

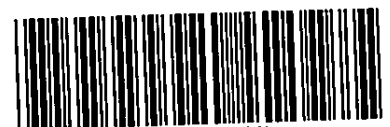


Montagu Holdings Limited

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2009**

Registered in England No 04464887

TUESDAY



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Montagu Holdings Limited

Annual Report and Audited Financial Statements for the year ended 31 December 2009

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Montagu Holdings Limited

Directors' Report

The Directors present their Report to the members together with the audited financial statements for the year ended 31 December 2009 which were approved by them on 31 March 2010

Principal activities and business review

The principal activity of the company is to act as an investment holding company. The directors are satisfied with the performance of the company during the year.

Results and dividends

The results for the year are set out in the profit and loss account on page 6. The directors have paid an A share dividend of £4,618,347 (2008: £11,227,067) and a B share dividend of £nil (2008: £nil).

Liability insurance

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

Directors

The directors of the Company who served during the year were as follows:

C M Masterson
G Hislop

Independent auditors

KPMG Audit Plc have indicated willingness to continue as auditors of the company.

Disclosure of information to auditors

The directors who held office at the date of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board


G Hislop
Director

Registered Office
2 More London Riverside
London
SE1 2AP
31 March 2010

Montagu Holdings Limited

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)

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

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Montagu Holdings Limited

Independent auditor's report to the members of Montagu Holdings Limited

We have audited the financial statements of Montagu Holdings Limited for the year ended 31 December 2009 set out on pages 6 to 7. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Anthony Cecil (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

8 Salisbury Square
London, EC4Y 8BB

31 March 2010

Montagu Holdings Limited

Profit and Loss Account

For the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	2	5,842	11,227
Operating costs	3	<u>(8)</u>	<u>6</u>
Operating profit		5,834	11,233
Interest receivable and similar income		1	-
Interest payable and similar charges	4	<u>(8)</u>	<u>-</u>
Profit on ordinary activities before taxation		5,827	11,233
Taxation	5	<u>40</u>	<u>(63)</u>
Profit on ordinary activities after taxation		<u>5,867</u>	<u>11,170</u>
Statement of retained profit			
Retained (loss) / profit brought forward		(1,134)	(1,077)
Dividends		(4,618)	(11,227)
Profit for the year		5,867	11,170
Retained profit / (loss) carried forward		<u>115</u>	<u>(1,134)</u>

All results relate to continuing operations

The Company has no recognised gains and losses other than the results as stated above and therefore no separate statement of recognised gains and losses is presented

There is no difference between the amounts stated above and their historical cost equivalents, either in respect of profit on ordinary activities before taxation or the retained profit for the year

The notes on pages 8 to 11 form part of these financial statements

Montagu Holdings Limited

Balance Sheet at 31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments	6	5,010	5,010
Current assets			
Debtors	7	4,496	4,235
Cash and short term deposits		11	307
		4,507	4,542
Creditors amounts falling due within one year	8	(7,071)	(8,355)
Net current liabilities		(2,564)	(3,813)
Total assets less current liabilities		2,446	1,197
Creditors amounts falling due after one year		-	-
Net assets		2,446	1,197
Capital and reserves			
Called up share capital	9	331	331
Share premium account	10	2,000	2,000
Profit and loss account		115	(1,134)
Shareholder's funds	11	2,446	1,197

The notes on pages 8 to 11 form part of these financial statements

The financial statements on pages 6 to 11 were approved by the board of directors on 31 March 2010 and were signed on its behalf by



G Hislop
Director

Montagu Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting Policies

Basis of accounting

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

The Company is exempt under s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The results of the Company are included in the consolidated financial statements of MML II Limited, the ultimate parent company

The Company is exempt under FRS 1 (Revised 1996) from the requirement to prepare a cash flow statement. The cash flows of the company are included in the Consolidated Cash Flow Statement in the consolidated financial statements of MML II Limited, the ultimate parent company

Financial instruments

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. Gains or losses on financial assets and liabilities are recognised in the profit and loss account. Liabilities are recognised at inception at fair value of the proceeds received, net of directly attributable transaction costs, and are carried at amortised cost using the effective interest method. Finance costs are recognised in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and gains and losses are taken to the profit and loss account.

