period. Distributions for the six months totalled €40.2 million[4] (six months to 30 September 2012: €46.9 million[4]) and we believe the Fund's exit pipeline is strong in the short to medium term
- At 30 September 2013, SVG Diamond III had total commitments[5] of €534.3 million to a portfolio of 39 funds. These were valued at €378.9 million[1] with unfunded commitments of €67.9 million. SVG Diamond III's financial headroom remains strong and its unfunded commitments are covered twice by available funding of €141.8 million[6]
- In May 2013, given the improvement in the Fund's liquidity position, the senior revolving credit facility was reduced to €300.0 million (€320.0 million at 31 March 2013). Since the reporting period end, on 18 October 2013, the bank facility was reduced by a further €20.0 million taking it to €280.0 million. A reduction in the facility results in a lower non-utilisation financing cost which is for the benefit of the equity investors
- Investors' equity remains 72% paid in. The 5% mandatory equity call due at the end of July 2013 was cancelled, following approval by the majority lender, Lloyds Bank plc ("Lloyds").

Financial summary

SVG Diamond III has sufficient liquidity and borrowing headroom to meet its future obligations. At 30 September 2013, the debt of the Fund was €224 million and the senior loan facility LTV was 48% against a covenant of 65% (31 March 2013: debt €251million, LTV 52%).

Equity deferral

SVG Diamond III was due to issue a 5% mandatory equity call at the end of July 2013. As communicated to investors in Q2 2013, the Fund's majority lender, Lloyds agreed to cancel this mandatory equity call in light of the improving performance of the Fund.

We believe this is a favourable outcome for the Fund and its investors. SVG Diamond III has called 72% of shareholders' equity in aggregate. Our latest base case modelling scenario suggests no further equity calls will be required. The uncalled equity obligation therefore remains at 28% of total equity commitments (€78.4 million out of total equity commitments of €280.0 million).

In due course, we will hold discussions with the lenders to extend the term of the facility which is due to expire in mid 2015.

Aberdeen SVG continues to monitor SVG Diamond III's current financial and liquidity position carefully.

Reduction in the senior credit facility

Given the continued improvement in the Fund's liquidity position, in May 2013 the facility[7] was reduced from €320.0 million to €300.0 million. Since the reporting period end, the bank facility was reduced by a further €20.0 million. Looking forward, the aim will be to continue to bring down the size of the facility in line with the prospective funding requirements of SVG Diamond III. We anticipate reducing the facility by a further €20.0 million by the end of Q1 2014.

Portfolio summary

At 30 September 2013, the 20 largest fund commitments represent 78% of the portfolio value. The private equity portfolio comprises 36 fund commitments representing 87% of the total portfolio by value. The mezzanine portfolio comprises three fund commitments representing 13% of the total portfolio by value.

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1 Based on 27 out of 39 GP valuations at 30 September 2013 which accounted for 70% of the Fund's portfolio value, with the remainder based on roll forward valuations from 30 June 2013

2 Aggregate NAV per share for the A and B shares combined and excluding uncalled equity from shareholders

3 Using FX rates as at 31 March 2013

4 Including income distributions

5 Total commitments equals primary commitments plus the cost of secondary investments and the uncalled commitments at purchase date translated at 30 September 2013 foreign exchange rates

6 Includes €55.7 million of undrawn senior loan facility after adjusting for the reduction by €20.0million in October 2013 (available subject to compliance with its terms), cash resources of €7.7 million and uncalled equity of €78.4 million

7 Available subject to compliance with its terms

An encouraging 82%[1] of the underlying funds (by number) continue to be valued above cost (31 March 2013: 87%). Though this has fallen slightly over the period, a greater portion of the underlying funds are now reporting gains over €1.0 million. At 30 September 2013, 77% of the underlying funds reported gains over €1.0 million versus 74% at to 31 March 2013. Valuation growth by investment focus has been most pronounced in large buyout assets which continue to represent the largest share of the portfolio.

The performance of the Fund's mezzanine portfolio has seen a steady improvement over the six month period. Two out of the three funds had de-levered at 30 September 2013, with the third still in its investment period. SVG Diamond III has received distributions of €5.8 million from its mezzanine portfolio in the six month period and we believe this trend should continue for the remainder of the financial year.

Although SVG Diamond III's portfolio has, to date, performed well against difficult markets, we continue to actively monitor the private equity and mezzanine investments as well as portfolio cash flow activity. We are in regular discussion with GPs to keep abreast of on-going operating and financial performance trends.

A summary of the performance and activity of the underlying funds as at 30 September 2013 is as follows:

Performance since inception[2]	Number of funds[1] 30 September 2013	Number of funds 31 March 2013
Gains over €1.0 million	30	29
Gains €0.0 - €1.0 million	2	5
Losses €0.0 - €1.0 million	3	1
Losses over €1.0 million	4	4
Total	39	39

There were 557 underlying companies in the portfolio[3] following the exit of 24 and entry of 12 over the six month period.

Set out below is a list of the top 20 company investments (by value) in SVG Diamond III's private equity portfolio as at 30 June 2013 (latest available), which on a look through basis constitutes circa 20% of the total private equity portfolio value. Since 30 June 2013, three out of the top twenty companies have completed a full or partial exit and these exits have produced strong returns.

Company name	GP	Year of investment	Geography / HQ	Description
Hugo Boss (partial exit, proceeds received in Q4 2013)	Permira	2007	Italy	Fashion retailer
Evonik	CVC	2008	Germany	Operates in the chemical, energy and retail estate business
Arysta LifeScience Corporation	Permira	2008	Japan	Agro-chemical company
TMF Group	Doughty Hanson	2008	Netherlands	Business process outsourcing company
Quiron	Doughty Hanson	2012	Spain	Provides surgical services
NPC International Holdings	Olympus	2011	US	Franchisee of pizza hut restaurants
iglo Group	Permira	2006	UK	Frozen foods business
Asurion	Madison, Providence & Welsh Carson	2007	US	Provider of technology protection services
PT Matahari Department Store	CVC	2010	Indonesia	Operates a department store chain
ProSiebenSat.1 Media AG	Permira & KKR	2007	Germany	Commercial broadcaster

1 Based on 27 out of 39 GP valuations at 30 September 2013 which accounted for 70% of the Fund's portfolio value, with the remainder based on roll forward valuations from 30 June 2013

2 Portfolio gains and losses exclude foreign exchange movements

3 As at 30 June 2013, the latest date at which full company level data is available

Company name	GP	Year of investment	Geography / HQ	Description
Harvey Gulf International Marine	The Jordan Company	2008	US	Marine transportation company
Vue Entertainment (full exit, proceeds received in Q3 2013)	Doughty Hanson	2010	UK	Cinema company
Milestone Aviation Group	The Jordan Company	2010	Ireland	Provides aircraft leasing
CommScope (partial exit, proceeds received in Q3 2013)	Carlyle	2011	US	Communications network provider
Just Retirement	Permira	2009	UK	Provider of retirement products and services
Hilton Hotels	Blackstone	2007	US	Hotel provider
Acromas	Permira, CVC	2005	UK	Insurance, financial services and travel assistance
Avio	Cinven	2006	Italy	Manufacturer of aerospace propulsion components and systems
Partnership Life Assurance	Cinven	2008	UK	Life assurance provider
NBTY	Carlyle	2010	US	Supplier of nutritional and wellness products

<u>Portfolio calls and distributions</u>

A favourable exit environment together with a maturing portfolio has led to a trend where distributions have outpaced calls. SVG Diamond III received distributions over the six month period ended 30 September 2013 of €40.2 million[1] (six months to 30 September 2012: €46.9 million[1]). Calls paid over the period totalled €11.1 million, which was significantly less than for the same period last year (six months to 30 September 2012: €23.3 million). Looking forward we expect distributions to continue to outpace calls for the remainder of the year and into 2014.

Since 30 September 2013, the Fund has received a further €4.3 million of distributions[1,2] and paid calls of €2.5 million[2]. This brings total distributions received since inception to €269.1 million[1] and calls paid since inception to €507.5 million.

Set out below is a summary of the top five GP distributions and calls made during the six months to 30 September 2013.

Top five distributions (aggregate for each fund over the period)	Amount distributed during the six month period
Alcentra Mezzanine Fund II	€5.8 million
Doughty Hanson & Co. V	€5.2 million
CVC Capital Partners Asia Pacific III	€4.6 million
Advent International GPE VI	€3.2 million
The fourth Cinven Fund	€2.4 million

Top five calls (aggregate for each fund over the period)	Amount called during the six month period
Alcentra Mezzanine Fund II	€3.1 million
Carlyle Europe Partners III	€2.0 million
CVC European Equity Partners V	€1.8 million
Towerbrook Capital Partners III	€1.6 million
Bridgepoint Europe IV	€1.1 million

1 Including income distributions

2 As at 31 October 2013

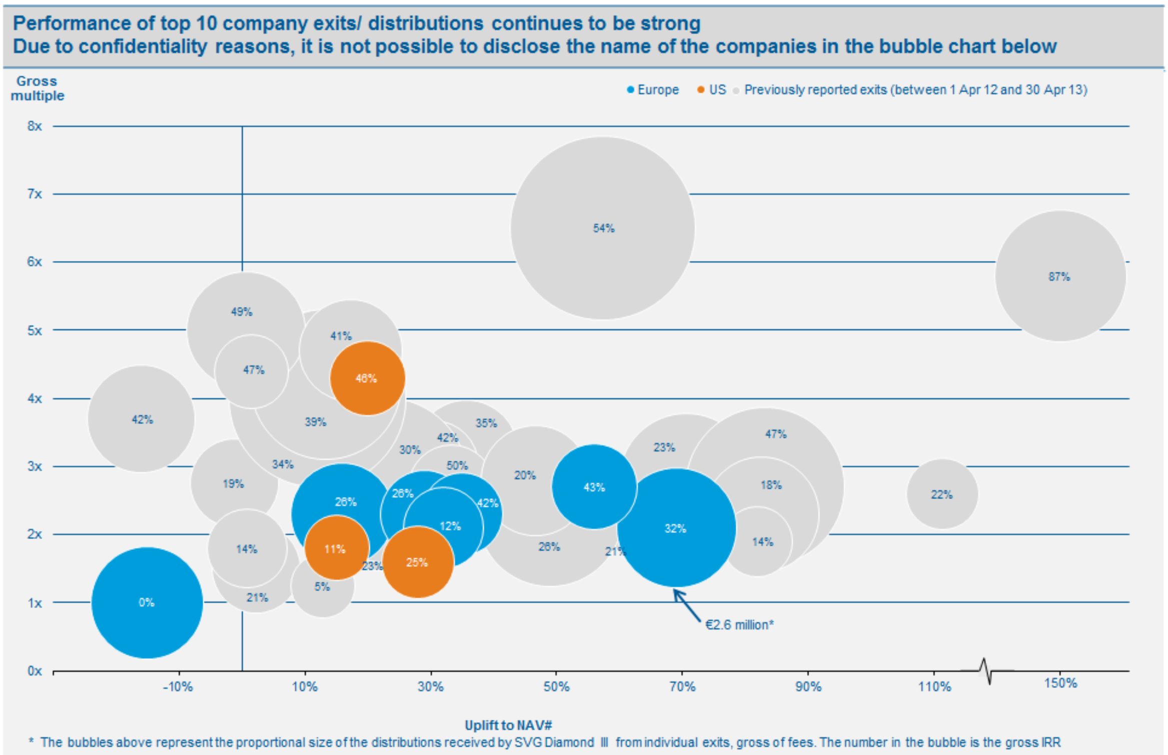
SVG Diamond Private Equity III plc

Investment Adviser's Report

30 September 2013

<u>Performance of the top 10 company exits/distributions</u>

The analysis below is based on distributions from company exits (including both full and partial realisations) between 1 May 2013 and 31 October 2013.



<u>Note:</u>

Gross IRRs and gross exit multiples are based on information provided by the GPs. Where information is not available, a best estimate has been used.

The performance analysis above represents gross returns generated by GPs before deducting costs (including fees and carried interest generated by the respective fund). Accordingly, final returns to SVG Diamond III are expected to be lower than those shown above.

#Uplift to NAV - previously reported exits (grey bubbles) show uplift to December 2011 NAV or June 2012 NAV dependent on the time of realisation. Current exits (orange and blue bubbles) show the uplift to 31 December 2012 NAV.

We note the following trends:

- Realisations were achieved via a combination of trade sales, dividend recapitalisations, secondary exits as well as sale of quoted shares in light of strong debt and equity capital markets;
- The majority of the top ten realisations (presented in blue and orange bubbles) were at attractive returns, similar to the trend observed in prior periods. Most of these realisations have delivered an uplift to their reported book value at 31 December 2012
- By geography, seven out of the top ten realisations originated from Europe with gross multiples ranging from cost to 2.7x and gross IRRs ranging from nil to 43%. The one realisation at cost relates to an underperforming asset in the transportation sector in Spain which was exited after being owned by a European buyout fund for six years mainly due to the adverse impact of operating in a market that has continued to remain challenging;
- The best performing realisation was the partial exit of a US payment processing technology company which generated a gross money multiple of 4.3x and an IRR of 46%
- Seven out of ten realisations were from investments that were made during 2009 to 2011 (i.e. post the global financial crisis in 2008). These realisations have generated strong returns in a relatively short time period (IRR ranging from 25% - 46%) demonstrating the attractiveness of making high quality investments in a post crisis vintage.

