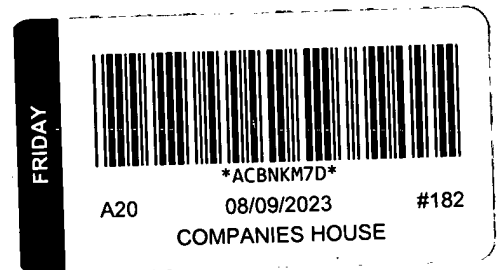


Registered number: 07405279

**EQUITIX NO. 2 LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



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**EQUITIX NO. 2 LIMITED**

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**EQUITIX NO. 2 LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	H B Crossley (resigned 8 February 2023) S A Cote (resigned 8 February 2023) G A Jackson (resigned 30 August 2022) P S Roughton F Boshell
<b>Registered number</b>	07405279
<b>Registered office</b>	3rd Floor South Building 200 Aldersgate Street London EC1A 4HD
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL
<b>Banker</b>	Royal Bank of Scotland plc 2 Devonshire Square London EC2M 4XJ
<b>Fund manager</b>	Equitix Investment Management Limited 3rd Floor South Building 200 Aldersgate Street London EC1A 4HD

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## **EQUITIX NO. 2 LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their report and the financial statements for the year ended 31 December 2022.

The Directors' report has been prepared in accordance with the special provisions relating to small companies under s415a of the Companies Act 2006.

#### **PRINCIPAL ACTIVITIES**

The principal activity of Equitix No. 2 Ltd (the "Company") is to invest as a limited partner by way of a limited partnership agreement into Equitix Fund II LP, an unregulated collective investment scheme managed by Equitix Investment Management Limited, an entity authorised and regulated by the Financial Conduct Authority (UK).

#### **REVIEW OF THE YEAR**

The Company continued to be a Limited Partner investor in Equitix Fund II LP, an unregulated collective investment scheme established to invest in long-term infrastructure style investments managed by Equitix Investment Management Limited, a fellow group undertaking. Total commitments to Equitix Fund II LP is £3,333,333 (2021 - £3,333,333). The Company made investment additions of £Nil (2021 - £53,200) to Equitix Fund II LP in the year. Total undrawn commitment was £3,011 (2021: £Nil). There has been no capital repayments or equalisations during the period. The Company received distributions totaling £167,084 (2021: 574,341) during the year. The movement in fair value of the investments are recognised through the profit & loss account.

#### **FUTURE DEVELOPMENTS**

The Directors of the Company are not aware of any circumstances in which the principal activity of the Company would alter or cease.

#### **RESULTS AND DIVIDENDS**

The loss for the year is presented in the statement of total comprehensive income on page 9.

The Directors do not recommend the payment of a dividend (2021 - £nil).

#### **BUSINESS REVIEW**

The Company is a party to a Limited Partnership Agreement with Equitix Fund II LP (the "Fund") to invest 1% of total capital commitments in the Fund. The Company has an intercompany loan agreement with Equitix Finance Limited for the capital required under the terms of the Limited Partnership Agreement, with a fixed interest rate of 11%. The Company has no further borrowings or capital commitments and the Directors believe that the Company has sufficient support, both in terms of finances and resources to fulfil all current and long term obligations.

#### **GOING CONCERN**

As the Company is in a net current liability position of £383,618 (2021: £365,249), the parent Company has indicated its intention to continue to make available such funds as are needed and does not intend to seek repayment of any amounts payable to them for at least the next twelve months from the date of approval of the financial statements in the forementioned letter of financial support.

In conjunction with relevant enquiries, the Directors consider a range of information relating to present and future conditions, including Group forecast and Group profitability, in making their assessment of going concern. There is a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the next twelve months from the date of approval of the financial statements.

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**EQUITIX NO. 2 LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**DIRECTORS**

The Directors who served throughout the period and subsequently are shown on page 1.

**AUDITOR**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

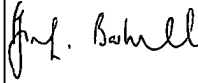
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor 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.

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.

This report was approved by the board and signed on its behalf.

