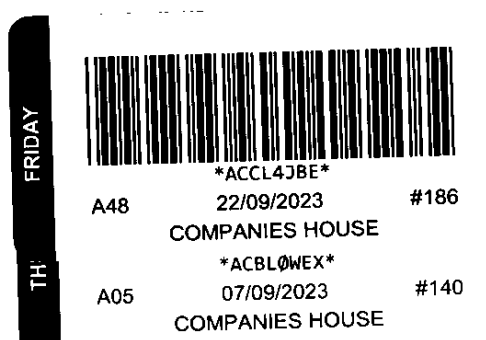




Montagu Equity Limited

Annual Report & Financial Statements
for the year ended 31 December 2022

Registered in England No. 02781154





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Directors' Report

The Directors present their Report to the members together with the financial statements for the year ended 31 December 2022 which were approved by them on 5 September 2023.

Principal activities

The principal activity of the company is to act as an investment holding company. The principal activity of its investment is to provide services relating to private equity fund management.

Results and dividends

The results for the year are set out in the statement of comprehensive income on page 11.

The Company has declared and paid an ordinary share dividend of £Nil (2021: £Nil).

Liability Insurance

The Company has professional indemnity insurance in place in respect of the duties of the Directors.

Small companies exemption

The Directors have elected not to prepare a Strategic Report as the Company is a small company under the Companies Act 2006 and is entitled to an exemption under S414B Companies Act 2006.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under S415a Companies Act 2006.

Directors

The directors of the Company who held office during the year and to the date of this report were as follows.

C.M.Masterson (resigned 31 January 2022)

G.Hislop (resigned 31 July 2022)

C.J.Gatenby

L.N. Denning (appointed 1 August 2022)



Directors' Report

Exemption from audit

For the year ended 31 December 2022 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

By order of the board,

L.N. Denning
Chief Financial Officer
Registered Office
2 More London Riverside
London
SE1 2AP
5 September 2023
Registered No. 02781154



Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Statement of Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Turnover	2	4,179	3,940
Operating costs	3	<u>691</u>	<u>(903)</u>
Operating profit		4,870	3,037
Interest receivable and similar income	4	1,046	706
Interest payable and similar expenses	5	<u>(245)</u>	<u>(172)</u>
Profit before taxation		5,671	3,571
Tax on profit	6	<u>(672)</u>	<u>(1,103)</u>
Profit after taxation		<u>4,999</u>	<u>2,468</u>

All results relate to continuing operations.

There were no other items of comprehensive income for the year and therefore the profit for the year is also the total comprehensive income for the year.

The notes on pages 8 to 14 form part of these financial statements.



Balance Sheet

At 31 December 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	7	10,970	10,970
		<u>10,970</u>	<u>10,970</u>
Current assets			
Debtors due more than one year	8	27,061	30,322
Cash and cash equivalents	9	13	1,213
		<u>27,074</u>	<u>31,535</u>
Creditors: amounts falling due within one year	10	(16,197)	(25,657)
Net current assets		10,877	5,878
Total assets less current liabilities		<u>21,847</u>	<u>16,848</u>
Net assets		<u>21,847</u>	<u>16,848</u>
Capital and reserves			
Called up share capital	11	150	150
Profit and loss account		<u>21,697</u>	<u>16,698</u>
Shareholder's funds		<u>21,847</u>	<u>16,848</u>

The notes on pages 8 to 14 form part of these financial statements.

The Directors confirm that for the year ended 31 December 2022 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 (the "Act") relating to subsidiary companies.

The Directors confirm that the members have not requested the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476 of that Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.



The financial statements on pages 4 to 14 were approved by the board of directors on 5 September 2023 and were signed on its behalf by:

L.N. Denning
Chief Financial Officer
Registered No. 02781154



Statement of Changes in Equity

For the year ended 31 December 2022

	Share Capital £'000	Retained Earnings £'000	Total Equity £'000
As at 1 January 2021	150	14,230	14,380
Profit for the year	–	2,468	2,468
As at 31 December 2021	150	16,698	16,848
As at 1 January 2022	150	16,698	16,848
Profit for the year	–	4,999	4,999
As at 31 December 2022	150	21,697	21,847

The notes on pages 8 to 14 form part of these financial statements.



Notes to the financial statements for the year ended 31 December 2022

1. Accounting Policies

a. Basis of accounting

Montagu Equity Limited (the "Company") is a limited company incorporated in the United Kingdom. The address of the registered office is 2 More London Riverside, London, SE1 2AP.

