REGISTERED NUMBER: 07851252 (England and Wales)

MOUNTAIN BERG LIMITED

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:	D P J Ross N P Teagle
REGISTERED OFFICE:	10 St James's Place London SW1A 1NP
REGISTERED NUMBER:	07851252 (England and Wales)
SENIOR STATUTORY AUDITOR:	Alistair Main BFP FCA
INDEPENDENT AUDITORS:	Duncan & Toplis Limited, Statutory Auditor 14 All Saints Street Stamford Lincolnshire PE9 2PA

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report for the year ended 31 December 2022.

REVIEW OF BUSINESS
The directors aim to present a balanced and comprehensive review of the business and performance during the year and its position at the year end. The review is consistent with the size and the nature of the company and is written in the context of the risks and uncertainties faced.

The company is a wholly owned subsidiary of Mountain Berg Holdings Limited ('MBHL').

The results of the company for the period show a loss on ordinary activities before taxation of £35.5 million (31 December 2021: £15.7million profit). Profits on investments held within private equity limited partnerships are included within turnover. Turnover has decreased for the year to 31 December 2022 to £16.6 million compared to the year to 31 December 2021 of £50.8 million.

Net assets decreased by £20.2 million to £127.7 million as at 31 December 2022.

The company typically makes investments for periods of between 5 years and 15 years with some investments held for longer than this period. For this reason, all investment decisions are made with consideration of economic and market forecasts over the long term.

DEVELOPMENT AND PERFORMANCE
The Directors are satisfied with the overall investment performance of the company despite some significant changes in the macro economy at the end 2021 and throughout 2022. With inflation increasing and central banks raising interest rates valuations of some investments in growth sectors such as technology have been negatively affected and this trend has continued throughout 2022 and in to 2023. The Directors remain confident that the Company is invested in high quality businesses that will gain significant value over the long term.

There have been no significant changes in the Company's activities in the period under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities next year.

KEY PERFORMANCE INDICATORS (KPI's)
The Company's investments are varied and the Directors continually review investment reports, management accounts and quarterly valuation reports.

The Directors also monitor the performance of underlying investment KPI's on a quarterly basis. These KPIs include;

· Valuation compared to capital invested
· Valuation multiple to capital invested
· Absolute returns compared to total capital invested
· The multiple of absolute returns to capital invested

Given the nature of the investments, KPIs will only provide a limited understanding of the development performance or position of the company.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES
The company's activities expose it to several financial risks including market price fluctuations, interest rates movements, inflation, foreign exchange exposure, credit, and liquidity risk.

Inflation
Inflation is a threat to the performance of the Company's investments and given the war in Ukraine plus the effect of increased prices for commodities after the covid pandemic, inflation is likely to stay at elevated for the short and medium term. Management is mitigating the impact of inflation through its diversified portfolio and investment in sectors which do well in an inflationary environment.

Interest rate risk
Interest rate risk is the risk that unexpected changes in interest rates could impact the overall financial performance of the company. The company has financial exposure to UK, European and USA interest rates arising from investments denominated in all 3 currencies across worldwide markets. The principle impact on the company would be via its borrowing facilities. The risk is managed by closely monitoring economic conditions that could impact interest rates and the company has the ability to borrow on either a floating or fixed term basis.

Foreign exchange risk

The company's activities expose it to financial risks of changes in foreign currency exchange rates. The company has investments in US Dollar, GBP Pound and Euro denominations. The company takes a long-term view, making investments over a period of time and building a diversified portfolio. Returns from these investments can be used to fund new investments in the same currency. Alongside this the company has the ability to draw loans in the currency of the investment to be made and to make loan repayments using investment returns in the currency received.

Market Price Risk

Market risk is the risk to an investment portfolio from movements in market prices such as global listed equities, interest rates and foreign exchange rates. The company is exposed to these market risks through its investment activities. Indirect exposure to equity market risk is derived from the Company's significant investments in externally managed private markets funds most typically held via private equity LP interests and direct investment in quoted shares. This is a long-term portfolio where risk is managed with appropriate diversification by geography, sector and investment cycle vintage. The external managers have the ability to time new investments and exits from portfolio holdings according to their views on markets and underlying market conditions. The company manages its commitments to these external funds with consideration to both its recognised and forecast exposures.