**F Boshell**  
Director



Date: 05/09/2023

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

---

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 accounting 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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX NO. 2 LIMITED

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### Opinion

We have audited the financial statements of Equitix No.2 Limited (the 'Company') for the year ended 31 December 2022 which comprise the balance sheet, the statement of total comprehensive income and the statement of changes in equity for the year then ended and the related notes, including the significant 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 2022 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 sufficient and appropriate to provide a 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.

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

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX NO. 2 LIMITED

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### **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 management and inspection of policy documentation as to the Company's high level policies and procedures as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of the Board of Directors; and
- 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.

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 and the risk of bias in accounting estimates and judgements such as provision for impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We performed procedures including Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation. These included all post period end closing journals.

#### ***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 sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting 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.

Secondly, the Company is subject to 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, money laundering, GDPR compliance, market abuse regulations, and certain aspects of company legislation recognizing 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.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX NO. 2 LIMITED

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

#### ***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 remains a higher risk of non-detection of fraud, as this 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.

### **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.
- 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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX NO. 2 LIMITED

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### 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](http://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.



**Christopher Smart (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

Date: 6 September 2023

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EQUITIX NO. 2 LIMITED

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**STATEMENT OF TOTAL COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Note	2022 £	2021 £
Unrealised movement in fair value of investments	8	193,370	(608,760)
Interest payable	6	(516,700)	(498,205)
Investment income		167,084	574,341
<b>Loss before tax</b>		<u>(156,246)</u>	<u>(532,624)</u>
Tax on loss	7	-	(2,124)
<b>Loss for the year</b>		<u><u>(156,246)</u></u>	<u><u>(534,748)</u></u>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(156,246)</u></u>	<u><u>(534,748)</u></u>

All items relate to continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

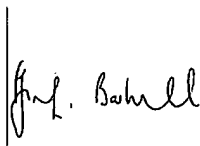
**EQUITIX NO. 2 LIMITED**  
**REGISTERED NUMBER: 07405279**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	8	5,232,200	5,038,830
		<u>5,232,200</u>	<u>5,038,830</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	3,997	100
		<u>3,997</u>	<u>100</u>
Creditors: amounts falling due within one year	10	(387,615)	(365,349)
<b>Net current liabilities</b>		<u>(383,618)</u>	<u>(365,249)</u>
<b>Total assets less current liabilities</b>		<u>4,848,582</u>	<u>4,673,581</u>
Creditors: amounts falling due after more than one year	10	(4,780,121)	(4,448,874)
<b>Net assets</b>		<u><u>68,461</u></u>	<u><u>224,707</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account		68,361	224,607
<b>Shareholders' funds</b>		<u><u>68,461</u></u>	<u><u>224,707</u></u>

The financial statements of Equitix No. 2 Limited, registered number 07405279, were approved by the Board of Directors and were signed on its behalf by:

05/09/2023  
**F Boshell**  
 Director



The notes on pages 12 to 19 form part of these financial statements.

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**EQUITIX NO. 2 LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2021</b>	100	759,355	759,455
Total comprehensive loss for the year	-	(534,748)	(534,748)
	<hr/>	<hr/>	<hr/>
<b>At 1 January 2022</b>	100	224,607	224,707
Total comprehensive loss for the year	-	(156,246)	(156,246)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2022</b>	<u>100</u>	<u>68,361</u>	<u>68,461</u>

The notes on pages 12 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. ACCOUNTING POLICIES**

Equitix No 2 Limited (the "Company") is a private company, domiciled and registered in England and Wales. The registered number is 07405279 and the registered address is 3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD.

The principal activity is disclosed in the Directors' report on page 2.

**1.1 Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The amendments to FRS 102 issued in July 2015 have been applied.

A summary of the principal accounting policies adopted by the Directors, which have been applied consistently are shown below.

In these financial statements, 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 Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Equitix Holdings Ltd include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12. Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

**1.2 Going concern**

The Company incurred a loss of £156,246 (2021: £534,748) for the year.

