

Company Number: 6302554

RUTLAND FUND II SPV LIMITED

REPORT AND ACCOUNTS

31 December 2017



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Directors and Officers

Directors

ND Morrill
AJ Powell
MJR Harris
BS Slatter
OJT Jones
DR Wardrop

Secretary

NA Moss

Registered office

Cunard House
15 Regent Street
London
SW1Y 4LR

Registered number

6302554

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Directors' Report

For the year ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Principal activities

The Company's principal activity is that of an investment company. The Company has an uncommitted bank facility of £6.25m to enable it to provide bridge finance funding for investment by Rutland Fund II, a private equity fund which makes private equity and related investments. Further information is set out in Note 6.

Going concern

The Directors have not prepared the accounts on a going concern basis, as explained in note 1 (ii).

Results

The Company made neither a profit nor a loss for the year, after taxation (2016: £nil). The directors do not recommend the payment of an ordinary dividend (2016: £nil).

Parent and ultimate parent undertaking

The parent undertaking is Rutland Holdco Limited, which is registered in England. Rutland Holdco Limited is a wholly owned subsidiary of the ultimate parent undertaking, Rutland Partners LLP, which is also registered in England and is authorised and regulated by the Financial Conduct Authority. This is the parent undertaking of the only group to consolidate the accounts of the Company. A copy of the consolidated financial statements of Rutland Partners LLP may be obtained from Companies House in Cardiff, United Kingdom.

Directors

The directors are listed on page 1. All served during the year with the exception of AJ Powell, who was appointed on 15 May 2017, and OJT Jones and DR Wardrop who were appointed on 5 June 2017. MRF Langdon and PI Cartwright resigned on 31 December 2017.

Directors' and Officers' liability insurance

Directors' and Officers' liability insurance cover is maintained by Rutland Partners LLP in respect of the Company's directors and officers.

Auditor

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

Taxation

The Company is considered to be a close company under the provisions of the Income and Corporation Taxes Act 1988.

Directors' Report

For the year ended 31 December 2017 (continued)

Disclosure of information to the 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 the directors have taken all the steps that they ought to have taken as directors 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



N A Moss
Company Secretary
25 April 2018

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. As explained in note 1 to the financial statements, the directors' do not believe that it is appropriate to prepare the accounts on a going concern basis.

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 Rutland Fund II SPV Limited

Opinion

We have audited the financial statements of Rutland Fund II SPV Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 2017 and of its result 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.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Independent Auditor's report to the members of Rutland Fund II SPV Limited (continued)

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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.

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
25 April 2018

Statement of Income and Retained Earnings

For the year ended 31 December 2017

	Notes	2017 £000	2016 £000
Other operating income		9	93
Administrative expenses		(9)	(93)
Interest receivable	3	-	37
Interest payable	3	-	(37)
Result before taxation	3	-	-
Taxation	4	-	-
Result for the financial year	9	-	-
Retained earnings at 1 January		-	-
Retained earnings at 31 December		-	-

All results shown in the above statement of income and retained earnings are from continuing operations.

The Company has no items of other comprehensive income other than the results above.

In respect of the result before taxation and the retained result for the year, there is no difference between the figures stated above and their historical cost equivalents.

The notes on pages 9 to 11 form part of the financial statements.

Balance Sheet

At 31 December 2017

	Notes	2017 £000	2016 £000
Current assets			
Debtors	5	27	42
Cash at bank and in hand		-	-
		27	42
Current liabilities			
Borrowings: amounts due within one year	6	-	-
Other creditors: amounts due within one year	7	(27)	(42)
		(27)	(42)
Net assets		-	-
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	-	-
Total equity shareholder's funds	10	-	-

The notes on pages 9 to 11 form part of the financial statements.

The financial statements on pages 7 to 11 were approved by the Board of Directors on 25 April 2018 and were signed on its behalf by:

MJR Harris
Director

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Company Number: 6302554

Notes to the Financial Statements For the year ended 31 December 2017

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable law and UK Accounting Standards (UK GAAP), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemption available under FRS 102 not to present a Cash Flow Statement and related notes.

The consolidated financial statements of the ultimate parent undertaking include the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues, and therefore the Company has applied the exemptions available not to make the equivalent disclosures.

(i) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

(ii) Going concern

As outlined in the Directors' Report, the Company has an uncommitted bank facility to enable it to provide bridge finance funding for investment by Rutland Fund II. The life of Rutland Fund II terminates on 24 July 2018 but may be extended for one year by way of an Investors' Ordinary Consent. The requirement for this extension is likely to depend on the circumstances of realisation of the unrealised investments and, accordingly, a decision on whether to put proposals to investors in this respect will be made in good time prior to the termination date. Consequently, the Directors have not prepared the accounts on a going concern basis. No adjustments were necessary to the amounts at which the net assets are included in these accounts compared with the values at which they would have been stated had the going concern basis of accounting been adopted.

(iii) Deferred tax

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. Deferred tax liabilities are fully recognised and deferred tax assets are recognised when it is considered more likely than not that the asset will be recoverable. Deferred tax assets and liabilities are recognised on an undiscounted basis.

2. Employee information

The Company had no direct employees during the year. The directors received no remuneration in respect of the Company but are Partners of and are remunerated by Rutland Partners LLP which provides administration services on behalf of the Company.

Notes to the Financial Statements (continued)

3. Result on ordinary activities before taxation

The Company incurs interest in respect of loans or guarantees committed under the bank facility, as set out in Note 6. The Company normally recovers all such interest from Fund II.

Audit fees for the year amounting to £4,000 were borne by Rutland Partners LLP.

4. Taxation

	2017	2016
	£000	£000
UK Corporation tax on taxable profits at 19.25% (2016: 20.0%)	-	-
	-	-

There were no factors affecting the tax charge for the year.

5. Debtors

	2017	2016
	£000	£000
Prepayments and accrued income	27	42
	27	42

6. Borrowings: amounts falling due within one year

	2017	2016
	£000	£000
Amounts due under bank facility	-	-
	-	-

The Company has arranged an uncommitted bank facility which provides, inter alia, short term bridging finance. The facility was £12.5m up to 12 May 2017 and reduced to £6.25m until its expiry on 11 May 2018, and may be drawn within 2 business days, to enable Rutland Partners LLP to make investments on behalf of Rutland Fund II ("Fund II"), a private equity fund. Funds drawn down or guaranteed by SPV II are secured on the undrawn commitments of certain limited partnerships in Fund II. Bridging loans drawn have a maximum initial repayment term of three months, with the ability to extend the repayment period for up to three further months, and interest is chargeable at an annual rate of LIBOR + 2.0%.

In July 2017 a guarantee of £1.0m was issued under the facility. This was outstanding at 31 December 2017 but was cancelled in February 2018. No loans were drawn down during the year nor outstanding under the facility as at 31 December 2017.

7. Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Amounts owed to ultimate parent undertaking	18	15
Accruals and deferred income	9	27
	27	42

Notes to the Financial Statements (continued)

8. Share capital

	2017 £000	2016 £000
Authorised:		
1,000 ordinary shares of £1 each	1	1
Issued, allotted, called up and fully paid:		
1 ordinary share of £1 each	-	-

9. Profit and loss account

	£000
At 1 January and 31 December 2017	-

10. Reconciliation of movements in shareholder's funds

	£000
At 1 January and 31 December 2017	-

11. Related party transactions

The Company has taken advantage of the exemption under FRS 102.33 "Related Party Disclosures" from disclosing all transactions or balances between entities within the Rutland Partners LLP group that have been eliminated on consolidation in the consolidated accounts of the ultimate parent undertaking.