Sector analysis by underlying company[1]
The portfolio's sector distribution has remained broadly unchanged since the last reporting period and remains well diversified across industries.

	30 June 2013 %	31 December 2012 %
1. Consumer	31	32
2. Industrials	18	18
3. Healthcare	15	14
4. Information technology	9	8
5. Materials	8	9
6. Financials	8	8
7. Media and telecoms	8	8
8. Energy	3	3
9. Real estate	-	-
10. Utilities	-	-

Vintage analysis by underlying company[1]
As we would expect, the change to the portfolio's vintage composition came from companies entering the portfolio in 2013 as well as some being exited from the 2006 vintage.

	30 June 2013 %	31 December 2012 %
2013	2	-
2012	11	9
2011	13	13
2010	13	13
2009	6	6
2008	10	11
2007	21	22
2006	5	7
2005	1	1
2004 and before	1	1
Unfunded	17	17

Valuation analysis by underlying company[1]
It has been encouraging to see continued improvement in the underlying portfolio with over 76% now valued on an earnings basis (up from 72% in December 2012).

	30 June 2013 %	31 December 2012 %
Earnings	76	72
Written down - earnings	11	12
Quoted	9	9
Cost	4	7

1 Data is for the value of underlying company investments at 30 June 2013 - the latest date at which full information at the company level is available. The analysis represents SVG Diamond III's ownership in the private equity portfolio and the gross (unlevered) mezzanine portfolio on a company by company basis

Deal type analysis by underlying company[1]
71% of the portfolio represents MBO/MBI deals, following the addition of new companies to the portfolio, together with valuation increases in this classification.

	30 June 2013 %	31 December 2012 %
MBO/MBI	71	65
Mezzanine	14	18
Development capital	10	11
Quoted	3	4
Early stage	1	1
Debt	1	1

Geographic profile[2]
The geographic profile of the portfolio has remained fairly constant since the last reporting period.

	30 September 2013 %	31 March 2013 %
1. Europe (including UK)	62	61
2. United States	33	34
3. Other	5	5

Investment stage[2]
The portfolio's investment stage has remained broadly unchanged over the year with nearly all the portfolio weighted towards buy-out/development capital funds, in line with SVG Diamond III's investment guidelines.

	30 September 2013 %	31 March 2013 %
1. Buy-out/development capital	81	82
2. Mezzanine	17	16
3. Venture capital	2	2

Maturity analysis[2]
Given no new commitments have been made since October 2008, the slight change in maturity profile of SVG Diamond III's portfolio has been a result of foreign exchange movements.

	30 September 2013 %	31 March 2013 %
2008	16	16
2007	29	29
2006	29	29
2005	15	14
2004 and before	11	12

Market environment
In spite of on-going wider market uncertainties we have seen the global stock market continue to build on its positive momentum, with some indexes reaching new highs. This has largely been driven by the US Federal Reserve's ("Fed's") decision to maintain its accommodative monetary policy, as well as positive sentiment emerging from the Eurozone. With the Fed delaying tapering until there is a sustained improvement in the US, the general consensus suggests this will be pushed out until Q1 2014, despite more recently published data showing better than expected job creation figures and GDP growth in the third quarter in the US.

1 Data is for the value of underlying company investments at 30 June 2013 - the latest date at which full information at the company level is available. The analysis represents SVG Diamond III's ownership in the private equity portfolio and the gross (unlevered) mezzanine portfolio on a company by company basis
2 Analysed by current total commitments at 30 September 2013

Market environment (continued)

Across Europe, sentiment has generally improved with the Eurozone emerging from recession and manufacturing expanding in Q2 2013. The euro has continued to appreciate against the US dollar, gaining 5.8% this year and hitting a two year high, seemingly reflecting fears over a loss of momentum in the US recovery and improvements in the Eurozone outlook. Despite this, in November the ECB, in a surprise yet decisive move, cut interest rates to a record low in response to an outlook of possible deflation and weaker than anticipated economic activity. In the UK, GDP increased by 0.8% in Q3 2013 compared with Q2 2013, with output increasing across all four main industrial groupings within the economy: agriculture, production, construction and services, all of which contributed to this being the best quarterly performance since 2010[1]. The latest global growth figures from the IMF are cognisant that a number of challenges remain in the form of slowing growth, political risks and tight global financial conditions, with GDP forecasts downgraded to 2.9% from 3.2% for 2013, and to 3.6% from 3.8% for 2014[2].

Turning to private equity, we have seen confidence returning to the sector, with improved deal activity year to date. Over the first three quarters of 2013 global private equity deal flow increased to US$216 billion, compared to US$184 billion in the same period last year[3]. European deal flow has been buoyant with Q3 2013 being the strongest quarter by value for three years, completing almost €20.0 billion of deals (Q2 2013: €8.7 billion)[4]. In the US too, deal activity in Q3 2013 rose by 39.2% on the previous quarter[5] as firms continued to put dry powder to use and take advantage of strong credit markets.

Global exits have continued apace[6] as GPs look to return capital ahead of fundraising and continue to take advantage of the favourable exit conditions. The global IPO market is proving a viable exit route for GPs with proceeds of US$24.4 billion from 197 deals expected in Q3 2013[7]. Though this is down 4% in terms of deal numbers from Q2 2013, this is in line with historical trends of slower activity over the summer months[8]. Furthermore, it is anticipated that the global IPO market will continue its momentum into 2014 as investor sentiment improves. Private equity has been a key driver of IPO activity in Europe, accounting for 56% of proceeds in deals over US$100 million. This is to be contrasted with 2012 where private equity backed deals accounted for just 10% for the whole year[6]. As holding periods have lengthened GP have taken advantage of receptive debt markets to refinance portfolio companies to access cheaper and longer-dated financing. Further to this, we are seeing an increasing number of dividend recapitalisations at the portfolio company level, with US$8.2 billion worth of private equity backed dividend recapitalisations in the first three quarters of 2013, the highest level since the same period in 2007[9].

Fundraising efforts are on-going, with success remaining mixed; a total of 187 buyout funds closed globally in Q3 2013 raising an aggregate US$89 billion, up 22% from the same period last year[10]. However, there has been a decline in the number of funds holding a final close in 2013 compared to 2012, which supports our view that there will continue to be a bifurcation of the private equity market.

Though the Alternative Investment Fund Managers Directive ("AIFMD") came into force in the UK on 22 July 2013, the impact of the directive on the private equity market is still being played out. What is clear however, is that the AIFMD will create a much tighter regulatory framework for alternative investment fund managers when the transitional arrangements come to an end in July 2014.

To conclude, a number of macro-risks continue to exist impacting the environment in which the Fund's underlying companies operate. However, our bottom-up analysis of the quality of the underlying portfolio affirms our view that the majority is of a good quality and continues to perform well.

1 Office for National Statistics, 'Gross Domestic Product Preliminary Estimate, Q3 2013', 25 October 2013

2 International Monetary Fund, 'World Economic Outlook, Transitions and Tensions', October 2013

3 Preqin deal database, accessed on 31 October 2013

4 Ernst and Young, 'Multiple: European private equity watch', Q3 2013

5 Mergermarket, 'Mergermarket Q1-Q3 M&A Trend Report', October 2013

6 Preqin, 'Q3 2013 Private Equity-Backed Buyout Deals and Exits', October 2013

7 Ernst and Young, 'EY Global IPO Trends Report', Q3 2013

8 Ernst and Young, 'Global IPO activity slows in Q3 but set for uplift in coming months', 25 September 2013

9 Financial News, 'Private equity dividend recaps top $8bn', 17 October 2013

10 Preqin, 'The Preqin Quarterly Update: Private Equity', Q3 2013

SVG Diamond Private Equity III plc

20 Largest Investments

30 September 2013

SVG Diamond III's 20 largest investments[1] by value at 30 September 2013 are as follows:

1. Permira IV	
Original fund commitment (€ million)	25.0
Vintage year	2006
Called	94%
Value (€ million)	23.9
Permira focuses on buy-outs/ins and growth capital investments in European businesses or in global businesses which have or intend to have significant activities in Europe. Permira IV may invest up to 30% of its committed capital in businesses which do not have or intend to have significant activities in Europe. Permira IV is a €9.6 billion fund.	

2. Carlyle Europe Partners III	
Original fund commitment (€ million)	20.0
Vintage year	2006
Called	88%
Value (€ million)	18.9
The Carlyle Group established its operations in Europe in 1996. Focused on European buy-outs with enterprise values between €250.0 million and €750.0 million, Carlyle Europe Partners III focuses its investments in the following industries: automotive components, media and publishing, telecommunications, manufacturing, aerospace, building products, defence and chemicals.	

3. Alcentra Mezzanine Fund II	
Original fund commitment (€ million)	25.0
Vintage year	2007
Called	86%
Value (€ million)	18.3
Alcentra's second fund follows a similar strategy to its predecessor fund. Alcentra Mezzanine Fund II is focussed on identifying investment opportunities in mezzanine, PIK and equity instruments in cash generative European buy-outs. The fund targets mid to large transactions.	

4. Blackstone Capital Partners V	
Original fund commitment (€ million)	18.5 (US$25.0)
Vintage year	2005
Called	90%
Value (€ million)	18.1
Blackstone Capital Partners V is a US$21.7 billion fund that invests in large buy-outs with enterprise values in excess of US$500.0 million. The fund predominantly invests in the US but it also has some European exposure.	

1 Based on 27 out of 39 GP valuations at 30 September 2013 which accounted for 70% of the Fund's portfolio value, with the remainder based on roll forward valuations from 30 June 2013

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5. Alcentra Mezzanine Fund I	
Original fund commitment (€ million)	25.0
Vintage year	2005
Called	98%
Value (€ million)	17.0
The Alcentra Mezzanine Fund I is a dedicated European mezzanine fund focused on senior and junior mezzanine debt, as well as payment-in-kind instruments. The fund has made the majority of its investments in sponsored leveraged buy-out transactions.	

6. CVC European Equity Partners V	
Original fund commitment (€ million)	25.0
Vintage year	2008
Called	73%
Value (€ million)	16.4
CVC is a pan-European private equity group principally dedicated to management buy-outs, buy-ins, acquisitions, recapitalisations and growth equity on a pan-European basis.	

7. Friday Street Mezzanine Fund	
Original fund commitment (€ million)	30.0
Vintage year	2005
Called	89%
Value (€ million)	15.1
Friday Street Mezzanine Fund is a leveraged mezzanine fund focused on European investments which was launched by the Mizuho Finance Group, which has since been acquired by 3i Group.	

8. Olympus Growth Fund V	
Original fund commitment (€ million)	14.8 (US$20.0)
Vintage year	2007
Called	86%
Value (€ million)	14.6
Olympus follows the strategy of value-oriented investing in growing mid-market businesses through leveraged buy-outs, and late-stage growth capital transactions. Olympus Growth Fund V will invest opportunistically in a wide range of industries.	

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9. Bridgepoint Europe IV	
Original fund commitment (€ million)	15.0
Vintage year	2007
Called	81%
Value (€ million)	14.3
Bridgepoint is a pan-European mid-market buyout firm with offices throughout Western Europe. The Fund will target companies with an enterprise value of between €20.0 million and €1.0 billion across a number of sectors.	

10. Industri Kapital 2007	
Original fund commitment (€ million)	15.0
Vintage year	2007
Called	97%
Value (€ million)	13.9
Established in 1989, Industri Kapital is a private equity firm that focuses on mid-market buy-outs in northern Europe. Industri Kapital 2007 is a €1.7 billion fund that makes equity investments in the range of €50.0 million to €150.0 million seeking control positions in the businesses that it acquires	

11. The fourth Cinven Fund	
Original fund commitment (€ million)	15.0
Vintage year	2006
Called	87%
Value (€ million)	13.8
The fourth Cinven Fund is a €6.5 billion fund which focuses on large buy-outs, involving companies with enterprise values in excess of €500.0 million and requiring equity investments of over €100.0 million.	

12. Advent International GPE VI	
Original fund commitment (€ million)	12.5
Vintage year	2008
Called	95%
Value (€ million)	13.6
Advent International GPE VI pursues the same strategy employed by predecessor funds, investing principally in buy-outs and to a lesser extent in growth capital and turnaround opportunities in Europe and North America.	

SVG Diamond Private Equity III plc

20 Largest Investments

30 September 2013

13. Carlyle Partners V	
Original fund commitment (€ million)	14.8 (US$20.0)
Vintage year	2007
Called	81%
Value (€ million)	13.1
Carlyle Partners V is a US$13.7 billion fund and focuses on larger companies, predominantly based in the US. The fund focuses on the consumer, telecommunications, aerospace, healthcare, logistics and manufacturing sectors.	

14. Green Equity Investors V	
Original fund commitment (€ million)	14.8 (US$20.0)
Vintage year	2006
Called	91%
Value (€ million)	13.0
Green Equity Investors V is a US$5.3 billion US mid-market buy-out fund. The fund primarily targets established companies with enterprise values between US$300.0 million and US$2.0 billion. The average equity investment of the fund is between US$100.0 million and US$500.0 million. The manager makes control buy-outs in companies and also invests in distressed situations, public-to-private transactions and corporate carve-outs. The fund has a sector-specific approach in consumer-oriented businesses, with preference for control investments in the retail, consumer products, distribution, media and business services sectors.	

15. CVC European Equity Partners Tandem Fund	
Original fund commitment (€ million)	20.0
Vintage year	2007
Called	90%
Value (€ million)	12.9
CVC European Equity Partners Tandem Fund is a €4.1 billion co-investment vehicle for CVC European Equity Partners IV, a €10.8 billion fund, which focuses on management buy-outs, buy-ins, acquisitions, recapitalisations and growth equity on a pan-European basis.	