As the Company is in a net current liability position of £383,618 (2021: £365,249), the parent Company has indicated its intention to continue to make available such funds as are needed and does not intend to seek repayment of any amounts payable to them for at least the next twelve months from the date of approval of the financial statements in the forementioned letter of financial support.

The Directors have prepared cash flow forecasts for a period of 12 months for the Group including the company from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Group and the Company will have sufficient funds, to meet its liabilities as they fall due for that period for at least 12 months from the date of the approval of the financial statements.

Those forecasts are also dependent on the Company's fellow subsidiary company, Equitix Finance Limited not seeking repayment of the amounts currently due to the group.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. ACCOUNTING POLICIES (continued)**

**1.2 Going concern (continued)**

Equitix Finance Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Further, the Directors of the Company have also assessed the wider Equitix group exposure to interest rates fluctuations. As the loan with Equitix Finance Limited is fixed as per the agreement and at Group level, although there is variable element, this has been factored in the cash flow forecast model for all the possible interest rate increases and the final forecasted Group's cash balance will stay positive and that there are no covenant breaches in respect of loan facilities held by Equitix Group.

As such, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next twelve months from the date of signing of financial statements. Accordingly, they adopt the going concern basis in preparing the financial statements.

**1.3 Investments**

Under FRS 102, the investment in the Fund must be shown at fair value. The investment is not traded in an active market and there are no recent transactions of an identical asset so, in accordance with FRS 102 Section 11, the Company uses a valuation technique to value the investment.

The fair value is determined by the Company's attributable share of the value of the Fund. The Directors believe that the Company's proportionate share of the value of the Fund, that would be attributable to the Company, is the most appropriate method for estimating the fair value of that investment. The value of the Fund is predominantly driven by the fair value of the underlying investment portfolio; the fair value of those investments has been derived through the application of valuation techniques including both a discounted cash flow methodology and comparison to recent market data.

**1.4 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Foreign currency**

**i. Functional and presentation currency**

The company's functional and presentation currency is the pound sterling.

**ii. Transaction and balances**

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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss.

**1.6 Capital and reserves**

Financial instruments issued by the Company are treated as equity.

Retained earnings is the accumulation of profits and losses over the current and previous trading periods.

**1.7 Income**

The income consists primarily of distributions received from investments in the underlying fund.

**1.8 Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when dividends are paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, as detailed in note 1, the Directors are required to make judgements, 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 Company's valuation of underlying investment in the Fund is derived from the Net Asset Value ("NAV") of its investment commitment into the Fund ("NAV approach"). Management deems that the NAV approach to be an appropriate measure of valuation as the Fund uses the Discounted Cash Flow methodology to value its ultimate investment portfolio. The Fund also accounts for its other assets, liabilities, revenue and expenses in line with a recognised GAAP. Adjustments to NAV may be made if in the directors view the adjusted NAV better reflects the Fair value of the underlying investment.

The Directors are of the opinion that there are no other critical judgements or key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

**3. LOSS BEFORE TAXATION**

The loss before taxation of the Company is attributable to the principal activity of the Company, all of which was carried out in the United Kingdom.

The audit fee for Equitix No 2. Limited of £5,374 (2021 - £5,070) and any other ongoing expenses of the Company are borne by Equitix Limited, who will not seek compensation from the Company. There were no non-audit fees (2021 - £nil)

**4. DIRECTORS' REMUNERATION**

No Directors received any remuneration for services to the Company during the year (2021 - £nil). The Company is managed by secondees from other Group companies. No recharge for services rendered has been made during the year (2021 - £nil).

**5. STAFF NUMBERS**

The Company has no employees other than the Directors, who did not receive any remuneration (2021 - none).

