



MML II Limited

Annual Report & Audited Financial Statements
for the year ended 31 December 2021

Registered in England No. 05945979





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Strategic Report

Business review

MML II Limited is an investment holding company. It directly holds an investment in Montagu Management Limited and indirectly holds investments in Montagu Holdings Limited and Montagu Equity Limited. Their registered office address is 2 More London Riverside, London, SE1 2AP.

Montagu Equity Limited is a corporate Member in Montagu Private Equity LLP and receives profit allocations from this partnership. These profit allocations give Montagu Equity Limited the ability to pay dividends up through its parent company to MML II Limited.

During 2021, MML II Limited received dividend income of £Nil (2020: £Nil).

Results for the year

MML II Limited made a loss after tax of £4,000 (2020: £3,000). As at 31 December 2021, the company had net assets of £1,657,000 (2020: £1,661,000).

The full results of the company for the year are set out in the statement of comprehensive income on page 13.

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.



Strategic Report (continued)

Risks and uncertainties

There are no known risks or uncertainties facing the company.

By order of the board.

G. Hislop
Director
Registered Office
2 More London Riverside
London
SE1 2AP
26 April 2022
Registered No. 05945979



Directors' Report

The Directors present their Report to the members together with the audited financial statements for the year ended 31 December 2021 which were approved by them on 26 April 2022.

Principal activities and business review

The principal activity of the company is to act as an investment holding company.

Results and dividends

The results for the year are set out in the statement of comprehensive income on page 13.

The Company has declared and paid an A share dividend of £Nil (2020: £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 held office during the year were as follows.

C.M.Masterson

G.Hislop

C.J.Gatenby

M.P.Dunfoy

Independent auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



Directors' Report (continued)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

By order of the board.

G. Hislop
Director
Registered Office
2 More London Riverside
London
SE1 2AP
26 April 2022
Registered No. 05945979



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

The directors are responsible for preparing the Strategic report, 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.

Independent auditor's report to the members of MML II Limited

Opinion

We have audited the financial statements of MML II Limited ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Independent auditor's report to the members of MML II Limited (continued)

Going concern (continued)

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading the Company's meeting minutes
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Independent auditor's report to the members of MML II Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue streams are simple in nature with respect to accounting policy choice and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to investments and cash accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent auditor's report to the members of MML II Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, and certain aspects of company legislation recognising the financial nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report to the members of MML II Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Independent auditor's report to the members of MML II Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of MML II Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Jonathan Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square

London
E14 5GL

27 April 2022



Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Turnover	2	-	-
Operating costs	3	<u>(5)</u>	<u>(4)</u>
Operating loss		(5)	(4)
Interest receivable and similar income		-	-
		<u>-</u>	<u>-</u>
Loss before taxation		(5)	(4)
Tax on loss	4	<u>1</u>	<u>1</u>
Loss after taxation		<u>(4)</u>	<u>(3)</u>

All results relate to continuing operations.

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

There is no difference between the amounts stated above and their historical cost equivalents, in respect of profit / (loss) before taxation.

The notes on pages 16 to 22 form part of these financial statements.



Balance Sheet

At 31 December 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Investments	5	<u>1,693</u>	<u>1,693</u>
		1,693	1,693
Current assets			
Debtors	6	3	19
Cash and cash equivalents	7	<u>20</u>	<u>3</u>
		23	22
Creditors: amounts falling due within one year	8	<u>(59)</u>	<u>(54)</u>
Net current liabilities		(36)	(32)
Total assets less current liabilities		<u>1,657</u>	<u>1,661</u>
Net assets		<u>1,657</u>	<u>1,661</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		<u>1,656</u>	<u>1,660</u>
Shareholder's funds		<u>1,657</u>	<u>1,661</u>

The notes on pages 16 to 22 form part of these financial statements.

The financial statements on pages 13 to 22 were approved by the board of directors on 26 April 2022 and were signed on its behalf by:

G. Hislop
Director

Registered No. 05945979



Statement of Changes in Equity

For the year ended 31 December 2021

	Share Capital £'000	Retained Earnings £'000	Total Equity £'000
As at 1 January 2020	1	1,663	1,664
Loss for the year	—	(3)	(3)
As at 31 December 2020	1	1,660	1,661
As at 1 January 2021	1	1,660	1,661
Loss for the year	—	(4)	(4)
As at 31 December 2021	1	1,656	1,657

The notes on pages 16 to 22 form part of these financial statements.