Credit risk
Credit risk is the risk that a counterparty, will not meet its obligations under a financial instrument, leading to a financial loss. The company manages credit risk by entering financial instruments with reputable counterparties with good creditworthiness and monitors investment performance on a regular basis.

The balance sheet of the company includes receivables due from third parties, as well as intercompany balances due from related parties. The company is therefore exposed to credit risk on these balances. With third party risk the Company recognises credit losses where applicable in accordance with sections 11 and 12 of FRS102 in respect of financial instruments. For related parties, the company takes a long-term view with an expectation that this will ensure the credit risk is minimised.

The credit risk on cash, cash equivalents and short-term deposits is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over many counterparties, other than Group companies.

Liquidity risk
The company Treasury function manages its liquidity needs to ensure sufficient funds are available for ongoing operations and future developments. At the year end, the company has access to a US$100 million (increased by US$10 million since the year end) revolving credit facility with Credit Suisse.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

SECTION 172(1) STATEMENT
The Directors are bound by their duties under the Companies Act 2006 (the "Act") and understand each duty is in the interest of the overall success of the company. This statement sets out how the directors have regard to the matters set out in Section 172 of the Act whilst undertaking their roles, including but not limited to:

(a) the likely consequences of any decision in the long term.
(b) the need to foster the company's business relationships with suppliers, customers, and others.
(c) the impact of the company's operations on the community and the environment.
(d) the desirability of the company maintaining a reputation for high standards of business conduct.
(e) need to act fairly as between members of the company.

As a company engaged in making and holding investments, the company has no employees other than its directors. The directors manage the company for the benefit of all stakeholders. In making decisions, the directors take into account their potential short and long-term implications. The objectives include; the long-term sustainable growth and success of the business which will see returns to the shareholder increasing, the preservation and growth of capital and also building deep and long term relationships with the company's wider stakeholders.

Due to the nature of the company, the underlying activities are carried out by the investment funds in which it participates. The company is not involved directly in the management of those activities, as they are the responsibility of the managing partner of each fund. Instead, the company focuses on selection of investment partners and the strategies they pursue. Each manager is responsible for the activities of their fund and the underlying companies in each fund have boards of directors with duties including those towards employees, community and environmental matters, standards of business conduct and the long-term consequences of decisions.

The Directors report regularly to the shareholder both formally and on an ad-hoc basis. Quarterly accounts are produced for the shareholder and quarterly meetings with the shareholder and his investment committee give an opportunity for more formal dialogue alongside the open and constant communication flow as significant decisions are taken including the selection of investments and as transactions and projects progress.

Our suppliers can broadly be categorised as investment partners and professional advisers. Through the commitment of all parties, the Directors have developed strong and mutually beneficial relationships with their partners and advisers and recognise the importance of those relationships in delivering the performance and long-term success of the company. Through those relationships the Directors and partners can work together on unique projects and the advisers build a significant knowledge, enabling them to support the Directors in achieving their objectives. The Directors seek to work with counterparties who demonstrate high regard for the impact of their operations on communities and the environment. The Directors also respect and adhere to the terms of their partners including payment terms etc.

Our lenders are important stakeholders, with whom we maintain an open dialogue alongside our covenant compliance obligations.

The board recognises that the environmental and social impact of the company is an important consideration in the current and long-term goals of the company and wider group.

Mountain Berg is committed to being a socially and environmentally responsible investor and incorporates Environmental, Social and Governance principles ('ESG') into the Investment Strategy and Principles. In making investment decisions the Company selects external asset managers, advisers and partners that integrate these principles into their investment process.

Whilst Mountain Berg focusses on investments, it is part of a wider group that makes positive contributions to Charitable causes and local communities.

The board of directors aims to maintain the strong reputation of the company, and to ensure that decisions are made with the highest standard of business conduct in mind. Integrity is a key element of business behaviour throughout the company and group, and the board of directors recognise that acting ethically and with integrity protects the reputation of the company, shareholders and stakeholders, and that the culture and values of the company are fundamental to the success of the company and group in the longer term.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

Mountain Berg is committed to maintaining the highest standard of ethics and compliance with all relevant laws and regulations wherever it does business.