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**EQUITIX NO. 2 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**6. INTEREST PAYABLE**

	2022 £	2021 £
Interest payable to group undertakings	516,700	498,205
	<u>516,700</u>	<u>498,205</u>

**7. TAX ON LOSS**

Taxation is based on the loss for the year and comprises:

	2022 £	2021 £
UK corporation tax at a rate of 19% (2021: 19%) on taxable loss:		
- Prior year	-	(12,342)
- Current year	-	14,466
<b>Taxation on loss on ordinary activities</b>	<u>-</u>	<u>2,124</u>

**Factors affecting tax charge for the year**

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2022 £	2021 £
Loss before tax	<u>(156,246)</u>	<u>(532,624)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(29,687)	(101,199)
<b>Effects of adjustments to tax charge:</b>		
Loss not subject to taxation	(36,740)	115,665
Group relief surrendered for nil consideration	66,427	-
Prior period adjustment	-	(12,342)
<b>Total current tax charge for the year</b>	<u>-</u>	<u>2,124</u>

Any tax losses incurred in the current or prior years are surrendered to fellow group companies for nil consideration.

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**EQUITIX NO. 2 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**7. TAX ON LOSS (continued)****Factors that may affect future tax charge**

The March 2021 Budget announced a proposed increase in corporation tax rates with a corporation tax rate of 25% applying with effect from 1 April 2023. This will increase the Company's future current tax charge accordingly.

**8. INVESTMENTS**

	2022 £	2021 £
<b>Cost of investment</b>		
At 1 January	3,333,408	3,280,208
Additions	-	53,200
<b>At 31 December</b>	<u>3,333,408</u>	<u>3,333,408</u>
<b>Fair value reconciliation</b>		
At 1 January	5,038,830	5,594,390
Additions	-	53,200
Change in fair value recognised in profit and loss	193,370	(608,760)
<b>At 31 December</b>	<u>5,232,200</u>	<u>5,038,830</u>

The Company is obliged by the terms of the Limited Partnership Agreement to invest up to £3,333,333 (2021 - £3,333,333) into Equitix Fund II LP as required. There is an undrawn commitment remaining of £3,011 (2021 - £Nil).

**9. DEBTORS**

	2022 £	2021 £
Amounts owed by group undertakings	100	100
Deferred taxation	3,897	-
	<u>3,997</u>	<u>100</u>

Amounts owed by group undertakings within one year are interest free, unsecured and repayable on demand.

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**EQUITIX NO. 2 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. CREDITORS**

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Amounts owed to group undertakings	346,754	324,489
Corporation tax	40,861	40,860
	<u>387,615</u>	<u>365,349</u>
	2022 £	2021 £
<b>Amounts falling due after more than one year</b>		
Amounts owed to group undertakings	4,780,121	4,448,874
	<u>4,780,121</u>	<u>4,448,874</u>

The Company has a loan agreement with Equitix Finance Limited, a fellow group undertaking, for all capital requirements of the Company, falling ultimately due in June 2038, however, the Company may make repayments before this due date. The interest rate is fixed at 11%. Capitalised interest for the year is £331,247 (2021 - £132,978).

**11. CALLED UP SHARE CAPITAL**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
100 (2021 - 100) Ordinary shares at £1 each	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. There are no associated rights or preferences relating to the Ordinary Shares.

**12. TRANSACTIONS WITH RELATED PARTIES**

The Company has taken advantage of the exemption under Section 33.1A of FRS 102 not to provide information on related party transactions with fellow undertakings which are also consolidated within the Equitix 2020 Security Limited, an entity incorporated and registered in Guernsey.

Exemption has been taken for related party transactions only and not the disclosure of outstanding balances, which have been noted as part of the debtor or creditors note accordingly.

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**EQUITIX NO. 2 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**13. ULTIMATE PARENT**

The Company is owned by Equitix 2020 Issuer Limited, a company incorporated in Guernsey. The smallest group in which its results are consolidated is Equitix 2020 Security Limited, a company incorporated and registered in Guernsey.

The Company's ultimate parent, and the largest group in which its results are consolidated is Pace Topco Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated accounts of Pace Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Partnership's ultimate controlling company is Tetragon Financial Group Limited, a company incorporated and registered in Guernsey.

**14. POST BALANCE SHEET EVENTS**

During the period from the date of the balance sheet to the date these financial statements have been approved there have been no subsequent events which require disclosure in these financial statements.