

MPE Associateco Limited

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



Registered in England No. 06684433

MPE Associateco Limited
Audited Financial Statements
for the year ended 31 December 2019

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MPE Associateco Limited

Directors' Report

The Directors present their Report to the members together with the audited financial statements for the year ended 31 December 2019, which were approved by them on 2 April 2020.

Principal activities

The company has an interest in Montagu Full Potential Partners LLP (Formerly Montagu Private Equity Associates LLP), a consultancy business.

Results and dividends

The results for the period are set out in the Statement of Comprehensive Income account on page 7.

No dividend was paid or declared in the year (2018: £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 period were as follows:

Chris Masterson
Graham Hislop
Cathy Clifford
Jason Gatenby

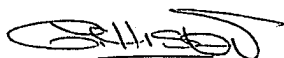
Independent auditors

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

Statement 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 group'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 group's auditor is aware of that information.

By order of the Board



Graham Hislop
Director

Registered Office
2 More London Riverside
London
SE1 2AP

2 April 2020

Registered No. 06684433

MPE Associateco 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), 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; and
- 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.

Risks and uncertainties

Since 31 December 2019 the risk to the business has significantly increased as a result of Coronavirus (COVID-19). Montagu has taken significant steps to protect the health of its team and to ensure that the business continues to operate. This includes restricting travel and meetings and having all employees work from home during this period of risk.

We are in constant communication with our investors to ensure that they are fully aware of our approach over the next few weeks and months.

We are also working alongside our portfolio companies to ensure preparedness, threat monitoring and action, where required. We have employed a framework to analyse the risks for each to supply chains, operational delivery capabilities, customer demand and liquidity. We have also established a working group comprising the most senior staff in Montagu to monitor developments and work directly with our portfolio CEOs.

Independent auditor's report to the members of MPE Associateco Limited

Opinion

We have audited the financial statements of MPE Associateco Limited ("the company") for the year ended 31 December 2019 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 2019 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.

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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for 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 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 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.

Independent auditor's report to the members of MPE Associateco Limited (continued)

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

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

3 April 2020

MPE Associateco Limited
Statement of Comprehensive Income
For the year ended 31 December 2019

	Notes	2019	2018
		£	£
Turnover		-	-
Operating costs		<u>-</u>	<u>-</u>
Operating result		-	-
Investment Income	1	<u>-</u>	<u>-</u>
Profit / (Loss) before taxation		-	-
Taxation	3	<u>-</u>	<u>-</u>
Profit / (Loss) after taxation		<u><u>-</u></u>	<u><u>-</u></u>

All results relate to continuing activities.

There were no other items of comprehensive income for the year and therefore the profit / (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.

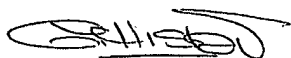
The notes on pages 10 to 12 form part of these financial statements.

MPE Associateco Limited

Balance Sheet at 31 December 2019

	Notes	2019 £	2018 £
Investments	2	2	2
Current assets			
Debtors	4	4	4
Creditors: amounts falling due within one year	6	<u>(2)</u>	<u>(2)</u>
Net assets		<u>4</u>	<u>4</u>
Capital and reserves			
Called up share capital	5	4	4
Profit and loss account		<u>-</u>	<u>-</u>
Shareholder's funds		<u>4</u>	<u>4</u>

These accounts were approved by the directors and authorised for issue 2 April 2020, and are signed on their behalf by:



Graham Hislop
Director

Registered No. 06684433

The notes on pages 10 to 12 form part of these financial statements

MPE Associateco Limited

Statement of Changes in Equity For the year ended 31 December 2019

	Share Capital £	Retained Earnings £	Total Equity £
As at 1 January 2019	4	-	4
Share capital movement	-	-	-
Profit / (Loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 2019	<u>4</u>	<u>-</u>	<u>4</u>

Statement of Changes in Equity For the year ended 31 December 2018

	Share Capital £	Retained Earnings £	Total Equity £
As at 1 January 2018	4	-	4
Share capital movement	-	-	-
Profit / (Loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 2018	<u>4</u>	<u>-</u>	<u>4</u>

The notes on pages 10 to 12 form part of these financial statements.

MPE Associateco Limited

Notes to the financial statements for the year ended 31 December 2019

1. Accounting Policies

(a) Basis of accounting

MPE Associateco 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 on the historic cost basis. 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.

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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

(b) Going concern

The financial statements have been prepared on the going concern assumption.

After reviewing the company's performance projections, the directors are satisfied that the company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. The directors have considered the impact of the emergence and spread of COVID-19 and potential implications on future partnership operations. Whilst there are significant wider market uncertainties, the directors does not believe this will significantly impact the liquidity of the company over the next 12 months. For this reason, the directors have adopted the going concern basis in preparing these financial statements.

(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.

(d) Investment income

Represents drawings allocated from Montagu Full Potential Partners LLP.

(e) Director's remuneration

The directors received no remuneration for their services during the year (2018: £Nil).

The company had no employees during the year (2018: None).

(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.

MPE Associateco Limited

Notes to the financial statements for the year ended 31 December 2019

1. Accounting Policies (continued)

(g) 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.

(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.

2. Investments

The company has a £2 Investment in Montagu Full Potential Partners LLP.

3. Tax on loss

Analysis of charge in period:

	2019 £	2018 £
UK Corporation Tax	-	-
Current tax on income	-	-
Total current tax	-	-
Tax on loss	-	-

There is no impact on the current tax charge due to timing differences.

Current Tax Reconciliation	2019 £	2018 £
Profit / (Loss) before taxation	-	-
Current tax @ 19% (2018 : 19%)	-	-
Expenses not deductible	-	-
Total current tax charge	-	-

A reduction in the UK Corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016 and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

MPE Associateco Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

4. Debtors

	2019 £	2018 £
Debtors – Amounts falling due within one year	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

5. Share capital

	Authorised, allotted and called up	
	2019 £	2018 £
4 ordinary shares of £1	<u>4</u>	<u>4</u>

6. Creditors: amounts falling due within one year

	2019 £	2018 £
Capital payable to Montagu Full Potential Partners LLP	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

7. Ultimate parent company

The Directors are of the opinion that MPE Associateco Limited does not have an ultimate parent company.

8. Subsequent events

COVID-19

On 11 March 2020, the World Health Organisation characterised Covid-19 as a pandemic. The responses to this virus from the various Governments in Europe and around the World has been changing on an almost daily basis. The directors recognise that the effects of the pandemic and specifically the measures and restrictions on movements and activities being implemented by the European Governments may have a significant economic impact on the locations and industries in which the company invests and operates. Given the speed of change and unprecedented nature of the challenges faced it is not possible to quantify the effect on the company at this time.