16. The Resolute Fund II	
Original fund commitment (€ million)	14.8 (US$20.0)
Vintage year	2007
Called	75%
Value (€ million)	12.7
The Resolute Fund II will seek to invest between US$50.0 million and US$400.0 million of equity in established and well-managed businesses with enterprise values between US$50.0 million and US$2.0 billion. This is a generalist fund and will invest primarily in North America and opportunistically in China.	

SVG Diamond Private Equity III plc

20 Largest Investments

30 September 2013

17. Doughty Hanson & Co. V	
Original fund commitment (€ million)	22.5
Vintage year	2006
Called	78%
Value (€ million)	12.3
Doughty Hanson & Co. V is a €3.0 billion fund that focuses on taking control positions targeting a diversified portfolio of mid-market buy-outs. The fund predominantly focuses on European opportunities, although up to 10% may be invested in businesses whose headquarters and operations are primarily based outside Europe.	

18. KKR 2006 Fund	
Original fund commitment (€ million)	14.8 (US$20.0)
Vintage year	2006
Called	93%
Value (€ million)	11.4
KKR focuses on large buy-out transactions. The 2006 fund is a US$17.6 billion fund primarily targeting investments in the US and Canada with enterprise values in excess of US$1.0 billion and equity investments between US$500.0 million and US$1.0 billion.	

19. Equistone Partners Europe Fund III	
Original fund commitment (€ million)	20.0
Vintage year	2007
Called	89%
Value (€ million)	10.4
Equistone (formally known as Barclays Private Equity) is a leading European private equity investor focusing on mid-market buy-outs in four key markets: UK, France, Germany and Italy. Barclays Private Equity Fund III is a €2.4 billion fund which typically acts as lead investor, targeting companies with enterprise values between €25.0 million and €250.0 million.	

20. Madison Dearborn Capital Partners V	
Original fund commitment (€ million)	11.1 (US$15.0)
Vintage year	2006
Called	83%
Value (€ million)	10.4
Madison Dearborn is a buy-out investor that generally seeks to invest between US$100.0 million and US$600.0 million of equity per transaction. Madison Dearborn Capital Partners V is a US$6.5 billion fund which predominantly focuses on the following sectors; basic industries, communications, consumer, financial services, healthcare and real estate.	

SVG Diamond Private Equity III plc

Interim Management Report

30 September 2013

Principal activity and review of the business

SVG Diamond Private Equity III plc (the "Company") was incorporated on 12 February 2007 as a closed-ended investment company under Part XIII of the Companies Act 1990 and is governed by and in compliance with the laws of Ireland. It is authorised in Ireland by the Central Bank of Ireland for marketing to Qualifying Investors. Accordingly, while the Company is authorised by the Central Bank of Ireland, the Central Bank of Ireland has not set any limits or other restrictions on the investment objectives, the investment policies or the degree of leverage which may be employed by the Company nor has the Central Bank of Ireland reviewed its prospectus.

SVG Diamond Private Equity III plc has one wholly owned subsidiary, SVG Diamond Private Equity Holdings III Limited (the "Subsidiary Company") together referred to as the Group. The Subsidiary Company was incorporated on 17 April 2007. The Company raises funds through the issuance of shares to investors and applies the entire proceeds to subscribe for Certificates issued by the Subsidiary Company. The Company does not carry on any investment activity other than subscribing for the Certificates issued by its Subsidiary Company. All investment and borrowing activities are undertaken by the Subsidiary Company. The Subsidiary Company also pays all expenses incurred by the Company. The Company’s shares are listed on the Irish Stock Exchange (the "ISE") but are not actively traded.

Important events during the period and the impact of those events on the interim financial statements

The Directors note the performance of the investment portfolio during the period showed a net gain of €9,254,073 (30 September 2012: €21,434,530). The total comprehensive income for the period amounts to €11,321,967 (30 September 2012: income of €8,244,515).

The investment adviser’s report and accompanying analysis of the 20 largest investments on pages 3 to 15 contain a more detailed review of the principal individual fund investments and an overview of the geographic operating segments in which the Company operates.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are set out in note 17 to the interim financial statements and primarily relate to the valuation of the investments held by it. The valuation of investments is subject to risks arising from general and country specific economic factors in addition to the individual risks to each investment. The Company is a leveraged investment fund and must ensure ongoing compliance with the covenants set out in its bank facilities. This is managed through the investment strategy in place and the calling of shareholder capital as set out in note 17.

The Directors expect the nature of risks to which the Company is exposed to, to remain the same through the remainder of the financial period.

On behalf of the Board:

Jonathan Hanly
Karen McCrave

22 November 2013

Statement of Directors' Responsibilities

30 September 2013

The Directors confirm that to the best of their knowledge:

- The interim financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit of the group.
- The interim management report includes a fair review of:
  - The important events that have occurred over the first six months of the year;
  - The impact of those events on the interim financial statements; and
  - A description of the principal risks and uncertainties for the remaining six months of the financial year (disclosed in note 17 to the interim financial statements).

On behalf of the Board:

Jonathan Hanly
Karen McCrave

22 November 2013

SVG Diamond Private Equity III plc

Unaudited Consolidated Statement of Comprehensive Income

For the period ended 30 September 2013

	Note	1 April 2013 to 30 September 2013			1 April 2012 to 30 September 2012		
		Revenue €	Capital €	Total €	Revenue €	Capital €	Total €
Investment and interest income	3	4,155,658	-	4,155,658	3,385,885	-	3,385,885
Other operating income		-	-	-	-	-	-
Total Income		4,155,658	-	4,155,658	3,385,885	-	3,385,885
Net gains on investments	8	-	9,254,073	9,254,073	-	21,434,530	21,434,530
Net (losses)/gains on revaluation of derivatives held for risk management purposes	4	(5,199,462)	5,663,856	464,394	(4,845,416)	900,169	(3,945,247)
Net foreign exchange losses on cash and cash equivalents		-	(279,591)	(279,591)	-	(218,478)	(218,478)
		(1,043,804)	14,638,338	13,594,534	(1,459,531)	22,116,221	20,656,690
Other expenses	5	(2,306,635)	-	(2,306,635)	(2,418,057)	-	(2,418,057)
Profit/(loss) before finance costs and taxation		(3,350,439)	14,638,338	11,287,899	(3,877,588)	22,116,221	18,238,633
Finance costs	6	(3,955,282)	4,811,029	855,747	(5,890,716)	(3,745,700)	(9,636,416)
Profit/(loss) before taxation		(7,305,721)	19,449,367	12,143,646	(9,768,304)	18,370,521	8,602,217
Taxation	7	(821,679)	-	(821,679)	(357,702)	-	(357,702)
Total comprehensive income/(loss) for the period		(8,127,400)	19,449,367	11,321,967	(10,126,006)	18,370,521	8,244,515

The accompanying notes form an integral part of these unaudited consolidated financial statements.

SVG Diamond Private Equity III plc

Unaudited Consolidated Statement of Total Changes in Amounts Attributable to Participating Shareholders

For the period ended 30 September 2013

	Capital investment - participating shares	Movement in fair value of net assets attributable to participating shareholders	Total participating shares
	€	€	€
Total comprehensive income for the period from 1 April 2013 to 30 September 2013	-	11,321,967	11,321,967
Issue of shares	-	-	-
Movement in amounts attributable to participating shareholders for the period	-	11,321,967	11,321,967
Balance at the beginning of the period	201,600,000	(67,504,328)	134,095,672
Balance at the end of the period	201,600,000	(56,182,361)	145,417,639

Unaudited Consolidated Statement of Total Changes in Amounts Attributable to Participating Shareholders

For the period ended 30 September 2012

	Capital investment - participating shares	Movement in fair value of net assets attributable to participating shareholders	Total participating shares
	€	€	€
Total comprehensive income for the period from 1 April 2012 to 30 September 2012	-	8,244,515	8,244,515
Issue of shares	-	-	-
Movement in amounts attributable to participating shareholders for the period	-	8,244,515	8,244,515
Balance at the beginning of the period	201,600,000	(94,198,602)	107,401,398
Balance at the end of the period	201,600,000	(85,954,087)	115,645,913

The accompanying notes form an integral part of these unaudited consolidated financial statements.

SVG Diamond Private Equity III plc

Unaudited Consolidated Statement of Financial Position

As at 30 September 2013

	Notes	30 September 2013 €	31 March 2013 €	30 September 2012 €
Non-current assets				
Investments designated at fair value through profit or loss	8	378,850,123	394,549,744	398,814,807
Current assets				
Cash and cash equivalents		7,663,750	12,523,243	4,689,886
Accrued income		89	1,303	101
Other receivable	9	-	415,466	-
		7,663,839	12,940,012	4,689,987
Total Assets		386,513,962	407,489,756	403,504,794
Non-current liabilities				
Derivatives- held for risk management purposes	10	17,076,565	22,740,421	27,782,972
Bank borrowings	11	223,766,400	250,027,609	257,436,693
		240,842,965	272,768,030	285,219,665
Current liabilities				
Other payables	12	253,358	626,054	2,639,216
Total liabilities		241,096,323	273,394,084	287,858,881
Net assets attributable to participating shareholders		145,417,639	134,095,672	115,645,913

The accompanying notes form an integral part of these unaudited consolidated financial statements.

SVG Diamond Private Equity III plc

Unaudited Consolidated Statement of Cash Flows

For the period ended 30 September 2013

	1 April 2013 to 30 September 2013 €	1 April 2012 to 30 September 2012 €
Cash flows from operating activities:		
Investment and Interest income received	4,156,872	3,387,117
Finance costs paid	(8,886,174)	(12,788,531)
Expenses paid	(2,358,430)	(3,288,430)
	(7,087,732)	(12,689,844)
Taxation paid	(821,679)	(357,702)
Cash flows used in operating activities	(7,909,411)	(13,047,546)
Cash flows from investing activities:		
Purchase of investments	(11,089,032)	(23,260,309)
Capital distributions	36,042,726	43,530,581
Cash provided by investing activities	24,953,694	20,270,272
Cash flows from financing activities:		
Senior Revolving Facility draw downs	-	22,049,892
Senior Revolving Facility repayments	(21,624,185)	(31,129,661)
Cash used in financing activities	(21,624,185)	(9,079,769)
Effect of foreign exchange movements on cash and cash equivalents	(279,591)	(218,478)
Net cash decrease in cash and cash equivalents	(4,859,493)	(2,075,521)
Cash and cash equivalents at beginning of period	12,523,243	6,765,407
Cash and cash equivalents at end of period	7,663,750	4,689,886

The accompanying notes form an integral part of these unaudited consolidated financial statements.

1 The Company

SVG Diamond Private Equity III plc (the "Company") was incorporated on 12 February 2007 as a closed-ended investment company with variable capital under Part XIII of the Companies Act 1990 and is governed by and in compliance with the laws of Ireland. It is authorised in Ireland by the Central Bank of Ireland for marketing to Qualifying Investors. However, while the Company is authorised by the Central Bank of Ireland, the Central Bank of Ireland has not set any limits or other restrictions on the investment objectives, the investment policies or the degree of leverage which may be employed by the Company nor has the Central Bank of Ireland reviewed its prospectus.

The Company has one wholly owned subsidiary, SVG Diamond Private Equity Holdings III Limited (the "Subsidiary Company") together referred to as the Group. The Subsidiary Company was incorporated on 17 April 2007 (registered number 438138) and its registered office is Hanover Building, Windmill Lane, Dublin 2. The Company raises funds through the issuance of shares to investors and applies the entire proceeds to subscribe for Certificates issued by the Subsidiary Company. The Company does not carry on any investment activity other than subscribing for the Certificates issued by the Subsidiary Company. All investment and borrowing activities are undertaken by the Subsidiary Company. The Subsidiary Company also pays all expenses incurred by the Company. The Company's shares are listed on the Irish Stock Exchange (the "ISE") but are not actively traded.

2 Significant accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union ("EU") and applicable at 30 September 2013.

In preparing these financial statements the Company has availed of the company law exemption, in section 148(8) of the Companies Acts, 1963 to 2012, not to present a Statement of Comprehensive Income for the Company, although this has been approved as part of the consolidated financial statements of the Company. The Group and the Company financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

(b) Basis of preparation

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. The key area of judgement that has a significant effect on the consolidated financial statements and where there is a significant risk of material adjustment in the fair value of investments.

2 Significant accounting policies (continued)

(b) Basis of preparation (continued)

Investments totalling €378,850,123 (31 March 2013: €394,549,744) in private equity and mezzanine funds are held at fair value through profit or loss and calculated by reference to the net asset value of the fund as provided by the General Partner (the "GP") of the relevant fund as adjusted for subsequent calls and distributions where applicable. These values may be derived from unaudited financial information or may themselves be estimates prepared by the GP in the absence of readily determinable fair values. Fair value estimates prepared by the GP of underlying funds may incorporate the GP's own assumptions including discounted cash flow assumptions, observable market valuation measures such as valuation multiples and will incorporate risk adjustments for non-performance and lack of marketability. The Manager monitors on an ongoing basis the performance of underlying funds and reviews the financial reporting and incorporates the valuations provided by the underlying funds, unless the Directors of the Company consider such valuations an inappropriate estimate of fair value.

