

EQUISTONE

EQUISTONE GENERAL PARTNER II LIMITED

Annual Report and Audited Financial Statements
For the Year Ended 31 December 2019

REGISTERED NUMBER: SC276512



Equistone General Partner II Limited (Registered number: SC276512)
Annual report and audited financial statements for the year ended
31 December 2019

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Directors' Report

The Directors present their report together with the audited financial statements for the Company for the year ended 31 December 2019.

This report has been prepared in accordance with the special provisions relating to small companies.

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, are as shown below:

O Clarke
C Marriott
S Whitaker

Principal activities

The Company is the General Partner of the limited partnerships comprising Equistone Partners Europe Fund II (the "Fund") and Equistone Founder Partner II LP.

Review of the business

The Company stopped receiving a priority profit share from the Fund during the year ended 31 December 2016. Total revenue therefore amounted to £nil (2018: £nil).

The Company's main costs are professional fees. During the year the Company made a loss after tax of £20,000 (2018: loss of £30,000).

The Directors intend to continue the Company's principal activity until the Fund has realised all of its investments.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 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, including FRS 101 'Reduced Disclosure Framework'). 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 and profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 101 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 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.

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Directors' Report (continued)

Dividends

No interim dividends were paid during the year (2018: £nil) and no final dividend has been declared (2018: £nil).

Directors' third party indemnity provisions

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

Disclosure of information to auditors

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

The Directors have taken advantage of the exemption applying to small companies and have not prepared a Strategic Report.

Covid-19

The spread of Coronavirus (Covid-19) is a developing situation and it is difficult to predict the ultimate impact on the global economy. The Directors of the Company do not underestimate the seriousness of the issue but, having reviewed the impact on the Company, believe that it remains appropriate that these financial statements should be prepared on a going concern basis.

Independent auditors

PricewaterhouseCoopers LLP resigned as auditors on 13 November 2019 following a competitive tender process and Grant Thornton UK LLP were appointed.

Grant Thornton UK LLP will continue to hold office in accordance with section 487 of the Companies Act 2006.

The financial statements on pages 7 to 13 were approved by the Board of Directors on 21 May 2020 and signed on its behalf by:



Steven Whitaker
Director
21 May 2020

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Independent auditor's report to the members of Equistone General Partner II Limited

Opinion

We have audited the financial statements of Equistone General Partner II Limited (the 'company') for the year ended 31 December 2019, which comprise the Income Statement; Statement of Financial Position; Statement of Changes in Equity; and 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 101 'Reduced Disclosure Framework' (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 2019 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 'Auditor's 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 2-3, 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 is 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.

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Auditor's 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 an auditor's report 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.

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 auditor's report.

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 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.

Grant Thornton UK LLP

William Pointon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
21 May 2020

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Income Statement

For the year ended 31 December 2019

	NOTE	2019 £'000	2018 £'000
Revenue	3	-	-
Direct expenses	4	-	-
Gross result		-	-
Administrative expenses	6	(20)	(30)
Loss before taxation		(20)	(30)
Tax on loss	7	-	-
Loss for the financial year		(20)	(30)

There is no other comprehensive income apart from the loss for the financial year and hence total comprehensive loss for the year is £20,000 (2018: £30,000).

The accompanying notes on pages 10 to 13 form an integral part of the financial statements.

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Statement of Financial Position

As at 31 December 2019

	NOTE	2019 £'000	2018 £'000
ASSETS			
Current assets			
Trade and other receivables	8	-	11
Cash and cash equivalents		445	450
Total current assets		445	461
LIABILITIES			
Trade and other payables	9	(25)	(21)
Total current liabilities		(25)	(21)
Net assets		420	440
EQUITY			
Called up share capital	10	-	-
Retained earnings		420	440
Total equity		420	440

The accompanying notes on pages 10 to 13 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 21 May 2020 and were signed on its behalf by:



Steven Whitaker
Director
21 May 2020

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Statement of Changes in Equity

For the year ended 31 December 2019

2019	CALLED UP SHARE CAPITAL £'000	RETAINED EARNINGS £'000	TOTAL EQUITY £'000
Balance at 1 January 2019	-	440	440
Loss for the financial year	-	(20)	(20)
Total comprehensive loss for the year	-	(20)	(20)
Dividends	-	-	-
At 31 December 2019	-	420	420

2018	CALLED UP SHARE CAPITAL £'000	RETAINED EARNINGS £'000	TOTAL EQUITY £'000
Balance at 1 January 2018	-	470	470
Loss for the financial year	-	(30)	(30)
Total comprehensive loss for the year	-	(30)	(30)
Dividends	-	-	-
At 31 December 2018	-	440	440

The accompanying notes on pages 10 to 13 form an integral part of the financial statements.