Notes to the financial statements for the year ended 31 December 2021

1. Accounting Policies

a. Basis of accounting

MML II 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.

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The financial statements are prepared on the historic cost basis. 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 by virtue of s400 subject to the small companies regime 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 company.

The Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statements and related notes.

The cash flows of the company are included in the Consolidated Cash Flow Statement in the consolidated financial statements of Montagu Private Equity LLP, the ultimate parent company.

b. Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reason. Although the Company is in a net current liability position at the reporting date, the Directors consider that for at least 12 months from the date of approval of these financial statements, the Company will continue in operational existence through the support of Montagu Private Equity LLP. As with any company placing reliance on other entities for financial support, the Directors acknowledge that there can be no certainty that this position will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.



Notes to the financial statements for the year ended 31 December 2021

1. Accounting Policies (continued)

c. Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account.

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 cost less impairment in the profit and loss account.

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 profit and loss account.

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.



Notes to the financial statements for the year ended 31 December 2021

1. Accounting Policies (continued)

g. Cash

Cash comprises cash at hand, bank balances and money market deposits.

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 profit and loss account 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 dividend income and distributions. Dividends are recognised in the year in which the entity's right to receive payments is established. 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:

	2021 £'000	2020 £'000
Audit fees	5	4



Notes to the financial statements for the year ended 31 December 2021

4. Tax on profit / (loss)

Analysis of tax charge / (credit) in period:

	2021 £'000	2020 £'000
UK Current tax charge / (credit) on income	(1)	(1)
Adjustments in respect of prior periods	-	-
Total current tax charge / (credit)	(1)	(1)
Deferred tax	-	-
Tax on profit / (loss)	(1)	(1)

Current Tax Reconciliation:

	2021 £'000	2020 £'000
Profit / (loss) before taxation	(5)	(4)
Tax @ 19% (2020: 19%)	(1)	(1)
Adjustment in respect of prior periods	-	-
Dividends received not taxable	-	-
Expenditure not deductible	-	-
Total current tax charge / (credit)	(1)	(1)

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.



Notes to the financial statements for the year ended 31 December 2021

5. Investments

	2021 £'000	2020 £'000
Balance brought forward and carried forward	<u>1,693</u>	<u>1,693</u>

The subsidiaries of the Company are:

Interest of company at 31 December 2021

Directly held:

Montagu Management Limited 100% Ordinary shares

Indirectly held:

Montagu Holdings Limited 100% Ordinary shares

Montagu Equity Limited 100% Ordinary shares

The main activity of the subsidiaries is to act as investment holding companies.

6. Debtors

Amounts falling due within one year:

	2021 £'000	2020 £'000
Amounts due from fellow subsidiaries	2	18
Corporation tax	<u>1</u>	<u>1</u>
	<u>3</u>	<u>19</u>



Notes to the financial statements for the year ended 31 December 2021

7. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	20	3
	<u>20</u>	<u>3</u>

8. Creditors

Amounts falling due within one year:

	2021 £'000	2020 £'000
Amounts due to parent undertakings	13	13
Amounts due to fellow subsidiaries	46	41
	<u>59</u>	<u>54</u>

9. Share capital

	2021 £	2020 £
Allotted, called up and fully repaid		
Ordinary A shares of £1	850	850
Ordinary B shares of £1	150	150
	<u>1,000</u>	<u>1,000</u>

Dividends are determined by the board of directors and are paid to shareholders in proportion to the number of shares held. All Ordinary shares carry equal voting rights.



Notes to the financial statements for the year ended 31 December 2021

10. Related party disclosures

The Company's immediate parent undertaking is MLLP Holdings Limited. As a wholly owned subsidiary, the Company has taken advantage of the exemption provided in FRS 102.33 from disclosing details of transactions with other entities within the group.

11. 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.

12. Ultimate parent company

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