For any underlying funds valued using 30 June 2013 GP valuations rolled forward for calls and distributions the Company's Investment Adviser, in consultation with, the Directors, will review material market movements between 1 July 2013 and 30 September 2013 and consider other relevant information in order to make any adjustments they deem necessary to ensure each of the investments in the underlying funds are valued at the best estimate of fair value.

The value assigned to individual investments involves a significant degree of judgement and estimated fair values for private investments may differ significantly from values that would have been used had a ready market for the securities existed, and the differences could be material. The values assigned to individual investments in underlying funds are based upon available information and do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstances and cannot be reasonably determined until the individual positions are realised.

The accounting policies have been applied consistently by the Company and the Group for all periods. The Company is a closed-ended investment company with a duration of 15 years or such shorter period as the Directors may determine, ending with a voluntary liquidation in accordance with the Articles. Notwithstanding any provisions of the Articles, if the Company has not been the subject of a voluntary liquidation, the Directors may seek the consent of the Holders to extend the duration at the end of this 15 year period for two further periods of one year.

The principal objective of the Group is to maximise income and gains from the private equity and mezzanine funds in which it invests. Income and gains are received from the funds in the form of distributions. Distributions received from the funds are comprised variously of: returns of original invested capital after deduction of capital losses where these arise, capital gains and income distributions. It is also generally possible for the Group to realise its investments through a sale of its interest in the funds although no such sales have been made to date. Amounts not currently invested in private equity funds are invested in liquidity accounts until such time as the amounts are required to meet investment requirements or to pay operating costs.

The financial statements have been prepared on a going concern basis. The Directors consider it appropriate to prepare the financial statements on the going concern basis on the grounds that the Company has access to sufficient funds to finance its activities through the issuance of call notices in respect of uncalled capital commitments and through drawdowns under the senior revolver facility available to the Subsidiary Company (the "Senior Revolver Facility").

2 Significant accounting policies (continued)

(c) Basis of consolidation

The financial statements incorporate the financial statements of the Company and the entity controlled by the Company (its one wholly owned subsidiary, SVG Diamond Private Equity Holdings III Limited).

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Financial statements of both the Company and its Subsidiary Company are prepared from 1 April 2013 to 30 September 2013. There are no minority interests.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Investments in private equity funds, mezzanine funds and in Certificates issued by the Subsidiary Company are designated as at fair value through profit or loss;
- Bank borrowings are recognised at amortised cost;
- Derivatives are recognised at fair value; and
- Interests of participating shareholding in the Company are recognised at fair value.

(e) Functional and presentation currency

Items included in the Company and Subsidiary Company financial statements are measured using the currency of the primary economic environment in which they operate ("the functional currency"). This is the Euro (€), which reflects the currency in which the Group generates equity. The Group and Company financial statements are also presented in Euro (€).

Monetary assets and liabilities denominated in currencies other than the Euro are translated into Euro at the closing rates of exchange at each period end. Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency exchange differences arising on translation and realised gains and losses on disposal or settlement of monetary assets and liabilities are recognised through profit and loss in the consolidated Statement of Comprehensive Income. Foreign currency exchange differences on non-monetary items classified at fair value through profit and loss are also recognised through profit and loss in the consolidated Statement of Comprehensive Income.

(f) Investment and interest income and interest expense

Investment income is recognised when distributed by the funds in which the Subsidiary Company invests. Interest income and interest expense on financial instruments at fair value through profit or loss are recognised on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis. Interest income and expense is recognised using the effective interest method for all financial liabilities not at fair value through profit or loss.

2 Significant accounting policies (continued)

(f) Investment and interest income and interest expense (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that at inception exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument, to the net carrying amount of the financial asset or financial liability. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

In calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums and discounts.

(g) Capital and revenue income and expenses

In order to better reflect the activities of the Company and in accordance with guidance issued by the Association of Investment Companies ("AIC") in the UK, supplementary information which analyses the consolidated Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the consolidated Statement of Comprehensive Income. Interest income, interest expense and other finance costs including amortisation of issue costs, and operating expenses constitute the revenue items. Capital gains and losses are comprised of realised and unrealised gains or losses on investments, certain finance costs and foreign exchange movements.

(h) Shares

Shares are issued in Euro and are initially measured at the amount of the subscriptions called as at the consolidated Statement of Financial Position date. Costs directly associated with the issuance of shares are charged as an expense to the consolidated Statement of Comprehensive Income.

In relation to outstanding subscription amounts which each shareholder has undertaken to pay on the unfunded shares these amounts will not be recognised as a financial asset on the Company's Statement of Financial Position at the period end. Although the amount is payable on demand by the shareholders, no such demand has been made as of the reporting date as the balance of shares had not been called, and as such there was no requirement on the shareholders to pay the amount to the Company as of that date.

In applying the terms of the prospectus in line with IAS 39 in respect of the initial recognition of financial assets the Company shall recognise a financial asset or a financial liability in its Statement of Financial Position when, and only when the Company becomes a party to the contractual provisions of the instrument.

The classification of an instrument as either a liability or equity determines whether any distributions on the instrument will be treated as interest or dividends for accounting purposes only. The application of IAS 32 does not alter the position of the shares as equity instruments under Irish law and thus the shares only constitute financial liabilities for the purposes of IAS 32 and not for any other purpose. If the instrument is classified as a liability, coupon payments and any amortisation of discounts or premiums on the instrument are recognised as part of the finance expense in the profit or loss, using the effective interest rate method. If the instruments are classified as equity then dividends are accounted for directly in equity.

The Company has two share classes, Class A and Class B and these shares shall rate pari passu and rateably without any preference among themselves and that each class of shares shall rank pari passu with each other class of shares. The only distinction between these two share classes is with respect to the level of Investment Fee applied to the shares. Since the features of both these share classes are not identical the share classes are classified as a liability.

2 Significant accounting policies (continued)

(i) Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purposes of meeting short term cash commitments rather than for investment or other purposes.

(j) Expenses

All expenses, including investment management and advisory fees, are recognised through profit or loss in the consolidated Statement of Comprehensive Income on an accruals basis.

(k) Financial instruments

The financial instruments of the Group include the following:

- Investments - designated as at fair value through profit or loss;
- Bank borrowings and other payables;
- Derivatives held for risk management purposes;
- Cash and cash equivalents; and
- Interests of Participating shareholders.

IAS 39 establishes specific categories into which all financial assets and liabilities must be classified. The classification of financial instruments determines how these financial assets or liabilities are subsequently measured in the consolidated financial statements. There are four categories of financial assets: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. There are two categories of financial liabilities: financial liabilities at fair value through profit or loss and other financial liabilities.

The Group has designated its investments in private equity funds and mezzanine funds at fair value through profit or loss because they are managed on a fair value basis. The Company has designated its investments in the Certificates issued by the Subsidiary Company at fair value through profit and loss because they are managed on a fair value basis. Bank borrowings and other payables have been classified as other financial liabilities and are carried at amortised cost.

The Subsidiary Company has classified the interest rate swap which it holds for risk management purposes as derivative financial instruments measured at fair value through profit or loss. The Subsidiary Company uses these derivatives to hedge the interest rate risk arising from drawdowns under the Senior Revolver Facility but has not adopted hedge accounting in respect of this relationship. Realised and unrealised gains and losses on derivatives are recorded in the consolidated Statement of Comprehensive Income.

Recognition

The Group recognises all financial assets and financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

2 Significant accounting policies (continued)

(k) Financial instruments (continued)

Initial measurement

Financial instruments designated as at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised immediately through profit or loss in the consolidated Statement of Comprehensive Income.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured initially at fair value less transaction costs that are directly attributable to their acquisition or issue.

Subsequent measurement

After initial measurement, the Group measures financial instruments which are classified as at fair value through profit or loss, at their fair values. Under IFRS 13 Fair value measurement (applied for annual periods beginning on or after 1 January 2013), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an "exit price").

The GP reported fair value means the last audited or unaudited valuation reported by the private equity fund or mezzanine fund, based on fair values if disclosed, as adjusted for subsequent calls and distributions where applicable. For the avoidance of doubt, where GP valuations are disclosed both on a historical cost basis and based on estimated fair values, the valuation based on estimated fair values will be used, even if the GP uses a different basis in preparing the investee fund's statutory accounts.

Fair value estimates prepared by the GP of the underlying funds incorporate the GP's own assumptions including discounted cash flow assumptions, observable market valuation measures such as valuation multiples and will incorporate risk adjustments for non-performance and lack of marketability. The manager monitors on an ongoing basis the performance of underlying funds and reviews the financial reporting and incorporates the valuations provided by underlying funds, unless the Directors of the Company consider such valuations an inappropriate estimate of fair value. See note 18 for further details.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised through profit or loss in the consolidate Statement of Comprehensive Income.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method. Amounts drawn down under the bank borrowings are recorded at the amount of the draw downs net of the costs of acquiring the facilities. Finance costs, including direct costs of acquiring the facilities, are accounted for through profit or loss on an accruals basis in the consolidated Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the liability to the extent that they are not settled in the period in which they arise.

De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the right to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in a transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled or have expired.

2 Significant accounting policies (continued)

(l) Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

(m) Taxation

The Company has been incorporated as a closed-ended investment Company under Part XIII of the Companies Act, 1990 and as such is excluded from the charge to tax under the Taxes Acts, other than on occasion of a chargeable event. Generally, subject to certain specific exceptions, a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of units or on the ending of a Relevant Period. A "Relevant Period" being an eight year period beginning with the acquisition of the units by the Unitholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

The Subsidiary Company has been established as a qualifying company under section 110 of the Taxes Consolidation Act 1997 (as amended) and as such is liable to corporation tax at the rate of 25% on its profits.

The Subsidiary Company currently incurs withholding tax imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding tax through profit or loss in the consolidated Statement of Comprehensive Income. Withholding taxes are shown as a separate item in the consolidated Statement of Comprehensive Income.

(n) Operating segments

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are reviewed regularly by the entity’s chief operating decision maker (the Advisory Committee) to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Company has determined its operating segments on a geographical basis in line with the manner in which information is reported to the Chief Operating Decision Maker. Geographical regions are determined based on the location of the individual investments as opposed to by reference to the location of the investment adviser or administration function of the Company. The operating segments are Europe (including the U.K.) U.S., Japan and other.

2 Significant accounting policies (continued)

(o) Embedded derivative in Bank Borrowings

Derivatives may be embedded in another contractual arrangement (a "host contract"). The Subsidiary Company accounts for an embedded derivative separately from the host contract when the host contract is not itself carried at fair value through profit or loss, the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics of the host contract. However embedded derivatives with risks and characteristics closely related to those of host contracts are not separated and its entire instrument is valued at amortised cost, being the basis of measurement for the bank borrowings outlined in note (k).

(p) New accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following, that have been adopted in the current period:

IAS 1 Presentation of Financial Statements (amendments to other comprehensive income)

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g. net gain on cash flow hedges) now have to be presented separately from items that will never be reclassified. The amendment has had no impact on the Group's financial position or performance.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair value, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16(j), thereby affecting the interim financial statement period. The Group provides these disclosures in Note 18.

2 Significant accounting policies (continued)

(p) New accounting standards and interpretations (continued)

Set forth below are the standards and interpretations not yet effective or not yet adopted by the European Union, together with the expected date of adoption for the Company based on the application date required by the standard or by the European Union. The impact of the application of these standards has not yet been assessed:

- IFRS 9 Financial Instruments: Classification and Measurement (1 January 2015)
- IFRS 10 Consolidated Financial Statements (1 January 2014)*
- IFRS 11 Joint Arrangements (1 January 2014)*
- IFRS 12 Disclosure of Interests in Other Entities (1 January 2014)*
- IAS 19 Employee Benefits (amendments to) (1 January 2014)
- IAS 27 Consolidated and Separate Financial Statements (reissued as Separate Financial Statements) (1 January 2014)*
- IAS 28 Investments in Associates (reissued as Investments in Associates & Joint Ventures) (1 January 2014)*
- IAS 32 Financial Instruments: Presentation (amendments on disclosures relating to offsetting) (1 January 2014)
- IAS 32 Financial Instruments: Presentation (amendments to application guidance on offsetting financial assets & liabilities) (1 January 2014)
- IFRS10 Consolidated Financial Statements (Amendment to Investment Entities) (1 January 2014)*

* The mandatory effective date of these standards has been deferred until 1 January 2014 by the European Union.

3 Investment and interest income

Group	30 September 2013 €	30 September 2012 €
From liquid investments	963	3,384
From private equity funds	4,154,695	3,382,501
	4,155,658	3,385,885

4 Net gains/(losses) on revaluation of derivatives held for risk management purposes

Group	30 September 2013 €	30 September 2012 €
Gross movements	5,663,856	900,169
Net swap interest expense cash payments	(5,199,462)	(4,845,416)
Unrealised gains/(losses) on derivatives held for risk management	464,394	(3,945,247)

5 Other expenses

Group	30 September 2013 €	30 September 2012 €
Investment advisory fees	2,055,827	2,176,859
Advisory fees	16,647	22,160
Directors' fees	16,896	12,000
Auditors' fee	34,081	25,510
Custodian fees	5,000	2,500
Trustee and administrative fees	135,593	138,028
Other costs	42,591	41,000
	2,306,635	2,418,057

6 Finance costs

Group	30 September 2013 €	30 September 2012 €
Interest expense on Senior Revolver Facility – not at fair value through profit or loss	3,355,441	5,312,193
Loan facility costs	599,841	578,523
Foreign exchange movements on Senior Revolving Facility	(4,811,029)	3,745,700
	(855,747)	9,636,416

7 Taxation

The Subsidiary Company was established as a "qualifying company" under section 110 of the Taxes Consolidation Act, 1997 as amended and is subject to taxation at the standard rate applicable to passive income at 25%. As taxable net profits for the period were €nil, a taxation charge did not arise. The Subsidiary Company is subject to the US dividend withholding tax at the standard rate of 30%. During the period, the Subsidiary Company suffered €821,679 (30 September 2012: €357,702) US withholding tax.