Investments

Investments relate to the acquisition of Montagu Oldco Limited. This investment is stated at cost less any impairment in value.

Montagu Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

2 Turnover

Turnover represents dividend income, and is accounted for on an accrued basis

3 Operating costs

Costs for the year include

	2009 £'000	2008 £'000
Auditors remuneration - audit	5	-
Exchange losses / (gains)	3	(6)

In 2008 audit costs of £5,000 were borne in full by Montagu Private Equity LLP

4 Interest and similar charges

	2009 £'000	2008 £'000
Interest payable on bank loans and overdrafts	8	-

5 Tax on profit on ordinary activities

Analysis of charge in period

	2009 £'000	2008 £'000
UK Current tax on income	(40)	(56)
Current Foreign tax	-	-
	(40)	(56)
Adjustments in respect of prior periods	-	119
Total current tax	(40)	63
Deferred tax	-	-
Tax on profit on ordinary activities	(40)	63

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	5,827	11,233
Tax on ordinary activities @ 28% (2008 28.5%)	1,632	3,201
Transfer pricing interest adjustments	(36)	(57)
Income not chargeable for tax purposes	(1,636)	(3,200)
Group relief claimed from group entities	(40)	-
Group relief payment to group entities	40	-
Total current tax (credit)	(40)	(56)

Montagu Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

6 Investments

	2009 £'000	2008 £'000
Balance brought forward	5,010	5,304
Partial return of original cost of investment from vendor	-	(294)
Balance carried forward	<u>5,010</u>	<u>5,010</u>

The subsidiaries of the Company are:

Interest of company at
31 December 2009

Directly held

Montagu Oldco Limited (formerly Montagu Private Equity Limited)

100% Ordinary shares

The main activity of the subsidiary is to act as an investment holding company

Investments are stated at cost less any impairment in value

7 Debtors

	2009 £'000	2008 £'000
Amounts due from parent undertaking	4,496	4,235
	<u>4,496</u>	<u>4,235</u>

Included in debtors are amounts of £ nil (2008 £ nil), which are due after one year

8 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to subsidiary undertakings	7,043	8,291
Accruals and deferred income	5	-
Tax payable	23	64
	<u>7,071</u>	<u>8,355</u>

Montagu Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

9 Share capital

	2009	2008
	£	£
Authorised, allotted, called up and fully paid		
264,984 Ordinary A shares of £1	264,984	264,984
65,832 Ordinary B Shares of £1	65,832	65,832
	<u>330,816</u>	<u>330,816</u>

On the 17 March 2003 the Company issued 264,984 A shares to its parent Montagu Management Limited and 65,832 B shares to HSBC Bank plc

On 1st April 2008 the 65,832 B Shares were acquired by Montagu Management Limited HSBC no longer has a shareholding in the company

10 Share premium account

	2009	2008
	£'000	£'000
At 1 January and 31 December	<u>2,000</u>	<u>2,000</u>

11 Reconciliation of movements in shareholder's funds

	2009	2008
	£'000	£'000
Opening shareholder's funds	1,197	1,254
Profit / (Loss) for the financial year	1,217	(57)
Closing shareholder's funds	<u>2,414</u>	<u>1,197</u>

12 Related party disclosures

The controlling party is Montagu Management Limited. As a wholly owned subsidiary, the Company has taken advantage of the exemption in Financial Reporting Standard No 8 ("FRS 8") from the requirement to disclose intra group transactions with other wholly owned subsidiaries.

13 Ultimate parent company

The ultimate parent company and controlling party is MML II Limited. Consolidated financial statements are available from the Company Secretary at 2 More London Riverside, London SE1 2AP.