

August Equity Management Limited

Report and Financial Statements

for the year ended

31 March 2022



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Directors and advisers

Directors

Mr D T Lonsdale
Mr P M Rattle
August Equity LLP

Registered office

10 Slingsby Place
St. Martin's Courtyard
London
WC2E 9AB

Statutory auditor

Deloitte LLP
Statutory auditor
1 New Street Square
London
United Kingdom
EC4A 3HQ

Bankers

Bank of Scotland
33 Old Broad Street
London
BX2 1LB

Glossary

Abbreviation	Name
AE LLP	August Equity LLP
AEML	August Equity Management Limited
AEP III GP Ltd	August Equity Partners III GP Limited
AEP III Execs GP Ltd	August Equity Partners III Executives GP Limited
AEP III GP LP	August Equity Partners III GP LP
AEP IV GP Ltd	August Equity Partners IV GP Ltd
AEP IV GP LLP	August Equity Partners IV General Partner LLP
AEP GP LLP	August Equity Partners GP LLP
AEP V GP Ltd	August Equity Partners V GP Ltd
AEP V GP LLP	August Equity Partners V General Partner LLP
AEP OCV GP LLP	AEP OCV General Partner LLP
AEP MVP GP LLP	AEP MVP General Partner LLP

Directors' report

for the year ended 31 March 2022

The Directors present their report and the audited financial statements for the year ended 31 March 2022. The Directors' report has been prepared in accordance with provisions applicable to companies entitled to the small companies exemption, as such no strategic report is presented.

Principal activities and business review

AEML ("the Company") acts as a member of AE LLP, AEP GP LLP, AEP IV GP LLP, AEP V GP LLP, AEP OCV LLP and AEP MVP LLP and is also an intermediate holding company within the AE LLP group.

Principal risks and uncertainties

At the year end the net assets of the Company comprised primarily cash balances and the investment in AE LLP. The Directors review all potential risks and seek to implement sufficient procedures to mitigate these risks. The Directors consider that the principal risk is financial risk and in particular credit risk. The Company seeks to minimise credit risk by ensuring sufficient liquidity is available to meet the foreseeable needs of the Company through the diligent management of cash resources and the timely receipt of amounts due from its fellow subsidiaries and parent.

Directors

The directors who held office throughout the year under review and up to the date of this report were as follows:

Directors	Appointed
Mr D T Lonsdale	17 April 2017
Mr P M Rattle	28 April 2017
August Equity LLP	18 May 2007

Directors indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. This policy is held in the ultimate parent's, AE LLP, name.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the approval of the financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

The Directors and the Fund Manager have been monitoring and reviewing the COVID-19 pandemic and recovery and are confident the Company and the underlying Funds will continue as going concerns for 12 months from the date of approval of the accounts.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

1. so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

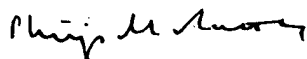
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to be reappointed for another term and appropriate arrangements are being made for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Subsequent events

There were no subsequent events material to the financial statements from the date of the statement of financial position, 31 March 2022, to the date of signing, 12 July 2022.

Approved by the Board of Directors and signed on behalf of the Board



Mr P M Rattle

Director
10 Slingsby Place
St. Martin's Courtyard
London, WC2E 9AB
12 July 2022

Directors' responsibilities statement

for the year ended 31 March 2022

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 year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 until 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:

- determine the appropriate format of information to be included in the financial statements;
- select suitable accounting policies and then apply them consistently;
- *make judgments and estimates that are reasonable and prudent;*
- state whether applicable 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.

These responsibilities are exercised by the board on behalf of the directors.

Independent auditor's report to the members of August Equity Management Limited

for the year ended 31 March 2022

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of August Equity Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year 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 Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- 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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Responsibilities of directors

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of August Equity Management Limited cont.

for the year ended 31 March 2022

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinion on other matter 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 year 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.

Matters on which we are required to report by exception

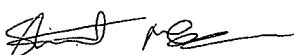
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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 Manager's partners 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 partners for our audit work, for this report, or for the opinions we have formed.



Stuart McLaren (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
12 July 2022

Statement of comprehensive income
for the year ended 31 March 2022

	<u>Notes</u>	<u>31 Mar 2022 (£)</u>	<u>31 Mar 2021 (£)</u>
Turnover	1	2,227	300
Operating expenses		(180)	(90)
Operating profit		<u>2,047</u>	<u>210</u>
Bank interest receivable		0	0
Profit before taxation		<u>2,047</u>	<u>210</u>
Tax charge on profit	2	(291)	(329)
Profit/ (loss) for the financial year		<u>1,756</u>	<u>(119)</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

All activities in the current year relate to continuing operations.

There are no gains or losses other than those recognised in the statement of comprehensive income above. Accordingly, no separate statement of other comprehensive income is presented.