ON BEHALF OF THE BOARD:

N P Teagle - Director

29 September 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of making and holding investments.

DIVIDENDS
No interim dividend (2021 - £111,095) was paid during the year. The directors do no recommend payment of a final dividend.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

D P J Ross
N P Teagle

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY
Details of the company's compliance with requirements under Streamlined Energy & Carbon Reporting are reported in the financial statements of the parent company, Mountain Berg Holdings Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

N P Teagle - Director

29 September 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOUNTAIN BERG LIMITED

Opinion
We have audited the financial statements of Mountain Berg Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter
As discussed in note 2 to the financial statements, the financial statements include investments in Limited Partnerships valued at £167,596,814 (approximately 48% of total assets) as at 31 December 2022, whose fair value has been estimated by the investment fund's management in the absence of readily determinable fair values. Management's estimates are based on information provided by the General Partner of the Limited Partnerships. Our opinion is not modified with respect to this matter.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Directors and other management obtained as part of the work required by auditing standards. We have also discussed with the Directors and other management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit. The potential impact of different laws and regulations varies considerably.

Firstly, the company is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as financing transactions, the valuation of investments and group loans, as well as the risk of inappropriate journal entries to increase reported profitability. Audit procedures performed by the engagement team included the identification and testing of unusual material journal entries and challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on accounting estimates, including reviewing the methods and data used by management to make those estimates, reperforming the calculation, reviewing the outcome of prior year estimates, and also reviewing the outcome of current year estimates since the financial reporting date.

Secondly, the company is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Health and Safety regulations and Employment laws.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

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. 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. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOUNTAIN BERG LIMITED

Use of our report

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 a Report of the Auditors 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.

Alistair Main BFP FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
14 All Saints Street
Stamford
Lincolnshire
PE9 2PA

29 September 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
REVENUE		16,649,498	50,809,746
Cost of sales		51,096,252	35,553,801
GROSS (LOSS)/PROFIT		(34,446,754)	15,255,945
Administrative expenses		1,435,718	1,515,028
OPERATING (LOSS)/PROFIT	4	(35,882,472)	13,740,917
Interest receivable and similar income	5	4,103,691	3,144,799
		(31,778,781)	16,885,716
Interest payable and similar expenses	6	3,678,207	1,159,230
(LOSS)/PROFIT BEFORE TAXATION		(35,456,988)	15,726,486
Tax on (loss)/profit	7	(8,781,444)	4,041,381
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(26,675,544)	11,685,105

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
(LOSS)/PROFIT FOR THE YEAR		(26,675,544)	11,685,105
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(26,675,544)	11,685,105

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Investments	9		200,686,000		219,615,742
CURRENT ASSETS					
Debtors	10	149,976,049		137,950,526	
Cash at bank		1,043,191		14,640,141	
		151,019,240		152,590,667	
CREDITORS					
Amounts falling due within one year	11	73,479,680		43,990,178	
NET CURRENT ASSETS			77,539,560		108,600,489
TOTAL ASSETS LESS CURRENT LIABILITIES			278,225,560		328,216,231
CREDITORS					
Amounts falling due after more than one year	12		(150,556,547)		(173,267,327)
PROVISIONS FOR LIABILITIES	16		-		(7,003,000)
NET ASSETS			127,669,013		147,945,904
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Capital contribution	18		6,398,653		1,732,673
Retained earnings	18		121,270,358		146,213,229
SHAREHOLDERS' FUNDS			127,669,013		147,945,904

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2023 and were signed on its behalf by:

N P Teagle - Director

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

	Called up share capital £	Retained earnings £	Capital contribution £	Total equity £
Balance at 1 January 2021	2	134,639,219	-	134,639,221
Changes in equity				
Dividends	-	(111,095)	-	(111,095)
Total comprehensive income	-	11,685,105	-	11,685,105
Measurement difference discounting non-market rate loans	-	-	1,732,673	1,732,673
Balance at 31 December 2021	2	146,213,229	1,732,673	147,945,904
Changes in equity				
Total comprehensive income	-	(26,675,544)	-	(26,675,544)
Measurement difference discounting non-market rate loans	-	-	6,398,653	6,398,653
Transfer	-	1,732,673	(1,732,673)	-
Balance at 31 December 2022	2	121,270,358	6,398,653	127,669,013

