

CHARTERHOUSE CAPITAL INVESTMENTS LIMITED



REPORT AND FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2017

CHARTERHOUSE CAPITAL INVESTMENTS LIMITED

REGISTERED NO: 00616189

DIRECTORS' REPORT

The Directors present their report on the affairs of Charterhouse Capital Investments Limited (the "Company"), a private limited company incorporated in England and Wales, together with the financial statements and auditor's report for the nine month period from 1 April 2017 to 31 December 2017 ("2017" refers, throughout the report and financial statements, to the year ended 31 March 2017).

DIRECTORS

The Directors of the Company, who held office during the period and at the date of this report, are:

Mr D Aldred
Mr P N Burrow
Mr L L M Giacomotto
Mr T S Patrick

Registered Office: Warwick Court, Paternoster Square, London EC4M 7DX.

PRINCIPAL ACTIVITY

The Company's principal activity is to hold interests in unlisted companies and funds. The principal activity of the Charterhouse group of companies ("the Group") is the provision of private equity fund management and related services.

BUSINESS REVIEW AND PRINCIPAL RISKS

The Company has performed in line with its Directors' expectations. No new activities outside of the core business have been entered into or are contemplated.

On 6 October 2017, the Directors approved changing the Company's accounting reference date to 31 December.

Investments held by the Company are unquoted and illiquid and consequently have a high degree of risk. The value of the investments may fall or rise and will depend upon the performance of certain funds managed by the Group.

LOSS AND DIVIDENDS

The loss for the period after taxation was £22,000 (2017 £181,000 profit). The Directors do not recommend the payment of a dividend (2017 £nil).

GOING CONCERN

The Company has sufficient financial resources, and as a consequence, the Directors believe that the Company is well-placed to manage its business risk. With this in mind and having made all reasonable enquiries and having respect to the nature of the Company and its activities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

In preparing these financial statements, the Directors are required to:

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

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

DIRECTORS' INDEMNITIES

The Company has qualifying third party indemnity provisions for the benefit of its Directors which were made during the period and remain in force at the date of this report.

SMALL COMPANIES REGIME

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The Directors have chosen not to prepare a Strategic Report as the Company is a small company under the Companies Act 2006.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418, the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By Order of the Board and signed on its behalf by:



I M WATSON
Secretary

18 April 2018

Warwick Court
Paternoster Square
London EC4M 7DX

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE CAPITAL INVESTMENTS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of Charterhouse Capital Investments Limited's (the "Company") affairs as at 31 December 2017 and of its loss for the nine month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE CAPITAL INVESTMENTS LIMITED (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

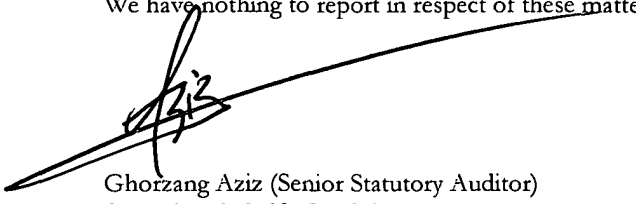
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE CAPITAL INVESTMENTS LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.



Ghorzang Aziz (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

19 April 2018

PROFIT AND LOSS ACCOUNT

		Nine month period ended 31 December 2017 £'000	Year ended 31 March 2017 £'000
	Notes		
Operating income	2	-	284
Administrative expenses	3	-	-
Other operating losses		(23)	(90)
(Loss)/profit on ordinary activities before taxation		(23)	194
Taxation on (loss)/profit on ordinary activities	5	1	(13)
(Loss)/profit for the financial period/year		(22)	181
(Loss)/profit for the financial period/year attributable to:			
Equity shareholder of the Company		(22)	181
		(22)	181

There was no other comprehensive income for the financial period (2017 £nil).

All income and expenditure arose from continuing activities.

The notes on pages 9 to 13 form part of these financial statements.

CHARTERHOUSE CAPITAL INVESTMENTS LIMITED

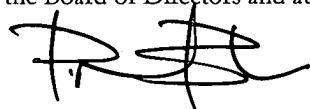
REGISTERED NO: 00616189

BALANCE SHEET

as at		31 December 2017 £'000	31 March 2017 £'000
	Notes		
FIXED ASSETS			
Investments	6	2,536	6,008
CURRENT ASSETS			
Debtors:			
Amounts falling due within one year	7	1,747	-
Cash at bank		5	1
Deferred taxation	8	-	-
		1,752	1
CREDITORS: Amounts falling due within one year	9	12	1,711
NET CURRENT ASSETS/(LIABILITIES)		1,740	(1,710)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,276	4,298
NET ASSETS		4,276	4,298
CAPITAL AND RESERVES			
Share capital	10	-	-
Profit and Loss Account		4,276	4,298
TOTAL SHAREHOLDER'S FUNDS		4,276	4,298

The notes on pages 9 to 13 form part of these financial statements.

The financial statements of Charterhouse Capital Investments Limited (registered number 00616189) were approved by the Board of Directors and authorised for issue on 12 April 2018. They were signed on its behalf by:



P N BURROW
Director

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity shareholder of the Company		
	Called up share capital	Profit and Loss Account	Total
	£'000	£'000	£'000
At 1 April 2016	-	4,117	4,117
Profit for the financial year	-	181	181
At 31 March 2017	-	4,298	4,298
Loss for the financial period	-	(22)	(22)
At 31 December 2017	-	4,276	4,276

The notes on pages 9 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2017

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the period and to the preceding year.

