

## **Montagu (Funding IV) Limited**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2016**

Registered in England No. 07433030

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**Montagu (Funding IV) Limited**  
**Annual Report and Audited Financial Statements for the year ended**  
**31 December 2016**

**Contents**

	<u>Page</u>
Strategic Report	3
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 -7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 14

# 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 2016 Montagu (Funding IV) Limited provided financing services on no projects (2015: 5). A fee is payable to Montagu (Funding IV) Limited from MPE (GP IV) LP for these services.

### Results for the year


During 2016, fees of £Nil (2015: £2,045) were recognised. As at 31 December 2016, the company had net assets of £26,371 (2015: £22,788).

The full results of the company for the year are set out in the statement of comprehensive income on page 8.

### 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

17 March 2017

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 2016 which were approved by them on 17 March 2017.

### Principal activities and business review

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

### Results and dividends

The results for the year are set out in the statement of comprehensive income on page 8.

### Liability insurance

The Company has professional indemnity insurance in place in respect of the duties of the Directors.

### Directors

The directors of the Company who held office during the year were as follows.

C. M. Masterson  
G. Hislop  
C. J. Gatenby  
W. Stokhuyzen

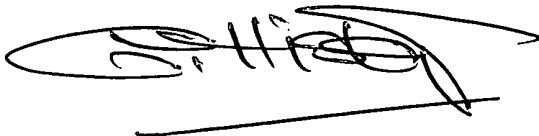
### Independent auditor

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.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board.



G. Hislop  
Director

Registered Office  
2 More London Riverside  
London  
SE1 2AP

17 March 2017

Registered No. 07433030

# **Montagu (Funding IV) Limited**

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 2016 set out on pages 8 to 14. 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 Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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](http://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 2016 and of its 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 matters prescribed by the Companies Act 2006**

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of Montagu (Funding IV) Limited (cont.)**

### **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  
17 March 2017

# Montagu (Funding IV) Limited

## Statement of Comprehensive Income

### For the year ended 31 December 2016

	Notes	2016 £	2015 £
<b>Turnover</b>	2	-	2,045
Operating costs	3	<u>4,412</u>	<u>301</u>
<b>Operating profit</b>		4,412	2,346
Loss on disposal of investments		-	(200,797)
Income from investments		40	622,429
Interest receivable and similar income		27	-
Interest payable and similar expenses	4	<u>-</u>	<u>(402,012)</u>
<b>Profit before taxation</b>		4,479	21,966
Tax on profit	5	<u>(896)</u>	<u>(4,448)</u>
<b>Profit after taxation</b>		<u>3,583</u>	<u>17,518</u>

All results relate to continuing operations.

There were no other items of comprehensive income for the year and therefore the profit 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 before taxation.

The notes on pages 11 to 14 form part of these financial statements.



# Montagu (Funding IV) Limited

## Balance Sheet at 31 December 2016

	Notes	2016 £	2015 £
<b>Current assets</b>			
Debtors	6	22,175	38,605
Cash and short term deposits	7	<u>26,707</u>	<u>24,631</u>
		48,882	63,236
<b>Creditors:</b> amounts falling due within one year	8	<u>(22,511)</u>	<u>(40,448)</u>
<b>Net current assets</b>		26,371	22,788
<b>Net assets</b>		<u>26,371</u>	<u>22,788</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account		<u>26,370</u>	<u>22,787</u>
<b>Shareholder's funds</b>		<u>26,371</u>	<u>22,788</u>

The notes on pages 11 to 14 form part of these financial statements.

The financial statements on pages 8 to 14 were approved by the board of directors on 17 March 2017 and were signed on its behalf by:



G. Hislop  
Director

Registered No. 07433030

**Montagu (Funding IV) Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

	Share Capital £	Retained Earnings £	Total Equity £
As at 1 January 2016	1	22,787	22,788
Profit / (Loss) for the year	-	3,583	3,583
<b>As at 31 December 2016</b>	<b>1</b>	<b>26,370</b>	<b>26,371</b>

**Statement of Changes in Equity**  
**For the year ended 31 December 2015**

	Share Capital £	Retained Earnings £	Total Equity £
As at 1 January 2015	1	5,269	5,270
Profit / (Loss) for the year	-	17,518	17,518
<b>As at 31 December 2015</b>	<b>1</b>	<b>22,787</b>	<b>22,788</b>

The notes on pages 11 to 14 form part of these financial statements.