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(12,990,302)	(102,590,934)
Interest paid		(3,678,207)	(1,159,230)
Tax paid		(397,109)	(5,199,833)
Net cash from operating activities		(17,065,618)	(108,949,997)
Cash flows from investing activities			
Purchase of fixed asset investments		(29,698,369)	(45,812,408)
Sale of fixed asset investments		13,981,357	60,218,659
Interest received		3,728,626	2,673,970
Dividends received		375,065	470,829
Net cash from investing activities		(11,613,321)	17,551,050
Cash flows from financing activities			
New loans in year		47,354,707	-
Loan repayments in year		-	(28,243,540)
Amount introduced by directors		14,866,797	140,290,108
Amount withdrawn by directors		(47,139,515)	(6,499,285)
Equity dividends paid		-	(111,095)
Net cash from financing activities		15,081,989	105,436,188
(Decrease)/increase in cash and cash equivalents		(13,596,950)	14,037,241
Cash and cash equivalents at beginning of year	2	14,640,141	602,900
Cash and cash equivalents at end of year	2	1,043,191	14,640,141

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
(Loss)/profit before taxation	(35,456,988)	15,726,486
Profit on disposal of fixed assets	(8,837,156)	(10,326,671)
Unrealised losses/ (gains)	57,064,952	(9,914,056)
Foreign exchange (gains)/ losses	(13,581,042)	5,184,782
Finance costs	3,678,207	1,159,230
Finance income	(4,103,691)	(3,144,799)
	(1,235,718)	(1,315,028)
Increase in trade and other debtors	(12,019,522)	(99,949,653)
Increase/(decrease) in trade and other creditors	264,938	(1,326,253)
Cash generated from operations	(12,990,302)	(102,590,934)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	1,043,191	14,640,141

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	14,640,141	602,900

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	14,640,141	(13,596,950)	1,043,191
	14,640,141	(13,596,950)	1,043,191
Debt			
Debts falling due within 1 year	(9,563,065)	(47,354,707)	(56,917,772)
	(9,563,065)	(47,354,707)	(56,917,772)
Total	5,077,076	(60,951,657)	(55,874,581)

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

1. **GENERAL INFORMATION**

Mountain Berg Limited is a limited company incorporated in England and Wales. The address of the registered office is given in the company information on page one of these financial statements. The nature of the company's operations and principal activities are detailed in the report of the directors on page five.

The presentation currency of the financial statements is the Pound Sterling (£).

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention as modified by the revaluation of certain assets.

Preparation of consolidated financial statements
The financial statements contain information about Mountain Berg Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Mountain Berg Holdings Limited, 10 St James' Place, London, SW1A 1NP.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

continued...

2. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates
In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 key sources of estimation uncertainty that have a significant effect on the financial statements are described below;

(i) Valuation of investments in Limited Partnerships

Investments in Limited Partnerships are stated at fair value, based on valuations determined by the General Partner in accordance with the International Private Equity and Venture Capital ("IPEVC") guidelines. The Limited Partnerships invest in a portfolio of worldwide investments, including unquoted companies.

Factors considered when valuing unquoted companies include the current financial position, operating results and the market value of comparable publicly traded companies (discounted for illiquidity). The values assigned to portfolio investments are based on available information and do not necessarily represent the amounts that might ultimately be realised, since such amounts depend on further circumstances and cannot be determined until the investments are actually liquidated. The General Partner's objectives are to provide a solid and sustainable value assessment to give the Limited Partners of the Partnership a balanced appreciation of fair value given the characteristics of portfolio companies.

(ii) Impairment of unlisted investments

The company makes investments in private unlisted companies which are stated at cost, less provision for impairment, as the directors do not consider that fair value can be measured reliably.

When assessing impairment, management considers the financial performance of the underlying entity, their credit rating, historical performance and anticipated future earnings.

(iii) Financing transactions

Amounts owed to related parties shown within creditors due after more than one year represent financing transactions, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Management has estimated the discount rate based on the group's incremental borrowing rate. This is the rate the group would have to pay for a loan of a similar term, and with similar security, to obtain an asset of similar value and is considered by management to be the best estimate of an appropriate market rate.

Revenue
Revenue represents profits on investments held within private equity limited partnerships, commissions receivable and foreign exchange gains relating to investments.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Interest receivable and payable

Interest amounts are accounted for on an accruals basis.