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Notes to the financial statements

1. Reporting entity

These financial statements are prepared for Equistone General Partner II Limited which is a company domiciled and incorporated in Scotland. The address of the registered office of the Company is 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain financial assets and liabilities, and in accordance with the Companies Act 2006.

The financial statements have been prepared on a going concern basis. The spread of Coronavirus (Covid-19) is a developing situation and it is difficult to predict the ultimate impact on the global economy. The Directors do not underestimate the seriousness of the issue and the effect it could have on the Company but the Directors do not believe that Covid-19 means that these financial statements should be prepared on a basis other than going concern.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Directors have not applied critical accounting estimates or significant judgements in the preparation of these financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements, including cash flow statements)
 - 38B-D (additional comparative information)
 - 111 (cash flow statement information)
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

2.2 Revenue

Revenue is recognised on an accruals basis.

Revenue comprises an annual priority profit share of net income and gains of the Fund, which the Company receives in return for services supplied as General Partner of the Fund. The Company does not expect to receive any revenue in future periods.

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Notes to the financial statements (continued)

2.3 Direct expenses

Direct expenses represent management fees payable by the Manager and are recognised on an accruals basis.

2.4 Interest

Interest income is recognised on all interest bearing financial assets on an accruals basis.

2.5 Current and deferred income tax

Current tax payable on taxable profits is recognised as an expense in the period in which the profits arise. Current tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as probable that it will be recoverable by offset against current year or prior year taxable profits.

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised on deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is regarded as probable that sufficient taxable profits will be available against which the deductible temporary difference, unused tax losses and unused tax credits can be utilised. Deferred and current tax assets and liabilities are only offset where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously with the same tax authority.

2.6 Financial assets and liabilities

The Company recognises financial instruments from the trade date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They are included in current assets, except for maturities greater than twelve months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently measured at amortised cost less any amounts that have been provided for to reflect impairment in the value of the asset, where there is objective evidence of impairment.

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value which are held at fair value through profit or loss. Financial liabilities are derecognised when extinguished. The Company's financial liabilities comprise trade and other payables in the Statement of Financial Position.

2.7 Cash and cash equivalents

Cash comprises cash on hand and cash equivalents.

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Notes to the financial statements (continued)

2.8 Foreign currency

Foreign currency transactions are translated into the functional and presentational currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

2.9 Equity and reserves

Share capital represents the nominal value of shares that have been issued. Retained earnings includes all current and prior period retained profits.

3. Revenue

The Company stopped receiving a priority profit share from the Fund during the year ended 31 December 2016 so revenue in 2019 and 2018 is Nil.

4. Direct expenses

The Company has delegated the management of the Fund to Equistone Partners Europe Limited. The Company did not pay a management fee to Equistone Partners Europe Limited in 2019 or 2018.

5. Directors' remuneration

The Directors did not receive any remuneration from the Company during 2019 or 2018.

6. Administrative expenses

	2019 £'000	2018 £'000
Non-recoverable VAT	2	3
Professional fees	18	27
Total administrative expenses	20	30

Auditor's remuneration of £5,700 was borne by the Company (2018: £7,670) and is included within professional fees.

7. Tax on loss

	2019 £'000	2018 £'000
Current tax:		
Current year	-	-
Prior year	-	-
Total tax on loss	-	-

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Notes to the financial statements (continued)

Tax on loss (continued)

UK corporation tax is calculated at 19% (2018: 19%) of the estimated assessable profits for the year.

	2019 £'000	2018 £'000
Loss before tax	(20)	(30)
Tax charge at standard UK corporation tax rate of 19% (2018: 19%)	(4)	(6)
Group relief surrendered	4	6
Overall tax on loss	-	-

8. Trade and other receivables

	2019 £'000	2018 £'000
Amounts due from related parties	-	11
Total trade and other receivables	-	11

The Directors consider that the carrying amount of trade and other receivables are approximate to their fair value. Amounts due from related parties are unsecured, interest free and repayable on demand.

9. Trade and other payables

	2019 £'000	2018 £'000
Amounts due to related parties	9	5
Other payables	16	16
Total trade and other payables	25	21

The Directors consider that the carrying amount of trade and other payables approximate to their fair value. Amounts due to related parties are unsecured, interest free and repayable on demand.

10. Called up share capital

The issued share capital of Equistone General Partner II Limited is £10 (2018: £10), comprising 10 (2018: 10) ordinary share of £1 each.

11. Subsequent events

The Directors consider the outbreak and spread of Coronavirus (Covid-19) to be a non-adjusting event as at 31 December 2019 with no post year-end effect on these financial statements.

12. Parent undertaking and ultimate holding company

The ultimate parent entity and the largest group which prepares consolidated financial statements is Equistone LLP. The immediate parent of the Company is Equistone Partners Europe Limited. Both the immediate and ultimate parent entities are incorporated in England and Wales and registered at One New Ludgate, 60 Ludgate Hill, London, England EC4M 7AW.