Statement of financial position

as at 31 March 2022

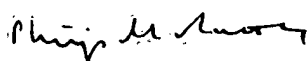
	Notes	31 Mar 2022 (£)	31 Mar 2021 (£)
Fixed assets			
Investments	3	619,374	619,374
Investments in subsidiary undertakings	4	9	7
		619,383	619,381
Current assets			
Corporation tax debtor	5	15	0
Due from subsidiary undertaking	5	4,402	2,175
Due from parent undertaking	5	5,820	5,820
Cash at bank		217,416	217,597
		227,653	225,592
Creditors			
Amounts falling due within one year	6	(1,004)	(697)
Net current assets		226,649	224,895
Total assets less current liabilities		846,032	844,276
Net assets		846,032	844,276
Capital and reserves			
Called up share capital	8	5,000	5,000
Profit and loss account	9	841,032	839,276
Equity shareholders' funds		846,032	844,276

The notes on pages 10 to 13 form an integral part of these financial statements.

The financial statements have been prepared in accordance with Section 1A of the Financial Reporting Standard 102 (FRS 102 - the Financial Reporting Standard applicable in United Kingdom and Republic of Ireland).

The financial statements of August Equity Management Limited, registered number 04261261, were approved by the Board of Directors and authorised for issue on 12 July 2022.

Signed on behalf of the Board of Directors by Mr P M Rattle.



Statement of changes in equity
for the year ended 31 March 2022

	Called-up share capital (£)	Profit and loss account (£)	Total (£)
At 1 April 2020	5,000	839,395	844,395
Profit/ (loss) for the financial year	0	(119)	(119)
Total comprehensive income	0	(119)	(119)
At 31 March 2021	5,000	839,276	844,276
Profit/ (loss) for the financial year	0	1,756	1,756
Total comprehensive income	0	1,756	1,756
At 31 March 2022	5,000	841,032	846,032

The notes on pages 10 to 13 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2022

1. Principal accounting policies

Accounting policies

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

General information and basis of accounting

AEML is a private company limited by shares and incorporated in England under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 3.

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of the Financial Reporting Standard 102 (FRS 102 - the Financial Reporting Standard applicable in United Kingdom and Republic of Ireland) issued by the Financial Reporting Council.

The Company is exempt under s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as its undertakings are included by full consolidation in the consolidated financial statements of its parent, August Equity LLP, which are publicly available.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The Company is a member of AE LLP and continues to act as an intermediate holding company between AE LLP and some of the Company's existing subsidiaries. The Directors, having considered the Company's business activities and risks as disclosed in the Directors' report on page 3 and the Company's financial resources and working capital projections, believe there is reasonable evidence that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have therefore prepared the accounts on a going concern basis.

Investments

Investments are shown as fixed asset investments and are stated at cost less provision for any impairment.

Turnover

The Company acts as a member of AE LLP, AEP GP LLP, AEP IV GP LLP, AEP V GP LLP, AEP OCV LLP and AEP MVP LLP and is also an intermediate holding company within the AE LLP group. The Company did not receive any allocation of members' profit from AE LLP, AEP GP IV LLP and AEP OCV LLP in the year (2021: £nil). The Company received £2,225 from an allocation of members' profit from AEP GP LLP (2021: £300). The Company received £1 from an allocation of members' profit from AEP GP V LLP (2021: £nil). The Company received £1 from an allocation of members' profit from AEP MVP GP LLP (2021: £nil). Turnover is recognised in the financial year in which the members' profit allocation takes place because the allocation is discretionary.

Interest income

Interest income is recognised on an accruals basis, by reference to the principal amount and at the effective interest rate

Taxation

United Kingdom corporation tax is provided at amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Administrative expenses

There was no Directors' remuneration in the year (2021: £nil). The Company had no employees during the year (2021: none). An audit fee of £4,000 (2021: £3,800) was borne by AE LLP.

Cash flow statement

As permitted by section 1A of FRS 102, the company has elected not to prepare a statement of cash flows.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 underlying 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 current and future periods.

The directors do not believe there are any critical accounting judgements or key sources of estimation uncertainty in the financial statements.

Notes to the financial statements (continued)
for the year ended 31 March 2022

2. Tax charge on profit

	31 Mar 2022 (£)	31 Mar 2021 (£)
UK corporation tax recoverable / (payable) at 19% (2021: 19%)	34	17
Adjustment in respect of prior years	(325)	(346)
	<u>(291)</u>	<u>(329)</u>

Factors affecting tax charge for the year

The tax charge for the year is lower (2021: lower) than that resulting from applying the UK standard rate of tax of 19% (2021: 19%). The differences are explained below.