The Company has been incorporated as a closed-ended investment Company under Part XIII of the Companies Act, 1990 and as such is excluded from the charge to corporation tax under the Taxes Acts.

	30 September 2013 €	30 September 2012 €
Corporation tax	-	-
Factors affecting tax charge for the period		
Corporation tax has been calculated based on the results for the period and the resulting taxation charge is as follows:		
Gain/(loss) before taxation	12,143,646	8,602,217
Gain/(loss) by standard rate of tax of 25%	3,035,912	2,150,554
Effect of:		
Gains exempt from the charge to taxation	(3,035,912)	(2,150,554)
Corporation tax	-	-
Withholding tax	(821,679)	(357,702)
Current taxation charge	(821,679)	(357,702)

8 Financial assets designated at fair value through profit and loss

Group	30 September 2013 €	31 March 2013 €	30 September 2012 €
Actis Emerging Markets Fund 3	7,794,781	7,450,062	7,930,632
Actis Umbrella Fund	2,386,338	2,819,913	3,412,396
Advent Central and Eastern Europe IV	3,204,291	2,957,293	2,289,960
Advent International GPE VI	13,622,193	15,384,766	14,177,739
Alcentra Mezzanine Fund I	17,014,020	18,107,044	25,655,850
Alcentra Mezzanine Fund II	18,252,961	18,859,442	19,588,037
American Capital Equity II	6,146,355	6,526,117	7,120,454
Blackstone Capital Partners V	18,148,885	19,071,383	17,350,278
Bridgepoint Europe IV	14,294,436	13,114,578	10,781,602
Carlyle Europe Partners III	18,928,638	16,676,339	14,940,860
Carlyle Partners V	13,102,729	13,086,685	10,077,046
Charterhouse Capital Partners IX	6,141,802	5,197,341	4,807,232
The fourth Cinven Fund	13,763,275	14,589,942	14,940,776
CVC Capital Partners Asia Pacific III	10,313,649	15,394,554	11,595,189
CVC European Equity Partners Tandem Fund	12,881,622	14,485,863	15,458,635
CVC European Equity Partners V	16,389,096	16,157,873	16,854,530
Doughty Hanson & Co. V	12,317,906	14,282,968	14,509,314
EQT V	4,222,567	5,529,345	7,503,555
Equistone Partners Europe Fund III	10,390,000	9,911,000	12,001,523
First Reserve XI	5,754,200	6,703,748	6,326,154
Friday Street Mezzanine Fund	15,059,930	19,080,286	18,342,519
Green Equity Investors V	13,004,593	12,973,755	15,313,850
Industri Kapital 2007	13,913,750	15,098,426	13,946,772
KKR 2006 Fund	11,390,803	12,512,042	13,418,027
Madison Dearborn Capital Partners V	10,359,826	10,886,955	10,450,696
Olympus Growth Fund V	14,589,126	14,550,063	11,061,097
P1234	3,043,531	3,021,752	3,280,298
Park Avenue Plaza	569,341	886,777	8,200,037
Permira IV	23,887,509	21,842,368	21,315,047
Permira Europe II	1,355,527	822,242	1,903,064
Permira Europe III	4,900,632	4,933,199	6,182,168
Providence Equity Partners VI	4,525,085	4,920,045	5,008,000
The Resolute Fund II	12,698,346	12,732,593	9,850,243
Sapphire IV	6,326,469	6,063,252	5,353,141
SV Life Sciences Fund II	801,303	752,311	865,602
SV Life Sciences Fund III	2,200,361	2,667,350	2,485,860
Towerbrook Capital Partners III	6,224,631	5,074,323	4,677,472
Welsh, Carson, Anderson & Stowe IX	2,548,220	3,335,001	4,366,394
Welsh, Carson, Anderson & Stowe XI	6,381,396	6,090,748	5,472,758
	378,850,123	394,549,744	398,814,807
Designated at fair value through profit or loss			
Unlisted private equity and mezzanine funds	378,850,123	394,549,744	398,814,807
Total financial assets designated at fair value through profit or loss	378,850,123	394,549,744	398,814,807

Group	30 September 2013 €	30 September 2012 €
Net gains or losses on financial assets designated as at fair value through the profit or loss		
Realised and unrealised gains on investments	17,490,043	15,674,874
Foreign exchange movements on unrealised investments	(8,235,970)	5,759,656
	9,254,073	21,434,530

8 Financial assets designated at fair value through profit and loss (continued)

The following table contains unaudited information about the underlying funds that form the financial assets of the Group:

Underlying fund	Domicile	Fund Manager/Adviser
Actis Emerging Markets Fund 3	England	Actis Capital
Actis Umbrella Fund	Scotland	Actis Capital
Advent Central and Eastern Europe IV	Cayman Islands	Advent International Corporation
Advent International GPE VI	Cayman Islands	Advent International Corporation
Alcentra Mezzanine Fund I	Jersey	Alcentra Limited
Alcentra Mezzanine Fund II	Jersey	Alcentra Limited
American Capital Equity II	Delaware	American Capital Strategies Limited
Blackstone Capital Partners V	Delaware	Blackstone Capital Partners
Bridgepoint Europe IV	England	Bridgepoint
Carlyle Europe Partners III	England	The Carlyle Group
Carlyle Partners V	Delaware	The Carlyle Group
Charterhouse Capital Partners IX	England	Charterhouse Group
The fourth Cinven Fund	England	Cinven
CVC Capital Partners Asia Pacific III	Cayman Islands	CVC
CVC European Equity Partners Tandem Fund	Cayman Islands	CVC
CVC European Equity Partners V	Cayman Islands	CVC
Doughty Hanson & Co. V	England	Doughty Hanson
EQT V	England	EQT
Equistone Partners Europe Fund III	England	Equistone Partners Europe
First Reserve XI	Delaware	First Reserve
Friday Street Mezzanine Fund	Jersey	Babson Capital Europe
Green Equity Investors V	Delaware	GEI Capital
Industri Kapital 2007	England	Industri Kapital
KKR 2006 Fund	Delaware	KKR
Madison Dearborn Capital Partners V	Delaware	Madison Dearborn Partners
Olympus Growth Fund V	Delaware	Olympus Partners
P1234	Guernsey	Aberdeen SVG Private Equity Advisers Limited
Park Avenue Plaza	Delaware	Court Square Capital Partners
Permira IV	Guernsey	Permira
Permira Europe II	Guernsey	Permira
Permira Europe III	Guernsey	Permira
Providence Equity Partners VI	Delaware	Providence Equity GP VI
The Resolute Fund II	Delaware	The Jordan Company
Sapphire IV	Guernsey	Aberdeen SVG Private Equity Advisers Limited
SV Life Sciences Fund II	Delaware	Schroder Ventures Life Sciences Advisers
SV Life Sciences Fund III	Delaware	Schroder Ventures Life Sciences Advisers
Towerbrook Capital Partners III	Cayman Islands	Towerbrook
Welsh, Carson, Anderson & Stowe IX	Delaware	Welsh, Carson, Anderson & Stowe
Welsh, Carson, Anderson & Stowe XI	Delaware	Welsh, Carson, Anderson & Stowe

9 Other receivables

Group	30 September 2013 €	31 March 2013 €	30 September 2012 €
Non utilisation fee	-	415,466	-
	-	415,466	-

The receivable represents an amount due from the lender following the correction of an error in the calculation of the fee.

10 Derivatives – held for risk management purposes

Group	30 September 2013 €	31 March 2013 €	30 September 2012 €
Values attributable to swap counterparty:			
US$ interest rate swap	9,230,488	12,533,750	12,491,710
€ interest rate swap	7,846,077	10,206,671	15,291,262
	17,076,565	22,740,421	27,782,972

The Subsidiary Company has entered into two interest rate swap agreements with Lloyds Bank plc (formerly known as Lloyds TSB Bank plc) under the terms of which the Subsidiary Company will make quarterly payments of fixed rates of interest on notional amounts as set out in the table below and receive periodic payments of floating rates of interest based on Euribor and Libor in the case of € and US$ denominated amounts respectively, calculated on the same notional amounts as set out in the table below. The fair value of the swap is provided by the swap counterparty.

Interest period		Notional amounts
	US$	€
20 June 2007 to 28 September 2007	33,200,000	25,000,000
29 September 2007 to 30 June 2008	66,400,000	50,000,000
1 July 2008 to 31 December 2008	99,600,000	75,000,000
1 January 2009 to 30 June 2015	132,800,000	100,000,000

The fixed rates of interest have been set as follows:

Notional - US$: 5.735% per annum
Notional - €: 4.820% per annum

11 Bank borrowings

	30 September 2013 €	31 March 2013 €	30 September 2012 €
Facility available			
Senior Revolver Facility	300,000,000	320,000,000	320,000,000
	300,000,000	320,000,000	320,000,000
Facility drawn down			
Senior Revolver Facility € draw downs	143,000,000	154,000,000	157,000,000
Senior Revolver Facility US$ draw downs (€-equivalent)	81,318,844	96,754,057	101,336,195
	224,318,844	250,754,057	258,336,195
Unamortised costs in relation to the loan facilities	(552,444)	(726,448)	(899,502)
Total	223,766,400	250,027,609	257,436,693

The Company, the Subsidiary Company, the Security Agent and the Lloyds Bank plc (formerly known as Lloyds TSB Bank plc) have entered into a Facilities Agreement which provides for a Senior Revolver Facility equal to €320,000,000 expiring 4 May 2015. The Agent (acting on the instruction of all the Lenders) may agree to extend the term of the Senior Revolver Facility for a further period of three years on receiving an extension notice from the Company.

During the period, the requirement for the Company to call 5% equity in July 2013 has been permanently cancelled by the Lender.

11 Bank borrowings (continued)

On 20 May 2013, the Company voluntarily cancelled €20 million of the Senior Revolving Facility commitment of €320 million, reducing the Senior Revolving Facility size to €300 million. After the period end, on 18 October 2013, the Group voluntarily cancelled a further €20 million of the Senior Revolving Facility commitment of €300 million, reducing the Senior Revolving Facility size to €280 million.

The Facility is available in Euro, US Dollar, Japanese Yen, or such other currency as approved by the Security Agent (acting on the instructions of all lenders).

All amounts borrowed by the Subsidiary Company under the Facility shall be applied for the following purposes:

- to purchase permitted investments and to pay portfolio transfer taxes and related commissions and expenses.
- to fund calls made under the terms of a Fund Agreement and related expenses.
- to pay fees and costs due under the Facilities Agreement and amounts payable under permitted treasury transactions.
- to pay any Senior Expenses incurred and any other amount of the Total Investment Fee payable.
- to pay any Formation costs up to a maximum of €2,000,000.

Interest on the Senior Revolver Facility will be paid monthly, bi-monthly or semi annually, or at any time as agreed with the Agent (acting on the instructions of the Lender). The Senior Revolver Facility Principal balance is expected to be repaid periodically through the satisfaction of the Equity Test under the Subsidiary Company's Priority of Payments or earlier as permitted under the terms of the Inter-creditor Agreement and the Certificates. Satisfaction of the Equity Test means that realisations from Private Equity Fund Investments may be used to make distributions to the Certificate holders subject to certain criteria as defined in the Company's prospectus. The priority of payments governs the manner in which creditors claims for payment are ranked on any payment date. Certificates are unsecured limited recourse obligations of the Company which entitle the Certificate holder solely to receive the proceeds of the investment portfolio after deduction of all prior-ranking payments in accordance with the priority of payments.

The Subsidiary Company shall not make any distributions in respect of the Certificates other than in accordance with the facility and inter creditor agreements.

The rate of interest applying to each utilisation under the amended facilities agreement effective from 29 March 2010 for each interest period is Libor (or Euribor in relation to any utilisation in €) plus any mandatory costs plus a margin as follows:

Senior Revolver Facility Loan to Value Ratio	Margin % per annum
Less than or equal to 35%	2.25
Greater than 35% but less than or equal to 55%	2.50
Greater than 55% but less than or equal to 60%	3.00
Greater than 60% but less than or equal to 65%	3.25
Greater than 65% but less than or equal to 70%	3.50
Greater than 70% but less than or equal to 75%	4.00

A commitment fee of 1.50 per cent per annum applies to any undrawn amounts available under the Senior Revolver Facility.

The Company and the Subsidiary Company have granted a package of security interests in favour of Lloyds Bank plc over all of their assets and undertakings including rights relating to private equity fund investments.

Embedded derivative

The Directors recognise that an embedded derivative exists in respect of the Senior Revolver Facility. The interest rate on the Loan is determined by the reference of the ratio of the amount borrowed to the value of the total assets (being portfolio investments, cash and cash equivalents and uncalled equity). However, it is the view of the Directors of the Company that the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risks of the host contract therefore the embedded derivative is not separated from the host contract. Interest arising from changes in Euribor and the variable credit spread as set out above is accounted for as it arises.