Investments

Fixed asset investments represent long term investments and are stated as follows:

Unlisted fixed asset investments and 'other' investments are stated at cost less provision for impairment, as the directors do not consider that fair value can be measured reliably.

Listed fixed asset investments are stated at fair value, based on market value.

The company has also invested in private equity limited partnerships, and receives a share in the profits or losses of the funds in proportion to the amount of capital contributed by the investment partners. The value of the investment is stated at the company's share of partner equity, as reported in the financial statements of the investment partnership, including unrealised gains and losses, adjusted for exchange fluctuations. This is considered to be the fair value of the limited partnership investments. Movements in fair value are taken to profit and loss in the year.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 December 2022 nor for the year ended 31 December 2021.

The average number of employees during the year was as follows:

	2022	2021
Directors	2	2

	2022	2021
	£	£
Directors' remuneration	-	-

4. OPERATING (LOSS)/PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration	14,000	12,600
Foreign exchange differences - investments	(13,581,042)	5,184,782

Foreign exchange differences relate to fixed asset investments denominated in foreign currencies. The above gains and losses have been recognised in sales (2021 - cost of sales) in the income statement for the period.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Dividends receivable	375,065	470,829
Loan interest receivable	3,058,633	2,673,970
Foreign exchange gains - bank accounts	669,993	-
	4,103,691	3,144,799

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Corporation tax interest	15,835	100,168
Bank charges	269,981	144,156
Foreign exchange losses - bank accounts	-	168,008
Other interest payable	1,732,673	-
Loan interest	1,659,718	746,898
	3,678,207	1,159,230

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	-	1,753,818
Adjustment re previous years	(1,778,444)	(3,177,437)
Total current tax	(1,778,444)	(1,423,619)
Deferred tax	(7,003,000)	5,465,000
Tax on (loss)/profit	(8,781,444)	4,041,381

continued...

7. **TAXATION - continued**

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
(Loss)/profit before tax	(35,456,988)	15,726,486
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(6,736,828)	2,988,032
Effects of:		
Capital gain	1,679,060	1,962,067
Unrealised gains/losses	4,566,752	(3,198,112)
Other	1,931	1,831
Deferred tax movement on unrealised gains	(7,003,000)	5,465,000
Adjustment re prior years corporation tax	(1,778,444)	(3,177,437)
Group relief	489,085	-
Total tax (credit)/charge	(8,781,444)	4,041,381

The taxable profit has been reduced by £nil (2021 - £8,685,948) due to the availability of group relief. Losses of £2,574,134 (2021 - £nil) were surrendered for utilisation by other group companies.

8. **DIVIDENDS**

	2022	2021
	£	£
Ordinary share of £1		
Interim	-	111,095

9. **FIXED ASSET INVESTMENTS**

	2022	2021
	£	£
Shares in group undertakings	6,525,446	6,525,446
Participating interests	11,554,709	11,554,709
Other investments not loans	180,797,559	200,876,429
Other loans	1,808,286	659,158
	200,686,000	219,615,742

continued...

9. **FIXED ASSET INVESTMENTS - continued**

Additional information is as follows:

	Shares in group undertakings	Unlisted investments	Listed investments	Limited partnerships	Totals
	£	£	£	£	£
COST OR VALUATION					
At 1 January 2022	6,661,537	13,554,709	23,471,884	177,404,545	221,092,675
Additions	-	-	5,867,235	25,537,514	31,404,749
Disposals	-	-	(7,599)	(48,926,287)	(48,933,886)
Revaluations	-	-	(16,130,775)	-	(16,130,775)
Exchange differences	-	-	-	13,581,042	13,581,042
At 31 December 2022	6,661,537	13,554,709	13,200,745	167,596,814	201,013,805
PROVISIONS					
At 1 January 2022 and 31 December 2022	136,091	2,000,000	-	-	2,136,091
NET BOOK VALUE					
At 31 December 2022	6,525,446	11,554,709	13,200,745	167,596,814	198,877,714
At 31 December 2021	6,525,446	11,554,709	23,471,884	177,404,545	218,956,584

Cost or valuation at 31 December 2022 is represented by:

	Shares in group undertakings	Unlisted investments	Listed investments	Limited partnerships	Totals
	£	£	£	£	£
Valuation in 2022	-	-	13,200,745	167,596,814	180,797,559
Cost	6,661,537	13,554,709	-	-	20,216,246
	6,661,537	13,554,709	13,200,745	167,596,814	201,013,805

The market value of listed investments at the financial reporting date is considered to be £13,200,745 (2021- £23,471,884).

