

Montagu (Funding IV) Limited

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**



Registered in England No. 07433030

Montagu (Funding IV) Limited

Annual Report and Audited Financial Statements for the year ended 31 December 2015

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Montagu (Funding IV) Limited

Strategic Report

Business review

Montagu (Funding IV) Limited provides short term financing services relating to Montagu private equity fund management.

During 2015 Montagu (Funding IV) Limited provided financing services on 5 projects (2014: 5). A fee is payable to Montagu (Funding IV) Limited from MPE (GP IV) LP for these services.

Results for the year

During 2015, fees of £2,045 (2014: £6,205) were recognised.

The full results of the company for the year are set out in the profit and loss account on page 7.

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

18 March 2016

Registered No. 07433030

Montagu (Funding IV) Limited

Directors' Report

The Directors present their report to the members together with the audited financial statements for the year ended 31 December 2015, which were approved by them on 18 March 2016.

Principal activities and business review

The principal activity of the company is to provide short term financing services relating to private equity fund management.

Since no bridge was outstanding at 31 December 2015, no debtors have been recognised in 2015 in relation to the company's short term financing facility (2014: £18,007,923 was recognised due to the timing difference on the Sebia Bridge).

Results and dividends

The results for the period are set out in the profit and loss account on page 7.

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:

C. M. Masterson
G. Hislop
C. J. Gatenby
V. O'Brien (resigned 21 December 2015)
Wiet Stokhuyzen (appointed 21 December 2015)

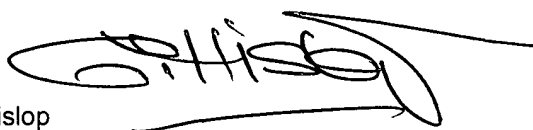
Disclosure of information to auditors

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 auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Independent auditors

KPMG LLP have indicated willingness to continue as auditor of the Company.

By order of the board.



G. Hislop
Director

Registered Office
2 More London Riverside
London
SE1 2AP

18 March 2016

Registered No. 07433030

Montagu (Funding IV) Limited

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

The directors are responsible for preparing the Strategic Report, 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 period. 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Montagu (Funding IV) Limited

We have audited the financial statements of Montagu (Funding IV) Limited for the year ended 31 December 2015 set out on pages 7 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Iain Bannatyne (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London, E14 5GL
18 March 2016

Montagu (Funding IV) Limited

Profit and Loss Account for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	2	2,045	6,205
Operating costs	3	<u>301</u>	<u>(3,849)</u>
Operating Profit		2,346	2,356
Loss on disposal of investments		(200,797)	(128,627)
Income from investments		622,429	1,392,556
Interest receivable and similar income		-	223
Interest payable and similar charges	4	<u>(402,012)</u>	<u>(1,285,120)</u>
Profit / (Loss) on ordinary activities before taxation		21,966	(18,612)
Tax on profit / (loss) on ordinary activities	5	<u>(4,448)</u>	<u>4,002</u>
Profit / (Loss) on ordinary activities after taxation		<u>17,518</u>	<u>(14,610)</u>
Statement of retained profit			
Retained profit brought forward		5,269	19,879
Profit / (Loss) for the period		<u>17,518</u>	<u>(14,610)</u>
Retained profit carried forward		<u>22,787</u>	<u>5,269</u>

All results relate to continuing operations.

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

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

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

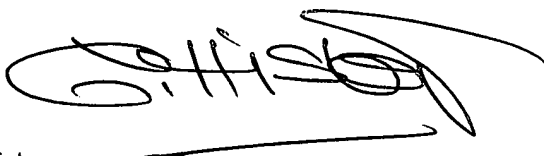
Montagu (Funding IV) Limited

Balance Sheet as at 31 December 2015

	Notes	2015	2014
		£	£
Current assets			
Investments		-	-
Cash		24,631	13,540
Debtors	6	<u>38,605</u>	<u>18,060,890</u>
		63,236	18,074,430
Creditors: amounts falling due within one year	7	(40,448)	(18,069,160)
Net current assets		<u>22,788</u>	<u>5,270</u>
Net assets		<u>22,788</u>	<u>5,270</u>
Funding and reserves			
Called up share capital	8	1	1
Profit and loss account		22,787	5,269
Total shareholder's funds	9	<u>22,788</u>	<u>5,270</u>

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

The financial statements on pages 7 to 11 were approved by the Board of Directors on 18 March 2016 and were signed on its behalf by:



G. Hislop
Director

Registered No. 07433030

Montagu (Funding IV) Limited

Notes to the Financial Statements for the year ended 31 December 2015

1. Accounting policies

(a) Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The financial statements have been prepared on the historic cost basis.

The company is exempt under S400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The results of the Company and its subsidiary undertakings are included in the consolidated financial statements of Montagu Private Equity LLP, the company's ultimate parent undertaking.

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) Taxation

The charge for taxation is based on the profit / loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax balances are not discounted.

(c) Investments

Investments held as current assets are stated at cost, less any provisions for impairment.

2. Turnover

Turnover represents management fees recognised.

3. Operating costs

The audit fee payable in relation to Montagu (Funding IV) Limited for the period is £4,100 (2014: £4,000) and is borne by Montagu Private Equity LLP.

Montagu (Funding IV) Limited does not employ any staff.

The directors received no emoluments in respect of their services to the Company.

	2015	2014
	£	£
FX (gain) / loss	(301)	3,849

4. Interest payable and similar charges

	2015	2014
	£	£
Bridge financing interest	<u>402,012</u>	<u>1,285,120</u>

Montagu (Funding IV) Limited

Notes to the Financial Statements for the year ended 31 December 2015

5. Tax on profit on ordinary activities

Analysis of charge in period:

	2015 £	2014 £
<u>UK Corporation Tax</u>		
Current tax on income	4,448	(4,002)
Adjustment in respect of prior periods	-	-
Total current tax charge / (credit)	<u>4,448</u>	<u>(4,002)</u>
Tax on profit / (loss) on ordinary activities	<u>4,448</u>	<u>(4,002)</u>

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

Current Tax Reconciliation

	2015 £	2014 £
Profit / (Loss) on ordinary activities before taxation	21,966	(18,612)
Current tax @ 20.25% (2014: 21.5%)	4,448	(4,002)
Unused losses carried forward	-	-
Other	-	-
Total current tax charge / (credit)	<u>4,448</u>	<u>(4,002)</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

6. Debtors

	2015 £	2014 £
Short-term bridge funding debtors	-	18,007,923
Amounts due from associated limited partnerships	-	21,871
Amounts due from fellow subsidiaries	19,709	27,093
Corporation Tax	-	4,002
Other	18,896	1
	<u>38,605</u>	<u>18,060,890</u>

7. Creditors: amounts falling due within one year

	2015 £	2014 £
Bridging loan	-	17,996,870
Amounts due to ultimate parent	18,868	32,953
Amounts due to fellow subsidiaries	17,132	17,368
Accrued expenses	-	21,969
Corporation Tax	4,448	-
	<u>40,448</u>	<u>18,069,160</u>

Montagu (Funding IV) Limited

Notes to the Financial Statements for the year ended 31 December 2015

8. Called up share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

9. Reconciliation of movement in shareholder's funds

	2015	2014
	£	£
Opening shareholder's funds	5,270	19,880
Profit / (Loss) for the year	17,518	(14,610)
Closing shareholder's funds	<u>22,788</u>	<u>5,270</u>

10. Related party disclosures

The immediate parent company and controlling party of the Company 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. Ultimate parent

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