12 Other payables

Group	30 September 2013 €	31 March 2013 €	30 September 2012 €
Accrual for operating costs	253,358	305,153	2,282,760
Interest payable on Senior Revolver Facility	-	320,901	356,456
	253,358	626,054	2,639,216

13 Shares classified as financial liabilities

The total authorised share capital of the Company is 1,000,000,000 shares of no par value initially designated as unclassified shares of no par value.

Group	30 September 2013 €	31 March 2013 €	30 September 2012 €
Issued and fully called ("Funded Shares")			
Class A Shares (160,783,200 at €1 per participating share)	160,783,200	160,783,200	160,783,200
Class B Shares (40,816,800 at €1 per participating share)	40,816,800	40,816,800	40,816,800
	201,600,000	201,600,000	201,600,000
Issued and uncalled ("Uncalled Shareholder Commitment")			
Class A Shares	62,526,800	62,526,800	62,526,800
Class B Shares	15,873,200	15,873,200	15,873,200
	78,400,000	78,400,000	78,400,000
Total Authorised Shares at par	280,000,000	280,000,000	280,000,000

Shares shall be issued at €1 per share fully paid and shall have no par value and shall rank pari passu without any preference amongst themselves. The Class A Shares NAV and the Class B Shares NAV will differ as a result of a different Total Investment Fee for each class of shares. The Class A Shares have been issued with a minimum investment amount of €5,000,000 and the Class B Shares have been issued with a minimum investment amount of €250,000.

On the closing date each Shareholder paid, pursuant to the relevant Share Subscription Agreement, the initial subscription amount, calculated by multiplying the Issue Price by the number of Initial Funded Shares allotted. The total of the initial subscription amount was €56,000,000. Subsequent equity calls amounted to €173,600,000. Equity calls during the period amounted to €nil (30 September 2012: €nil).

In respect of the Uncalled Shareholder Commitment, each Shareholder has undertaken to pay any outstanding subscription amounts by the end of the duration of the Company, or if earlier, the relevant Share Funding Call Date. The Company will make such a Share Funding Call promptly following receipt of a Certificate Subscription Call from the Subsidiary Company. The amount of the Share Funding Call shall not exceed the amount of the Certificate Subscription Call. Where a Shareholder fails to honour any capital calls their shares will be forfeited and the Company may pursue them through legal means. Shareholders are obliged to pay up their Uncalled Shareholder Commitments even if their Shares are forfeited.

Where a shareholder fails to meet any calls made in respect of the Uncalled Shareholder Commitments, per the Prospectus it states that a defaulting shareholder will have all their funded shares and Uncalled Shareholder Commitment forfeited and sold by the Company. A defaulting shareholder will also forfeit all rights to all share distributions, any dividends declared pursuant to the Articles and all other monies payable in respect of the shares and not paid before forfeiture.

13 Shares classified as financial liabilities (continued)

In relation to uncalled outstanding subscription amounts which each shareholder has undertaken to pay on the unfunded shares these amounts will not be recognised as a financial asset on the Statement of Financial Position at period end. Although the amount is payable on demand by the shareholders, no such demand has been made as of the reporting date as the balance of shares had not been called, and as such there was no requirement on the shareholders to pay the amount to the Company as of that date.

As the Company is a closed-ended investment company, the holders have no right whatsoever to require the Company to redeem their shares. However, the Directors may, on each Share Redemption Date after the end of the Commitment Period, in their absolute discretion and subject to receipt of sufficient capital distributions from the Subsidiary Company determine that the Company will redeem shares (on a basis which is compulsory on the Holders) where the Directors determine that such a redemption is required to distribute the proceeds of matured assets which are not to be reinvested.

Prior to the Senior Revolver Facility Termination Date, the payment of dividends is subject to the provisions of the Facilities Agreement and the Inter-creditor Agreement. Notwithstanding the Directors discretion to declare a dividend on the shares and subject to the provisions of the Articles, and prior to redemption of any shares, the Company will pay the excess of its revenue income over its revenue expenses as a dividend. For the period ended 30 September 2013 the Company made a revenue gain and no dividend has been declared (30 September 2012: €nil).

The Company is a closed-ended investment company with a duration of 15 years or such shorter period as the Directors may determine, ending with a voluntary liquidation in accordance with the Articles. Notwithstanding any provisions of the Articles, if the Company has not been the subject of a voluntary liquidation, the Directors may seek the consent of the Holders to extend the duration at the end of this 15 year period for two further periods of one year.

As shares have been classified as liabilities, the total fair value of the shares at period end is €145,417,639.00. No earnings per share information is required in the consolidated financial statements.

Net asset value information is provided in note 15.

14 Uncalled commitments

At 30 September 2013, the Group had the following uncalled commitments:

Investments	30 September 2013 €	31 March 2013 €
Actis Emerging Markets Fund 3	535,186	1,254,415
Actis Umbrella Fund	172,458	223,867
Advent Central and Eastern Europe IV	1,495,000	1,525,000
Advent International GPE VI	650,000	650,000
Alcentra Mezzanine Fund I	542,857	542,857
Alcentra Mezzanine Fund II	3,425,265	5,558,483
American Capital Equity II	1,830,201	1,951,300
Blackstone Capital Partners V	1,799,529	1,812,406
Bridgepoint Europe IV	2,858,139	3,953,279
Carlyle Europe Partners III	2,304,425	4,205,970
Carlyle Partners V	2,839,310	3,018,802
Charterhouse Capital Partners IX	3,885,830	4,790,319
The fourth Cinven Fund	1,883,176	1,909,170
CVC Capital Partners Asia Pacific III	3,073,406	3,215,356
CVC European Equity Partners Tandem Fund	2,043,471	2,066,907
CVC European Equity Partners V	6,664,108	8,021,971
Doughty Hanson & Co. V	4,892,006	4,711,569
EQT V	1,042,883	1,122,051
Equistone Partners Europe Fund III	2,112,835	2,221,618
First Reserve XI	33,765	35,638
Friday Street Mezzanine Fund	3,189,157	-
Green Equity Investors V	1,279,917	1,350,923
Industri Kapital 2007	520,778	520,778
KKR 2006 Fund	1,031,374	1,078,422
Madison Dearborn Capital Partners V	1,784,640	1,883,648
Olympus Growth Fund V	1,798,894	2,124,167
Park Avenue Plaza	3,509,553	3,704,255
Permira IV	1,600,000	2,125,000
Permira Europe III	241,670	287,300
Providence Equity Partners VI	452,576	534,842
The Resolute Fund II	3,612,624	3,909,856
Sapphire IV	1,050,000	1,050,000
SV Life Sciences Fund II	175	185
Towerbrook Capital Partners III	2,085,765	3,634,872
Welsh, Carson, Anderson & Stowe IX	123,087	129,916
Welsh, Carson, Anderson & Stowe XI	1,580,770	2,632,674
	67,944,830	77,757,816

15 Net asset value per share

30 September 2013

	Class A €	Class B €
IFRS net asset value per share		
Net assets attributable to shareholders before investment fees	148,559,688	37,713,710
Cumulative investment fees	(29,588,611)	(11,267,148)
Net assets attributable to participating shareholders	118,971,077	26,446,562
Shares in issue	160,783,200	40,816,800
Net asset value per share	0.7399	0.6479

31 March 2013

	Class A €	Class B €
IFRS net asset value per share		
Net assets attributable to shareholders before investment fees	137,890,419	35,005,185
Cumulative investment fees	(28,099,738)	(10,700,194)
Net assets attributable to participating shareholders	109,790,681	24,304,991
Shares in issue	160,783,200	40,816,800
Net asset value per share	0.6828	0.5955

30 September 2012

	Class A €	Class B €
IFRS net asset value per share		
Net assets attributable to shareholders before investment fees	121,491,554	30,842,131
Cumulative investment fees	(26,570,066)	(10,117,705)
Net assets attributable to participating shareholders	94,921,488	20,724,426
Shares in issue	160,783,200	40,816,800
Net asset value per share	0.5904	0.5077

16 Foreign currency translation

The consolidated financial statements are measured and prepared in Euro (€). The following exchange rates have been used to translate assets and liabilities in other currencies to € at the reporting date.

	30 September 2013 €	31 March 2013 €
USD	1.35270	1.28160
GBP	0.83561	0.84358

17 Financial risk management

The Group is exposed to market and liquidity risk arising from the investments it holds via its subsidiary investment vehicle, SVG Diamond Private Equity Holdings III Limited (the "Subsidiary Company").

The Subsidiary Company has investment guidelines that set out its tolerance for risk.

As an investment fund, the Subsidiary Company makes long term commitments to private equity funds and mezzanine funds with the objective of achieving capital and revenue profits

Valuation/market risk

The Subsidiary Company invests primarily in a portfolio of private equity funds and mezzanine funds. The Subsidiary Company does not hedge against movements in the value of these investments. Uncertainty arises as a result of future changes in the valuation of the Subsidiary Company's underlying investments, all of which are unquoted and therefore not readily marketable.

The positions held by the Subsidiary Company at the period end are disclosed in note 8 to the consolidated financial statements.

Market price risk is the risk that the fair value of the Subsidiary Company's investments in private equity funds and mezzanine funds fluctuates as a result of changes in the values of the underlying investment's assets.

The risks inherent in the investment portfolio are managed by due diligence reporting on the underlying fund manager before participation in such investment is undertaken to ensure optimal fund manager selection, by review of investment performance and by monitoring compliance with the fund manager's stated objectives, investment strategy and asset allocation. The manager reviews the fair value of the investment at each quarter end date and will investigate significant variances.

Investments in private equity and mezzanine funds are held at fair value through profit or loss and calculated by reference to the net asset value of the fund as provided by the GP of the relevant fund as adjusted for subsequent calls and distributions where applicable. These values may be derived from unaudited financial information or may themselves be estimates prepared by the GP in the absence of readily determinable fair values. Fair value estimates prepared by the GP of the underlying funds incorporate the GP's own assumptions including discounted cash flow assumptions, observable market valuation measures such as valuation multiples and risk adjustments for non-performance and lack of marketability. The manager monitors on an ongoing basis the performance of underlying funds and reviews the financial reporting and incorporates the valuations provided by underlying funds, unless the Directors of the Company consider such valuations an inappropriate estimate of fair value.

The value assigned to individual investments involves a significant degree of judgement and estimated fair values for private investments may differ significantly from values that would have been used had a ready market for the securities existed, and the differences could be material. The values assigned to individual investments in underlying funds are based upon available information and do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstances and cannot be reasonably determined until the individual positions are liquidated.

A 10% increase/decrease in the net asset value of the fund, as provided by the GP of the relevant fund, with all other variables held constant would result in an increase/decrease of €37,885,012 (31 March 2013: €39,454,974) in value of investments held and therefore impact the net assets to attributable participating shareholders.

17 Financial risk management (continued)

Interest rate risk

The Subsidiary Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. At 30 September 2013, the Subsidiary Company had outstanding loans of €224,318,844 (€143 million and US$110 million) (31 March 2013: €250,754,057 comprised of €154 million plus US$124 million). The Subsidiary Company enters into interest rate swaps, in which the Subsidiary Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount in an effort to mitigate these risks. The notional amounts which partially hedge the floating rate Senior Revolver Facility are set out in Note 10.

Interest rate profile (at carrying amount)	Floating rate	
	30 September 2013	31 March 2013
	€	€
Assets		
Cash and cash equivalents:		
Held at bank	7,663,654	1,065,192
Held in money market fund	96	11,458,051
	7,663,750	12,523,243
Liabilities		
Bank borrowings	(223,766,400)	(250,027,609)
	(216,102,650)	(237,504,366)

The return on investments designated at fair value through profit or loss is contingent on the performance of the investee funds. The interest payable on the Senior Revolver Facility varies with changes in the Euribor rate, or in the case of non-euro borrowings the movements in the Libor rate. The amount shown in the table above for the Senior Revolver Facility is net of the unamortised portion of the costs of acquiring the facility of €552,444 (31 March 2013: €726,448). Interest is payable on the gross amounts outstanding under the facility of €224,318,844 (31 March 2013: €250,754,057) which is comprised of euro borrowings of €143 million and US dollar borrowings of US$110 million (€81,318,844 € equivalent) (31 March 2013: €154 million and US$124 million (€96,754,057 € equivalent)). On the basis of the loan balances and foreign exchange rates at the reporting date a 0.25% increase/decrease in interest rates would increase/decrease interest expense by €560,797 (31 March 2013: €626,885) per annum. On the same basis a 0.25% increase/decrease in interest rates would lead to an increase/decrease in interest income of €495,435 (31 March 2013: €509,051). This increase/decrease in interest would result in a net cash outflow/inflow of €65,362 (31 March 2013: €117,834).

The rate of interest margin on the Senior Revolver Facility Loan is dependent on the ratio of the Loan to the value of the assets as detailed in note 11. The value of the loan as at 30 September 2013 is €224,318,844; the value of total assets (being portfolio investments, cash and cash equivalents and uncalled equity) at 30 September 2013 is €464,913,873; giving a ratio of 48.25% and an interest rate margin of 2.5%. For the ratio to change to greater than 55%, if the loan was to stay constant, the value of the assets would have to decrease to €407,778,302; a decrease of €57,135,571. For the ratio to change to 35%, if the loan was to stay constant, the value of the assets would have to increase to €640,910,983; an increase of €175,997,110.