The company has made investments in certain private equity investment limited partnerships. The company receives a share in the profits or losses of the funds in proportion to the amount of capital contributed by the investment partners.

	Other loans
	£
At 1 January 2022	659,158
New in year	1,149,128
At 31 December 2022	1,808,286

continued...

9. **FIXED ASSET INVESTMENTS - continued**

Unlisted investments include an investment of 4,319 Preferred Ordinary shares of £0.001 each, 1,753 Class II Preferred Ordinary shares and 618 Ordinary shares of £0.001 each, in iSmash Group Limited, a company incorporated in the British Virgin Islands. This represents 20.37% of the total issued shares. Statutory financial statements for for iSmash Group Limited for the period to 31 December 2022 are not yet available. The group made a loss for the period to 31 December 2021 totalling £3,729,072 (2020 - £3,228,439) and net assets were £9,837,145 (2020 - net liabilities £301,029).

Shares in group undertakings represent a 100% interest in the share capital of 10 SJP No.2 Limited, a company registered in England and Wales with the same registered office as that of Mountain Berg Limited.

Shares in group undertakings also include a 50.01% interest in the share capital and 100% interest in A1 preference shares, A2 preference shares and preferred ordinary shares of Robinson Webster (Holdings) Limited, a company registered in England and Wales with registered office as 159 Mortlake Road, Richmond, Surrey, TW9 4AW.

Fair Value determination of investments in Limited Partnerships

The fair value of investments in Limited Partnerships has been estimated by the following fair value hierarchy:

Level (1): Using unadjusted quoted prices in an active market for identical assets or liabilities that can be assessed at the reporting date.

Level (2): Using inputs other than quoted prices included within level 1 that are observable (i.e developed using market data) for the asset or liability, either directly or indirectly.

Level (3): Using inputs that are unobservable (i.e. for which market data in unavailable) for the asset or liability.

The company's investments have been fair valued using the above hierarchy categories as follows

At 31 December 2022:

	Level 1	Level 2	Level 3	Total
Limited partnerships	11,526,683	3,398,283	152,671,848	167,596,814
Listed investments	13,200,745	-	-	13,200,745
	24,727,428	3,398,283	152,671,848	180,797,559

At 31 December 2021:

	Level 1	Level 2	Level 3	Total
Limited partnerships	13,619,268	14,604,311	149,180,966	177,404,545
Listed investments	23,471,884	-	-	23,471,884
	37,091,152	14,604,311	149,180,966	200,876,429

10. **DEBTORS**

	2022	2021
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	148,961,425	137,026,521
Prepayments and accrued income	5,370	4,836
Corporation tax	6,001	-
	148,972,796	137,031,357

continued...

10. DEBTORS - continued

	2022	2021
	£	£
Amounts falling due after more than one year:		
Prepayments and accrued income	1,003,253	919,169
Aggregate amounts	149,976,049	137,950,526

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 13)	56,917,772	9,563,065
Trade creditors	139,483	24,000
Amounts owed to related parties	16,216,519	32,177,110
Corporation tax	-	2,169,552
VAT	30,137	10,082
Accruals and deferred income	175,769	46,369
	73,479,680	43,990,178

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Amounts owed to related parties	150,556,547	173,267,327

13. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	56,917,772	9,563,065

14. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	56,917,772	9,563,065

The company's bankers hold a fixed charge over certain fixed asset investments. The borrowings have also been guaranteed by the company's ultimate controlling party.

continued...

15. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2022	2021
	£	£
Financial assets at fair value through profit or loss		
Fixed asset investments - limited partnerships	167,596,814	177,404,545
Fixed asset investments - listed investments	13,200,745	23,471,884
Financial assets that are debt instruments measured at amortised cost		
Unsecured loan stock	1,808,286	659,158
Amounts owed by group undertakings	148,961,425	137,026,521
Equity instruments measured at cost less impairment		
Fixed asset investments - unlisted investments	11,554,709	11,554,709
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	56,917,772	9,563,065
Trade creditors	139,483	24,000
Amounts owed to related parties	166,773,066	205,444,437

The income, expenses, net gains and net losses attributable the company's financial instruments are summarised as follows:

	2022	2021
	£	£
Income and expense		
Financial assets measured at fair value through profit or loss	8,837,156	10,326,671
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through profit or loss	(57,064,952)	9,914,056

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £3,058,633 (2021 - £2,673,970) and £3,392,391 (2021 - £746,898) respectively.