# **Montagu (Funding IV) Limited**

## **Notes to the financial statements for the year ended 31 December 2016**

### **1. Accounting Policies**

#### **(a) Basis of accounting**

Montagu (Funding IV) Limited (the "Company") is a limited company incorporated in the United Kingdom. The address of the registered office is 2 More London Riverside, London, SE1 2AP.

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The financial statements are prepared on the historic cost basis. The presentation currency of these financial statements is sterling.

The Company is exempt by virtue of s400 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The results of the Company are included in the consolidated financial statements of Montagu Private Equity LLP, the ultimate parent company.

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

- Cash flow statements and related notes.

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

#### **(b) Going concern**

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

#### **(c) Taxation**

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### **(d) 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.

# Montagu (Funding IV) Limited

## Notes to the financial statements for the year ended 31 December 2016

### 1. Accounting Policies (continued)

#### (e) 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.

#### (f) Cash

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

#### (g) 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.

#### (h) Interest receivable and interest payable

Interest payable and similar expenses include interest payable and unwinding of the discount on provisions. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

### 2. Turnover

Turnover represents management fees recognised. All turnover is derived from operations within the United Kingdom.

### 3. Expenses and auditor's remuneration

The audit fee payable in relation to Montagu (Funding IV) Limited for the period is £2,500 (2015: £4,100) and is borne by Montagu Private Equity LLP.

Profit/ (loss) for the period is stated after charging:

	2016 £	2015 £
FX (gain)	<u>(4,412)</u>	<u>(301)</u>

### 4. Interest payable and similar expenses

	2016 £	2015 £
Bridge financing interest	<u>-</u>	<u>402,012</u>

# Montagu (Funding IV) Limited

## Notes to the financial statements for the year ended 31 December 2016

### 5. Tax on profit

Analysis of tax charge in period:	2016 £	2015 £
UK Current tax charge on income	896	4,448
Current Foreign tax	-	-
	<u>896</u>	<u>4,448</u>
Adjustments in respect of prior periods	-	-
Total current tax charge	<u>896</u>	<u>4,448</u>
Deferred tax	-	-
	<u>896</u>	<u>4,448</u>
Tax on profit	<u>896</u>	<u>4,448</u>
Current Tax Reconciliation:		
	2016 £	2015 £
Profit before taxation	<u>4,479</u>	<u>21,966</u>
Tax @ 20% (2015 : 20.25%)	<u>896</u>	<u>4,448</u>
Total current tax charge	<u>896</u>	<u>4,448</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was 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, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

### 6. Debtors

*Amounts falling due within one year:*

	2016 £	2015 £
Other	-	18,896
Amounts due from fellow subsidiaries	<u>22,175</u>	<u>19,709</u>
	<u>22,175</u>	<u>38,605</u>

### 7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>26,707</u>	<u>24,631</u>
	<u>26,707</u>	<u>24,631</u>

# Montagu (Funding IV) Limited

## Notes to the financial statements for the year ended 31 December 2016

### 8. Creditors

*Amounts falling due within one year:*

	2016 £	2015 £
Corporation Tax	896	4,448
Amounts due to parent undertakings	1,442	18,868
Amounts due to fellow subsidiaries	20,173	17,132
	<u>22,511</u>	<u>40,448</u>

### 9. Share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1	<u>1</u>	<u>1</u>

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

### 10. Related party disclosures

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

### 11. Emoluments of directors

There were no emoluments received by directors in either the current or the prior year, and no amounts have been accrued or paid to any money purchase schemes.

### 12. Ultimate parent company

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