17 Financial risk management (continued)

Interest rate risk (continued)

Maturity profile (at carrying amount)	30 September 2013 €	31 March 2013 €
Due within one year:		
Investments designated at fair value through profit or loss	-	-
Bank borrowings	-	-
Derivatives- held for risk management purposes	(9,769,508)	(10,109,931)
Cash and cash equivalents	7,663,750	12,523,243
	(2,105,758)	2,413,312
Due within two to five years		
Investments designated at fair value through profit or loss	-	-
Bank borrowings	(223,766,400)	(250,027,609)
Derivatives- held for risk management purposes	(7,307,057)	(12,630,490)
Cash and cash equivalents	-	-
	(231,073,457)	(262,658,099)
Due after five years		
Investments designated at fair value through profit or loss	378,850,123	394,549,744
Bank borrowings	-	-
Derivatives- held for risk management purposes	-	-
Cash and cash equivalents	-	-
	378,850,123	394,549,744

The Group's primary objective is to achieve capital returns from its investments and, as such, the main exposure to interest rate risk is indirect, through its impact on the valuation of the private equity funds, although it is not possible to quantify such effects. Interest rates are one of the key determinants of economic growth. At a more specific level, interest rates and credit spreads also have an important role in the ability of private equity funds to secure profitable deals, as many transactions are partly financed by debt. The effect of interest rate changes on the valuation of investments and debt forms part of valuation risk, which is considered separately.

Currency risk

The Subsidiary Company invests in securities and other investments that are denominated in currencies other than its functional currency. Accordingly, the value of the Subsidiary Company's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Group will necessarily be subject to foreign exchange risks. However, the Subsidiary Company has the ability to borrow in currencies other than Euro which will act as a partial hedge against the currency exposure of assets denominated in such other currencies.

The table below shows the Euro equivalent of foreign currency investments and borrowings:

US$	30 September 2013 €	31 March 2013 €
Investments designated at fair value through profit or loss	148,939,968	158,434,425
Cash and cash equivalents	967,545	6,901,895
Senior Revolver Facility	(81,318,844)	(96,754,057)
Derivatives- held for risk management purposes	(9,230,488)	(12,533,750)
Net currency exposure	59,358,181	56,048,513

17 Financial risk management (continued)

Currency risk (continued)

The gain for the period was €11,321,967 (31 March 2013: gain €26,694,274).The actual US Dollar exchange rate as at 30 September 2013 was 1.3527 (31 March 2013: 1.2816). If the value of the US Dollar had been 10% stronger at 1.2174 (31 March 2013: 1.1534) at 30 September 2013 this gain would have increased by €6,596,979 (31 March 2013 €6,229,772) mainly due to the effect of net foreign exchange between the foreign exchange movement on investments and that on the Senior Revolver Facility, US Dollar denominated cash and cash equivalents and US Dollar denominated derivatives. Conversely, if the value of the US Dollar had been 10% weaker at 1.4880 (31 March 2013: 1.4098) this gain would have decreased by €5,397,286 (31 March 2013: €5,096,765).

Liquidity risk

Liquidity risk is the risk that the Company or its Subsidiary Company will not be able to meet its financial obligations as they fall due. The nature of investing in private equity funds entails making significant financial commitments. It is anticipated that over the longer term, and in normal circumstances, commitments would be financed by distributions received on the realisation of existing investments as well as out of current financial resources. The Company manages its liquidity by matching the timing of investments made with its calls on shareholders and draw downs on its bank facility. However, a residual risk remains that the Subsidiary Company could be unable to meet its future commitments in full.

The Company is not under any contractual obligation to utilise the liquidity facility and as such its only contractual obligation is to pay the commitment fee on the facility up to the termination date. To the extent that the facility is utilised the Company would become liable to pay interest on the amount borrowed and the commitment fee payable would be reduced by reference to the portion of the facility then utilised. Interest payable in respect of future periods on bank borrowings at the period end have not been included in the table of gross contractual cash flows outlined below. The interest rates applicable to such borrowings are set out in note 11 and note 17. The gross contractual cash flows shown below for commitment fees on the bank facility are calculated under the assumption that the fee applies to the total amount of the facility as disclosed in note 11.

30 September 2013

	Carrying amount €	Gross contractual cash flows €	Less than one year €	One to five years €	More than five years €
Investments designated at fair value through profit or loss	378,850,123	378,850,123	-	-	378,850,123*
Loans and receivables					
Cash and cash equivalents	7,663,750	7,663,750	7,663,750	-	-
Accrued income	89	89	89	-	-
	386,513,962	386,513,962	7,663,839	-	378,850,123
Financial liabilities at fair value through profit or loss					
Derivatives- held for risk management purposes	(17,076,565)	(17,621,647)	(10,097,176)	(7,524,471)	-
Financial liabilities at amortised costs					
Bank borrowings	(223,766,400)	(224,318,844)	-	(224,318,844)	-
Other payables	(253,358)	(253,358)	(253,358)	-	-
	(241,096,323)	(242,193,849)	(10,350,534)	(231,843,315)	-
Unrecognised commitments					
Commitment fees on Senior Revolver Facility	-	(7,250,000)	(4,562,500)	(2,687,500)	-
Net position	145,417,639	137,070,113	(7,249,195)	(234,530,815)	378,850,123

* While investments at fair value are classified as maturing in more than 5 years, it is likely that some distributions will be received prior to this.

17 Financial risk management (continued)

Liquidity risk (continued)

31 March 2013

	Carrying amount €	Gross contractual cash flows €	Less than one year €	One to five years €	More than five years €
Investments designated at fair value through profit or loss	394,549,744	394,549,744	-	-	394,549,744*
Loans and receivables					
Cash and cash equivalents	12,523,243	12,523,243	12,523,243	-	-
Accrued income	1,303	1,303	1,303	-	-
Other receivable	415,466	415,466	415,466	-	-
	407,489,756	407,489,756	12,940,012	-	394,549,744
Financial liabilities at fair value through profit or loss					
Derivatives- held for risk management purposes	(22,740,421)	(23,360,357)	(10,398,208)	(12,962,149)	-
Financial liabilities at amortised costs					
Bank borrowings	(250,027,609)	(250,754,057)	-	(250,754,057)	-
Other payables	(626,054)	(626,054)	(626,054)	-	-
	(273,394,084)	(274,740,468)	(11,024,262)	(263,716,206)	-
Unrecognised commitments					
Commitment fees on Senior Revolver Facility	-	(9,578,333)	(4,582,033)	(4,996,300)	-
Net position	134,095,672	123,170,955	(2,666,283)	(268,712,506)	394,549,744

* While investments at fair value are classified as maturing in more than 5 years, it is likely that some distributions will be received prior to this.

The gross contractual cash flows from investments at fair value through profit or loss will vary in accordance with the actual realisation proceeds on the disposal of the underlying investee companies within the portfolio. The exact timing of the receipt of these investments is not fixed and is at the discretion of the managers of the respective funds. Likewise, while uncalled commitments fall due on demand, the exact timing of these demands for payment is not fixed and is expected to be payable over a period of many years as and when calls are received from the respective funds.

The gross contractual amounts shown above for derivatives are calculated under the assumption that the current spot Euribor and USD Libor rates will remain constant over the remaining life of the swap. Actual Euribor and USD Libor rates will vary over this period and as such the actual cash flows on the swap will differ to those shown above. The interest rates and notional amounts on which the swap interest is based are detailed in note 10 above.

At 30 September 2013, the Group had uncalled commitments of €67,944,830 (31 March 2013: €77,757,816), which are expected to be called over a number of years. It should be noted that when these commitments are funded they will typically be used to make investments and therefore create an asset that would be expected to be realised for cash over the longer term. The future uncalled commitments are expected to be financed out of a combination of existing cash resources of €7,663,750 (31 March 2013: €12,523,243), further calls on participating shares of €78,400,000 (31 March 2013: €78,400,000), and the drawdowns from the loan facility (subject to various financial covenants) of €300,000,000 (31 March 2013: €320,000,000) (reduced to €300,000,000 on 20 May 2013) of which €224,318,844 (31 March 2013: €250,754,057) has been utilised at 30 September 2013.

17 Financial risk management (continued)

Liquidity risk (continued)

The bank facility is provided by Lloyds Bank plc which is rated as follows as at 30 September 2013:

	Long Term Rating	Short Term Rating
Moody's	A2	P-1
Filch	A	F1
S&P	A	A-1
DBRS	AA (low)	R-1 (middle)

The bank facility is provided by Lloyds Bank plc which is rated as follows as at 31 March 2013:

	Long Term Rating	Short Term Rating
Moody's	A2	P-1
Filch	A	F1
S&P	A	A-1
DBRS	AA (low)	R-1 (middle)

Credit risk

Credit risk is the risk of financial loss to the Company or its Subsidiary Company if the counterparty to a financial instrument fails to meet its contractual obligations and the shareholders in the Company will be unable to meet future capital calls made by the Company. As at 30 September 2013 € nil was outstanding in respect of capital calls made during the period (31 March 2013: € nil).

The Group's maximum exposure to credit risk at the consolidated Statement of Financial Position date was:

	30 September 2013	31 March 2013
	€	€
Cash and cash equivalents	7,663,750	12,523,243
Accrued income	89	1,303
Other receivable	-	415,466
	7,663,839	12,940,012

The Group is also indirectly exposed to the credit risk of underlying funds.

All of the Group's cash balances are held with BNY Mellon which is rated as follows as at 30 September 2013.

	Short Term Deposits	Outlook
Moody's	P-1	Negative
Fitch	F1+	Stable
S&P	A-1	Negative
DBRS	R-1 (medium)	Stable

17 Financial risk management (continued)

Credit risk (continued)

All of the Group's cash balances are held with BNY Mellon which is rated as follows as at 31 March 2013.

	Short Term Deposits	Outlook
Moody's	P-1	Negative
Fitch	F1+	Stable
S&P	A-1+	Negative
DBRS	R-1 (high)	Stable

The Group's cash and substantially all of the assets of the Group are held by the Custodian, Bank of New York Mellon Trust Company (Ireland) Limited. Bankruptcy or insolvency of the Custodian may cause the Group's rights with respect to assets held to be delayed.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's and its Subsidiary Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Company's operations and those of its Subsidiary Company.

The Company and Subsidiary Company were incorporated for the purposes of engaging in those activities outlined in the proceeding paragraphs. The Company has no employees and the administration of the Company has been outsourced to the Corporate Administrator, Maples Fund Services (Ireland) Limited.

Holding risk

In certain circumstances, the Subsidiary Company may wish to transfer its holdings in particular funds. In a majority of the funds in which the Subsidiary Company invests, the GP or manager has the ultimate right, similar to that exercisable by the Board of a Private Company, to refuse to register the transfer of an interest. While the Subsidiary Company has no reason to believe that any request for the transfer of an interest would be refused, it is of course conceivable that the GP's or manager's overriding fiduciary duty could result in its refusing to register a particular transfer proposed by the Subsidiary Company.

Concentration risk

The Group manages its concentration risk by the diversification of its investment portfolio as set out in note 19.

18 Fair Values

IFRS establishes a hierarchical framework which prioritises and ranks the level of observability of inputs used in measuring financial assets and financial liabilities and fair value. The observability of inputs is impacted by a number of factors, including the type of instrument and the characteristics specific to the instrument. Financial instruments with readily available quoted prices for which fair value can be measured from quoted prices in active markets will generally have a higher degree of market price observability and a lesser degree of judgement applied in determining fair value.

18 Fair Values (continued)

The consolidated financial statements include financial instruments whose values have been estimated in the absence of readily ascertainable market values. Because of the inherent uncertainty of valuation, these estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and it is reasonably possible that the difference could be material.

The three-level hierarchy for fair value measurement is defined as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Subsidiary Company has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3 Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

All of the Subsidiary Company's investments have been classified within level 3 as they have unobservable inputs and as they trade infrequently or not at all. The valuation techniques used by the Company are explained in the accounting policies set out in note 2(k). There were no changes in valuation techniques.

The following table presents the investments carried on the consolidated Statement of Financial Position by level within the valuation hierarchy as at 30 September 2013:

	30 September 2013 €	31 March 2013 €
Level 1	-	-
Level 2	-	-
Level 3	378,850,123	394,549,744
Total	378,850,123	394,549,744

18 Fair Values (continued)

The following table includes a roll forward of the amounts for the period ended 30 September 2013 for investments classified within level 3. The classification of an investment within level 3 is based upon the significance of the unobservable inputs for the overall fair value measurement.

	30 September 2013 €	31 March 2013 €
Fair value measurement using level 3 inputs		
Opening balance	394,549,744	397,650,548
Calls and purchases	11,089,032	41,622,706
Distributions	(36,042,726)	(84,077,731)
Unrealised and realised gains on revaluation	17,490,043	33,082,277
Foreign exchange movements	(8,235,970)	6,271,944
Total	378,850,123	394,549,744

The net gains on revaluation in respect of Level 3 investments for the period relate in their entirety to investment assets held at 30 September 2013 and are included in the net gains/(losses) on investments in the consolidated Statement of Comprehensive Income.

The following table presents the investments carried on the Company's Statement of Financial Position by level within the valuation hierarchy as at 30 September 2013:

	30 September 2013 €	31 March 2013 €
Level 1	-	-
Level 2	-	-
Level 3	145,417,639	134,095,672
Total	145,417,639	134,095,672

The following table includes a roll forward of the amounts for the period ended 30 September 2013 for the investments classified within level 3. The classification of the notes within level 3 is based upon the significance of the unobservable inputs for the overall fair value measurement.