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Unrealised gains - investments	-	7,003,000

	Deferred tax
	£
Balance at 1 January 2022	7,003,000
Transfer to income statement	(7,003,000)
Balance at 31 December 2022	-

17. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2022 £	2021 £
1	Ordinary	£1	2	2

continued...

18. RESERVES

	Retained earnings £	Capital contribution £	Totals £
At 1 January 2022	146,213,229	1,732,673	147,945,902
Deficit for the year	(26,675,544)		(26,675,544)
Measurement difference discounting non-market rate loans	-	6,398,653	6,398,653
Transfer	1,732,673	(1,732,673)	-
At 31 December 2022	121,270,358	6,398,653	127,669,011

Retained earnings - includes all current and prior periods retained profits and losses.

Capital contribution - relates to the measurement difference discounting non-market rate loans provided by the ultimate controlling party. The difference has been treated as a capital contribution within equity and reserves.

19. OTHER FINANCIAL COMMITMENTS

As at 31 December 2022 the company had outstanding commitments to contribute further capital to certain investments held amounting to US$39,208,842 and €41,977,684.

As at 31 December 2022, the company has provided guarantees at Secure Trust Bank for the borrowings of Robinson Webster (Holdings) Limited up to a limit of £6m and Ballyclare Limited totalling £7.5m.

In prior years, charges were registered at Companies House in favour of ICP Capital Ltd and Secure Trust Bank secured over fixed asset investments held by the company.

20. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

During the period, Mountain Berg Limited charged a company under common control management fees totalling £200,000 (2021 - £200,000) and guarantee fees totalling £267,863 (2021 - £133,907).

During the period, a loan was outstanding from Mountain Berg Limited to a company under common control. Interest due on the loans totalled £439,861 (2021 - £439,362) and loans repaid during the period totalled £434,780 (2021 - £2,481,061). The total amount due from the related party at 31 December 2022 was £5,038,550 (2021 - £4,565,606).

Key management personnel of the entity or its parent (in the aggregate)

	2022 £	2021 £
Amount due to related party	166,773,066	205,444,437

During the period, an interest free loan was outstanding from the company's ultimate controlling party. During the year, the company's ultimate controlling party made additional loans totalling £14,866,797 to the company and the company repaid loans totalling £48,872,188 to the company's ultimate controlling party. The measurement difference discounting non-market rate loans due after more than one year was £6,398,653 (2021 - £1,732,673). During the period the company purchased investments from the ultimate controlling party totalling £nil (2021 - £9,456,099). The total balance of £166,773,066 (2021 - £205,444,437) is unsecured and remains outstanding at the period end.

There were no payments made to key management personnel.

continued...

21. SUBSEQUENT EVENTS

Subsequent to the year end, the company has disposed of listed investments totalling £2.0m at 31 December 2022 and made further fixed asset investments to the value of £13.3m which were funded by fixed asset disposals and by advances from the loan facility.

The valuation of the limited partnership investments have fallen by £8.4m to the date of this report as a result of wider market volatility.

Subsequent to the year end, the company acquired a 60% interest in the share capital of Uniform Brands S.L which was transferred from a company under common control.

22. ULTIMATE PARENT COMPANY

The directors consider that Mountain Berg Holdings Limited, a company registered in England and Wales, is the company's ultimate parent company.

Mountain Berg Holdings Limited, a fellow group company registered in England and Wales, heads the smallest and largest group in which the results of the company are consolidated. The financial statements of Mountain Berg Holdings Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ. The registered office of the ultimate parent company is the same as that shown on the company information page.

23. GOING CONCERN

The company's ultimate controlling party has confirmed his intention to provide finance to enable the company to meet its debts as they fall due for a period of at least 12 months from the date of approval of the financial statements. For this reason the financial statements are prepared on the going concern basis.