The financial statements are prepared under the historical cost basis, in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £'000.

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The results of the Company are included in the consolidated financial statements of Montagu Private Equity LLP, the ultimate parent undertaking.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore applied the exemption available in respect of the following disclosure:

- Cash flow statements and related notes.

b. Going concern

The Directors have reviewed operating and cash flow forecasts of the Company and have reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of this report. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.



Notes to the financial statements for the year ended 31 December 2022

1. Accounting Policies (continued)

c. Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the statement of comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

d. Investments

Investments are measured at historical cost less impairment in the statement of comprehensive income.

e. Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

f. Debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

g. Cash and cash equivalents

Cash comprises bank balances and money market deposits.



Notes to the financial statements for the year ended 31 December 2022

1. Accounting Policies (continued)

h. Creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

i. Dividends

Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established.

j. Interest receivable and interest payable

Interest payable and similar expenses include interest payable and unwinding of the discount on provisions. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

2. Turnover

Turnover represents profit share and distributions received from Montagu Private Equity LLP, which are accounted for on an accruals basis. All turnover is derived from operations within the United Kingdom.

3. Expenses and auditor's remuneration

Profit / (loss) for the period is stated after charging:

	2022 £'000	2021 £'000
Exchange loss/(gain)	(694)	898
Audit fees	3	5



Notes to the financial statements for the year ended 31 December 2022

4. Interest receivable and similar income

	2022 £'000	2021 £'000
Group interest receivable and similar income	1,046	706
	<u>1,046</u>	<u>706</u>

5. Interest payable and similar expenses

	2022 £'000	2021 £'000
Group interest payable and similar expenses	245	172
	<u>245</u>	<u>172</u>

6. Tax on profit / (loss)

Analysis of tax charge / (credit) in period:

	2022 £'000	2021 £'000
UK Current tax charge / (credit) on income	817	1,092
Unused losses brought forward utilised in year	-	-
Adjustments in respect of prior periods	(145)	11
Total current tax charge / (credit)	<u>672</u>	<u>1,103</u>
Deferred tax	-	-
Tax on profit / (loss)	<u>672</u>	<u>1,103</u>



Notes to the financial statements for the year ended 31 December 2022

6. Tax on profit / (loss) (continued)

Current Tax Reconciliation:

	2022 £'000	2021 £'000
Profit / (loss) before taxation	5,671	3,571
Tax @ 19% (2021: 19%)	1,078	678
Adjustment in respect of prior periods	(145)	11
Income not taxable	(107)	-
Expenditure not deductible	363	414
Losses brought forward utilised	(517)	-
Total current tax charge / (credit)	672	1,103

In the 3 March 2021 Budget, it was announced that the UK corporation tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

7. Investments

	2022 £'000	2021 £'000
Balance brought forward and carried forward	10,970	10,970

Investments relate to the subsidiaries of the Company

Interest of company at 31 December 2022

Directly held:

Montagu Private Equity LLP

99.9% Ordinary shares

The main activity of the investment is the provision of services relating to private equity fund management.



Notes to the financial statements for the year ended 31 December 2022

8. Debtors

Amounts falling due after one year:

	2022 £'000	2021 £'000
Amounts due from fellow subsidiaries	27,061	30,322
	<u>27,061</u>	<u>30,322</u>

9. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank	13	1,213
	<u>13</u>	<u>1,213</u>

10. Creditors

Amounts falling due within one year:

	2022 £'000	2021 £'000
Amounts due to associated undertakings	10,685	9,764
Amounts due to fellow subsidiaries	1,867	2,049
Amounts due to parent undertakings	2,828	12,751
Corporation tax	817	1,093
	<u>16,197</u>	<u>25,657</u>



Notes to the financial statements for the year ended 31 December 2022

11. Share capital

	2022 £'000	2021 £'000
Allotted, called up and fully repaid		
Ordinary shares of £1	150	150
	<u>150</u>	<u>150</u>

11. Related party disclosures

As a wholly owned subsidiary, the Company has taken advantage of the exemption provided in FRS 102 Section 33 from disclosing details of transactions with other entities within the group.

12. Emoluments of directors

There were no emoluments received by directors in either the current or the prior year, and no amounts have been accrued or paid to any money purchase schemes.

13. Ultimate parent company

The immediate parent undertaking is Montagu Holdings Limited. The ultimate parent company and controlling party is Montagu Private Equity LLP. Consolidated financial statements are available from the Company Secretary at the registered office 2 More London Riverside, London SE1 2AP.