Company information

Charterhouse Capital Investments Limited is a private limited company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Warwick Court, Paternoster Square, London EC4M 7DX. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"), as issued by the Financial Reporting Council.

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenue and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The functional currency of the Company is Sterling.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement and from disclosing transactions with other wholly-owned companies within the same Group.

Going concern

The Company has sufficient financial resources, and as a consequence, the Directors believe that the Company is well placed to manage its business risk. With this in mind and having made all reasonable enquiries and having respect to the nature of the Company and its activities, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors adopt the going concern basis in preparing the financial statements.

Investments

Unlisted investments are shown at cost less provision for impairment.

Financial assets and liabilities

Financial assets and liabilities which are basic financial instruments are initially recorded at the transaction price. Subsequently, these are measured at amortised cost using the effective interest method. Financial assets and liabilities that are classified as receivable or payable within one year are not discounted.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Operating income

Operating income comprises of carried interest receipts in the form of investment interest, other income and investment realisation profits in relation to the Company's participation in funds managed by the Group.

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2017 (continued)

1 ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date. Foreign exchange differences are recognised in the Profit and Loss Account in the period in which they arise. All foreign exchange gains and losses are presented in the Profit and Loss Account within Other operating gains/(losses).

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2 OPERATING INCOME

	Nine month period ended 31 December 2017 £'000	Year ended 31 March 2017 £'000
Realisation profits from underlying fixed asset investments	-	284
	-	284

3 ADMINISTRATIVE EXPENSES

The auditor's remuneration of £5,000 (2017 £5,000) has been borne by a fellow subsidiary undertaking.

The Company had no employees during the period (2017 none).

4 DIRECTORS' EMOLUMENTS

The Directors do not receive any remuneration in respect of their services to the Company and have not waived any remuneration (2017 £nil).

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2017 (continued)

5 TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

a) Analysis of the tax credit/(charge) in the period/year

	Nine month period ended 31 December 2017 £'000	Year ended 31 March 2017 £'000
Current tax:		
UK corporation tax credit/(charge) on (loss)/profit of the period/year	-	(13)
Adjustment in respect of prior periods	1	-
Total tax credit/(charge) on (loss)/profit on ordinary activities	<u>1</u>	<u>(13)</u>

b) Factors affecting the tax credit/(charge) for the period/year

The tax assessed on the (loss)/profit on ordinary activities for the period/year differs from the standard rate of corporation tax in the UK of 19.0% (2017 20.0%). The differences are reconciled below:

	Nine month period ended 31 December 2017 £'000	Year ended 31 March 2017 £'000
(Loss)/profit on ordinary activities before taxation	<u>(23)</u>	<u>194</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.0% (2017 20.0%)	4	(39)
Effects of:		
Income not taxable	-	27
Adjustments in respect of prior periods	1	-
Tax losses	(4)	(18)
Accounting allocation of profits more than tax allocations	-	17
Total tax credit/(charge) for the period/year	<u>1</u>	<u>(13)</u>

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2017 (continued)

6 INVESTMENTS

	31 December 2017	31 March 2017
	£'000	£'000
At start of the period/year	6,008	2
Acquisitions	1,569	8,968
Disposals	(5,041)	(2,962)
At end of the period/year	<u>2,536</u>	<u>6,008</u>

The Company is a limited partner in CCP X Co-investment LP (the "Partnership") with a commitment to the Partnership of €87,500,000. The Company made capital contributions of €1,756,302 to the Partnership during the period (2017 €10,284,865). During the period, the Company sold €5,844,631 of its interest in the Partnership (2017 €3,326,058). CCP X Co-investment LP is a limited partnership incorporated in England and Wales.

Other investments include partnership interests totalling 0.98% of the CCP VII Carried Interest Limited Partnerships and 14.80% of CCP X Carried Interest LP. The CCP VII Carried Interest Limited Partnerships and the CCP X Carried Interest LP are limited partnerships incorporated in Scotland.

7 DEBTORS

	31 December 2017	31 March 2017
	£'000	£'000
Amounts falling due within one year:		
- Amounts due from fellow subsidiary undertakings	<u>1,747</u>	<u>-</u>
	<u>1,747</u>	<u>-</u>

Amounts due from fellow subsidiary undertakings are interest free and at call.

8 DEFERRED TAXATION

A potential deferred tax asset on surplus tax losses of £112,000 (2017 £90,000) has not been recognised at the Balance Sheet date.

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2017	31 March 2017
	£'000	£'000
Amounts due to fellow subsidiary undertakings	-	1,698
Group relief creditor	-	13
Sundry creditors	<u>12</u>	<u>-</u>
	<u>12</u>	<u>1,711</u>

Amounts due to fellow subsidiary undertakings are interest free and at call.

CHARTERHOUSE CAPITAL INVESTMENTS LIMITED

REGISTERED NO: 00616189

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2017 (continued)**10 SHARE CAPITAL**

	31 December	31 March
	2017	2017
	£	£
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11 RELATED PARTY TRANSACTIONS

Under the terms of FRS 102 the Company, which is a wholly-owned subsidiary, is exempt from disclosing transactions with other wholly-owned companies within the same Group.

12 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking and ultimate controlling party is Watling Street Capital Partners LLP, a limited liability partnership incorporated in England and Wales.

The ultimate parent undertaking of the smallest and largest Group in which the financial statements of the Company are consolidated is Watling Street Capital Partners LLP.

The consolidated financial statements of Watling Street Capital Partners LLP may be obtained from the Company Secretary, Warwick Court, Paternoster Square, London EC4M 7DX.