	31 Mar 2022 (£)	31 Mar 2021 (£)
Profit before taxation	2,047	210
Tax thereon at 19% (2021: 19%)	(389)	(40)
Non taxable income	423	57
Prior year adjustments	(325)	(346)
Total tax (charge) for the year	<u>(291)</u>	<u>(329)</u>

3. Investments

	AE LLP (£)	Total (£)
Net book value and cost at start and end of year	<u>619,374</u>	<u>619,374</u>

The Company became a member of AE LLP in 2007. The investment is stated at the book value of assets and liabilities transferred.

4. Investments in group undertakings

Subsidiary undertaking	Net book value at start of year (£)	Additions (£)	Net book value at end of year (£)
AEP III GP Ltd ¹	1	0	1
AEP III EGP Ltd ¹	1	0	1
AEP III GP LP ¹	1	0	1
AEP GP LLP ¹	1	0	1
AEP IV GP Ltd ²	1	0	1
AEP V GP Ltd ²	1	0	1
AEP V GP LLP ²	1	0	1
AEP OCV GP LLP ²	0	1	1
AEP MVP GP LLP ²	0	1	1
	<u>7</u>	<u>2</u>	<u>9</u>

Companies listed are incorporated and registered companies in Scotland, the United Kingdom. The registered address is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.¹

Companies listed are incorporated and registered companies in England and Wales, the United Kingdom. The registered address is 10 Slingsby Place, St Martins Courtyard, London, WC2E 9AB.²

The investments are fully paid at the year ended 31 March 2022.

Notes to the financial statements (continued)

for the year ended 31 March 2022

5. Debtors - amounts falling due within one year

	31 Mar 2022 (£)	31 Mar 2021 (£)
Corporation tax debtor	15	0
Due from subsidiary undertaking	4,402	2,175
Due from parent undertaking	5,820	5,820
	10,237	7,995

6. Creditors - amounts falling due within one year

	31 Mar 2022 (£)	31 Mar 2021 (£)
Due to related parties	(1,004)	(695)
Corporation tax payable	0	(2)
	(1,004)	(697)

7. Investments in group undertakings

Subsidiary undertaking	Principal activity	Holding	%
AEP III GP Ltd	General partner of AEP III GP LP	Ordinary shares	100
AEP III EGP Ltd	General partner of AEP III EP LP	Ordinary shares	100
AEP III GP LP	General partner of AEP III A	Capital Account	94
AEP GP LLP	General partner of Scottish LP's	Ordinary shares	50
AEP IV GP Ltd	General partner of AEP IV GP LLP	Ordinary shares	100
AEP IV GP LLP	General partner of AEP IV A	Capital Account	0.01
AEP V GP Ltd	General partner of AEP V GP LLP	Ordinary shares	100
AEP V GP LLP	General partner of AEP V A LP	Capital Account	1
AEP OCV GP LLP	General partner of AEP OCV LP	Capital Account	1
AEP MVP GP LLP	General partner of AEP MVP LP	Capital Account	1

8. Called up share capital

	31 Mar 2022 (£)	31 Mar 2021 (£)
Authorised, allotted, issued, called up and fully paid:		
B Ordinary Shares	5,000	5,000
	5,000	5,000

In accordance with the Articles of Association dated 30 October 2001 the B Ordinary Shares carry no rights to receive dividends or other income.

9. Profit and loss account

	31 Mar 2022 (£)	31 Mar 2021 (£)
At start of year	839,276	839,395
Profit/ (loss) for the financial year	1,756	(119)
At end of year	841,032	839,276

Notes to the financial statements (continued)
for the year ended 31 March 2022

10. Ultimate parent company

At the balance sheet date the immediate and ultimate parent entity was AE LLP which heads both the smallest and largest group preparing consolidated accounts incorporating this Company's results. The registered office address of AE LLP is the same as that of this Company which is given on page 2. Copies of the financial statements of AE LLP for the year ended 31 March 2022 will be filed in due course at the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

11. Related party disclosures

During the year the Company had related party transactions and year-end balances with the parent, AE LLP, and subsidiary entities, AEP V GP LLP, AEP OCV GP LLP, AEP MVP GP LLP, AEP GP LLP, and AEP III GP Ltd. At the year-end the Company was due £5,820 from AE LLP (2021: £5,820), £4,400 from AEP GP LLP (2021: £2,175), £1 from AEP V GP LLP (2021: £nil) and £1 from AEP MVP LLP (2021: £nil). £618 was due to AEP II GP Ltd (2021: £310), £385 was due to AEP III GP Ltd (2021: £385) and £1 due to AEP OCV GP LLP (2021: £nil). All amounts stated are repayable on demand, unsecured and non-interest bearing.

12. Subsequent events

There were no subsequent events material to the financial statements from the date of the statement of financial position, 31 March 2022, to the date of signing, 12 July 2022.

The COVID-19 outbreak does not have an adjusting effect on the accounts as stated at the balance sheet date. At the date of signing of the accounts, the Directors continue to monitor very closely the economic impacts of the pandemic and any impact it might have on the Company.