	30 September 2013 €	31 March 2013 €
Fair value measurement using level 3 inputs		
Opening balance	134,095,672	107,401,398
Calls	-	-
Unrealised gains on revaluation	11,321,967	26,694,274
Total	145,417,639	134,095,672

18 Fair Values (continued)

The following table presents the derivatives carried on the consolidated Statement of Financial Position by level within the valuation hierarchy as at 30 September 2013:

	30 September 2013 €	31 March 2013 €
Level 1	-	-
Level 2	17,076,565	22,740,421
Level 3	-	-
Total	17,076,565	22,740,421

The following table includes a roll forward of the amounts for the period ended 31 March 2013 for derivatives classified within level 2. The classification of the derivatives within level 2 is based upon the significance of the observable inputs for the overall fair value measurement.

	30 September 2013 €	31 March 2013 €
Fair value measurement using level 2 inputs		
Opening balance	22,740,421	28,683,141
Unrealised (gains)/losses on revaluation, net of cash flows	(5,663,856)	(5,942,720)
Total	17,076,565	22,740,421

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period. There have been no transfers between the various levels in the period ended 30 September 2013.

Valuation Techniques

Level 2 financial instruments comprise currency swaps that are measured based on observable spot exchange rate, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

Level 3 financial instruments relate to the investment portfolio of the Group which primarily invests in private equity funds and mezzanine funds via limited partnerships. Such vehicles are typically unquoted and in turn invest in unquoted securities.

Fair values of the funds, in which the Group invests, is generally considered to be the Group's share of the Net Asset Value of the fund, as determined by the GP of such funds. The Net Asset Values are reviewed and, if considered appropriate, approved by the Directors.

The Net Asset Value of a private equity fund is calculated after determining the fair value of a fund's investment in any investee companies. This value is generally obtained by calculating the Enterprise Value (the "EV") of the company and then deducting financial instruments, such as external debt, ranking ahead of the fund's highest ranking instrument in the company. The Group's participation in the remaining instruments is then calculated to assess the fair value of the Group's instrument.

A common method of determining the EV is to apply a market-based multiple (e.g. an average multiple based on a selection of comparable quoted companies) to the "maintainable" earnings of the investee company. This market based approach presumes that the comparator companies are correctly valued by the market. A discount is sometimes applied to market-based multiples to adjust for points of difference between the comparators and the company being valued.

18 Fair Values (continued)

Valuation Techniques (continued)

The net asset value of a mezzanine fund is calculated after determining the fair value of a mezzanine fund's investment in the debt instruments of private equity owned companies. Such investments are typically unquoted and are valued using a range of valuation techniques such as recent transactions and discounted cash flow analysis. Debt related investments in the mezzanine funds are typically held at cost except when the valuation techniques described above indicate an impairment.

The Directors have considered whether any adjustments to NAV should be made in order to calculate the fair value of a fund. For example, NAV could be adjusted to account for any uncalled commitments that a buyer in an arm's-length transaction would take on, or any expected limitations on a company's ability to receive value equal to NAV in the future. The Directors consider that, at 30 September 2013, no adjustments to NAV would represent a better estimate of fair value than NAV itself.

The Group values its investment portfolio in accordance with IPEV Valuation Guidelines which are considered to be the industry standard. However, amounts ultimately realised on disposal of an investee company can differ materially from the previous carrying value and therefore have a significant impact on the Group's profits and net assets.

The sensitivity of the investment portfolio valuations to movements in the valuation inputs is discussed further in Note 17.

19 Segment analysis: profit and loss, assets and liabilities

The Company has determined its operating segments on a geographical basis in line with the manner in which information is reported to the Chief Operating Decision Maker, by reference to the location of the underlying investments held by the funds in which the Group invests. The operating segments are; Europe (including UK), U.S., Japan and Others. The principal objective of the Group is to maximise income and gains from the private equity and mezzanine funds in which it invests. Income and gains are received from the funds in the form of distributions. Distributions received from the funds are comprised variously of; returns of original invested capital after deduction of capital losses where these arise, capital gains and income distributions. It is also generally possible for the Group to realise its investment through a sale of its interest in the funds although no such sales have been made to date. Amounts not currently invested in private equity funds are invested in liquidity accounts until such time as the amounts are required to meet investment requirements or to pay operating costs.

The Board of Directors of the Group have put in place investment guidelines in order to ensure geographical diversification within the portfolio of investments for the purposes of reducing the level of market risk to which the Group is exposed. The investment guidelines provides a minimum for the number of different funds which the Group must invest in and also stipulates maximum amounts which may be invested in any one fund. The guidelines also stipulate a maximum amount which may be invested in funds managed by the same fund manager and provides for a minimum number of managers to which the Group must obtain exposure. The guidelines also stipulate minimums and maximums with respect to investment type and geographic spread.

19 Segment analysis: profit and loss, assets and liabilities (continued)

The guidelines stipulated with respect to investment types are as follows:

	Minimum percentage of total commitments	Maximum percentage of initial total commitment
Buy-out/development capital	70%	100%
Mezzanine investments	0%	20%
Venture capital	0%	10%
Other	0%	5%

The guidelines stipulated with respect to investment types are as follows:

	Minimum percentage of total commitments	Maximum percentage of initial total commitment
Europe (including UK)	30%	70%
U.S.	30%	70%
Japan	0%	10%
Other	0%	5%

The type of private equity investments which the Group is permitted to hold is strongly weighted towards later-stage investments. Furthermore, the primary factors distinguishing the investment types are the level of risk and the investment horizon. Consequently, the investment types do not constitute different product categories and do not otherwise provide sufficient discretion to the Chief Operating Decision Maker to constitute operating segments. Conversely, the Group's investment guidelines allow a high degree of discretion and as such the Group has identified the above geographic areas as its operating segments. To date the Group has not made any investments in the Japanese segment.

On entering into a private equity investment the Group makes a commitment to invest a specified amount into the particular fund. The amounts committed to the fund are paid to the funds on receipt of a funding call. The funded commitments are the amounts paid to date with the remaining unpaid commitments constituting unfunded commitments.

	Period ended 30 September 2013 Europe €	Period ended 30 September 2013 United States €	Period ended 30 September 2013 Other €	Period ended 30 September 2013 Total €
Income from private equity funds	3,358,894	775,814	19,987	4,154,695
Realised and unrealised gains/(losses) on investments	10,242,226	7,754,898	(507,081)	17,490,043
Foreign exchange movement on investments	(143,803)	(6,793,354)	(1,298,813)	(8,235,970)
Reportable segment income	13,457,317	1,737,358	(1,785,907)	13,408,768
Reportable segment assets	226,211,375	132,143,980	20,494,768	378,850,123
Unfunded commitments to private equity funds	41,119,481	23,044,298	3,781,051	67,944,830

Reportable segment loss arising from the Group's country of residence is € nil.

19 Segment analysis: profit and loss, assets and liabilities (continued)

	Year ended 31 March 2013 Europe €	Year ended 31 March 2013 United States €	Year ended 31 March 2013 Other €	Year ended 31 March 2013 Total €
Income from private equity funds	8,355,598	3,567,542	51,861	11,975,001
Realised and unrealised gains on investments	10,859,208	16,453,170	5,769,899	33,082,277
Foreign exchange movement on investments	99,805	5,451,569	720,570	6,271,944
Reportable segment income	19,314,611	25,472,281	6,542,330	51,329,222
Reportable segment assets	230,960,097	137,925,118	25,664,529	394,549,744
Unfunded commitments to private equity funds	46,754,708	26,309,469	4,693,639	77,757,816

Reportable segment loss arising from the Group's country of residence is € nil.

Since the principal activity of the Group involves investing in private equity funds with surplus funds held in liquidity accounts, the Group derives its income from investment income and net realised gains/(losses) on its investment portfolio.

Reconciliation of operating segments income to Group total income

	30 September 2013 €	31 March 2013 €	30 September 2012 €
Investment income	4,155,658	11,981,331	3,385,885
Net gains on investments	9,254,073	39,354,221	21,434,530
Group total income	13,409,731	51,335,552	24,820,415
Reportable segment income	13,408,768	51,329,222	24,817,031
Interest	963	6,330	3,384
	13,409,731	51,335,552	24,820,415

Reconciliation of operating segments profit/(loss) before taxation to the Group profit/(loss) before taxation

	30 September 2013 €	31 March 2013 €	30 September 2012 €
Total of reportable segments income	13,408,768	51,329,222	24,817,031
Liquidity fund interest	963	6,330	3,384
Net gain/ (losses) on revaluation of derivatives held for risk management purposes	464,394	(3,993,802)	(3,945,247)
Net foreign exchange (losses)/gains on cash and cash equivalents	(279,591)	(43,931)	(218,478)
Expenses	(2,306,635)	(4,792,750)	(2,418,057)
Finance costs	855,747	(14,137,618)	(9,636,416)
Group gain before taxation	12,143,646	28,367,451	8,602,217

19 Segment analysis: profit and loss, assets and liabilities (continued)

Reconciliation of operating segments assets to the Group total assets

	30 September 2013 €	31 March 2013 €	30 September 2012 €
Total of reportable segments assets	378,850,123	394,549,744	398,814,807
Cash and cash equivalents	7,663,750	12,523,243	4,689,886
Accrued income	89	1,303	101
Other expenses	-	415,466	-
Group total assets	386,513,962	407,489,756	403,504,794

Liabilities are not allocated to the operating segments but rather form part of the Group's general funding.

20 Related party transactions

From the start of the Period through to 31 May 2013, SVG Advisers Limited ("SVGA") and SVG Managers Limited ("SVGM"), were wholly-owned subsidiaries of SVG Capital plc, and together entitled to an Investment Management Fee and Investment Advisory Fee equal to a fixed annual percentage of the Company's total committed capital (debt and equity) amounting to €600.0 million post the debt facility renegotiation on 1 April 2010. The total committed capital is split in proportion to the number of 'A' and 'B' shares in issue. The fee rate applicable to the 'A' Share portion is 1.0% per annum and to the 'B' Share portion is 1.5% per annum. The fee calculation subsequently changed to an asset basis on 1 December 2011. On 31 May 2013, Aberdeen Asset Management plc purchased a 50.1% interest in SVGA and SVGM, which then were renamed Aberdeen SVG Private Equity Advisers Limited ("ASVGA") and Aberdeen SVG Private Equity Managers Limited ("ASVGM") respectively.

Under the terms of the SVG Diamond Private Equity III plc transaction, ASVGA and ASVGM have established an Advisory Committee to consider private equity opportunities available to the Company and Subsidiary Company in light of its Investment Guidelines. ASVGA and ASVGM can recover the fees and reasonable expenses payable to the Chairman and Investment Professional Members of the Committee, subject to the annual cap on administrative expenses. ASVGA also act as investment advisors to P1234 and Sapphire IV. The Group has made investments in these funds.

ASVGA and ASVGM incurred costs on behalf of the Company and Subsidiary Company during the period under review. Such costs have been, or will be, recovered, subject to the cap on formation costs and the annual cap on administrative expenses.

Amounts paid/(payable) to ASVGA and ASVGM

	6 month period to 30 September 2013 €	12 month period to 31 March 2013 €
Reimbursement of costs incurred on behalf of the Company	134,957	179,274
Investment management and advisory fees	2,072,473	4,289,020
Total transactions with ASVGA and ASVGM during the period	2,207,430	4,468,294

20 Related party transactions (continued)

Directors' remuneration and beneficial interest in share capital.

The Directors do not have a beneficial interest in the share capital of the Company.

The Directors do not receive fees directly from the Company. Fees for their services of €12,000 per annum are payable to Structured Finance Management (Ireland) Limited ("SFM"). The Directors are employees of SFM.

21 Significant events during period

On 20 May 2013, the Group voluntarily cancelled €20 million of the Senior Revolving Facility commitment of €320 million, reducing the Senior Revolving Facility size to €300 million.

On 31 May 2013, Aberdeen Asset Management plc purchased a 50.1% interest in the Investment Manager and the Investment Adviser and those companies changed their names to Aberdeen SVG Private Equity Managers Limited and Aberdeen SVG Private Equity Advisers Limited respectively.

In July 2013, the requirement for the Group to call 5% equity in July 2013 has been permanently cancelled by the Lender.

No other significant events have occurred, in respect of the Group, during the period end that may be deemed relevant to the accuracy of these financial statements.

22 Subsequent events

On 18 October 2013, the Group voluntarily cancelled a further €20 million of the Senior Revolving Facility commitment of €300 million, reducing the Senior Revolving Facility size to €280 million. No other significant events have occurred, in respect of the Group, subsequent to the period end that may be deemed relevant to the accuracy of these financial statements.

23 Investments in subsidiary

The Company invests in a portfolio of private equity and mezzanine funds via its investment in SVG Diamond Private Equity Holdings III Limited ("Diamond III"), a wholly-owned Subsidiary Company. SVG Diamond Private Equity Holdings III Limited was incorporated on 17 April 2007 (registered number 438138) and its registered office is Hanover Building, Windmill Lane, Dublin 2. On 17 May 2007 Shareholders paid an initial subscription amount of €56.0 million for an investment in 56 million Funded Shares in SVG Diamond Private Equity III plc. At the same time SVG Diamond Private Equity III plc invested €56.0 million in Certificates issued by Diamond III. Subsequent equity calls amounted to €145.6 million. All of the investing and operating activities of the Group are conducted by Diamond III, which has also agreed to bear all of the operating costs of the parent Company. The Directors are the same for both companies in the Group. The financial statements have been prepared on a consolidated basis.

24 Approval of financial statements

The financial statements were approved by the Board of Directors on 22 November 2013.