



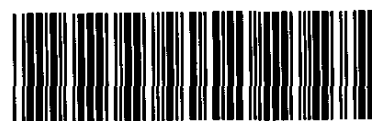
# Montagu Private Equity LLP

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Annual Report & Audited Financial Statements  
for the year ended 31 December 2022

Registered in England and Wales No. OC319972

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## Contents

### Reports

Members' Report	1 – 6
Statement of Members' responsibilities	7
Independent auditor's report to the Members of Montagu Private Equity LLP	8 – 13

### Financial Statements

Consolidated Statement of Comprehensive Income	14
Consolidated Balance Sheet	15 – 16
Partnership Balance Sheet	17 – 18
Consolidated Cash Flow Statement	19 – 20
Reconciliation of Members' Interests (Group)	21 – 22
Reconciliation of Members' Interests (Partnership)	23 – 24

### Financial Information

Notes to the financial statements	25 – 47
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## Members' Report

The Members present their Report together with the audited financial statements for the year ended 31 December 2022 which were approved by them on 2 June 2023.

### Principal activity

The principal activity of Montagu Private Equity LLP ("the Partnership") is to act as a private equity fund manager. The principal activity of its subsidiaries (together, "the Group") is to provide services relating to private equity fund management.

### Principal subsidiaries

The principal subsidiaries of the Partnership at 31 December 2022 were:

Name	Holding
<i><u>Directly held:</u></i>	
MLLP Holdings Limited	100% Ordinary shares
<i><u>Indirectly held:</u></i>	
MPE G.P. Limited	100% Ordinary shares
MPE K.G.P. Limited (dissolved on 19 October 2022)	100% Ordinary shares
MPE Coinvest Limited	100% Ordinary shares
MML II Limited	100% Ordinary shares
Montagu (Funding IV) Limited	100% Ordinary shares
Montagu (Funding V) Limited	100% Ordinary shares
Montagu (Funding VI) Limited	100% Ordinary shares
Montagu IV Nominees Limited	100% Ordinary shares
Montagu V Nominees Limited	100% Ordinary shares
Montagu VI Nominees Limited	100% Ordinary shares
Montagu III Holdco Limited	100% Ordinary shares
Montagu II Holdco Limited (dissolved on 19 April 2022)	100% Ordinary shares
MVI Aggregator GP Limited	100% Ordinary shares
Montagu Management Limited	100% Ordinary shares
Montagu Holdings Limited	100% Ordinary shares
Montagu Equity Limited	100% Ordinary shares
MV Star General Partner Limited	100% Ordinary shares

The registered office address for all the above companies is 2 More London Riverside, London, SE1 2AP.



## Members' Report (continued)

### Principal subsidiaries (continued)

Name	Holding
<i>Indirectly held:</i>	
MPE G.P. (Scotland) Limited	100% Ordinary shares
MPE (Managing Partner) Limited	100% Ordinary shares
MPE (G.P. IV General Partner) Limited	100% Ordinary shares
MPE (General Partner V) Limited	100% Ordinary shares
MPE (General Partner VI) Limited	100% Ordinary shares
MPE (General Partner VII) Limited (incorporated on 7 September 2022)	100% Ordinary shares
MPE (General Partner LTSA I) Limited	100% Ordinary shares
MPE (General Partner +) Limited	100% Ordinary shares
Minerva GP Limited	100% Ordinary shares
MPE (GP IV) LP	Partnership interest
MPE (GP V) LP	Partnership interest
MPE (GP VI) LP	Partnership interest
MPE (GP VII) LP (registered on 10 October 2022)	Partnership interest
MPE (GP +) LP	Partnership interest
MPE (GP LTSA I) LP	Partnership interest
Montagu GP Commitment LP	Partnership interest
Minerva Co-Invest LP	Partnership interest

The registered office address for all the above entities is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

Name	Holding
<i>Indirectly held:</i>	
Montagu Private Equity GmbH	100% Ordinary shares

The registered office address for the above company is Junghofstrasse 22/24, Frankfurt, 60311.

Name	Holding
<i>Indirectly held:</i>	
Montagu Private Equity SAS	100% Category A and B shares

The registered office address for the above company is 41 Avenue George V, Paris, 75008.



## Members' Report (continued)

### Principal subsidiaries (continued)

Name	Holding
<i>Indirectly held:</i>	
Montequity BV	100% Ordinary shares
Montagu Private Equity BV	100% Ordinary shares

The registered office address for the above companies is Prins Bernhardplein 200, 1097 JB Amsterdam.

Name	Holding
<i>Indirectly held:</i>	
MPE Sp. z o.o.	100% Ordinary shares

The registered office address for the above company is Aleje Ujazdowskie 41, Warsaw.

Name	Holding
<i>Indirectly held:</i>	
Montagu Luxembourg S.à r.l.	100% Ordinary shares
MPE GP (EEA) VI S.à r.l.	100% Ordinary shares
MPE Manager Lux S.à r.l.	100% Ordinary shares
MPE GP (EEA) LTSA I S.à r.l. (dissolved on 30 December 2022)	100% Ordinary shares
MPE GP + S.à r.l.	100% Ordinary shares
MPE GP VII S.à r.l.	100% Ordinary shares

The registered office address for the above companies is 5, rue Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg.

Name	Holding
<i>Indirectly held:</i>	
MV StarCo Limited	100% Ordinary shares

The registered office address for the above company is 22 Grenville Street, St Helier, JE4 8PX.

Name	Holding
<i>Indirectly held:</i>	
Montagu US Advisors LLC	100% Ordinary shares

The registered office address for the above company is 540 Madison Avenue, New York, NY 10022.



## Members' Report (continued)

### Members

The Members of the Partnership throughout the year and at 31 December 2022 (unless otherwise stated) were:

Rose S.A.M.	D. Fischer
C. J. Gatenby	D. J. Morgan
M. P. Dunfoy	A. de Peguilhan
C. S. Leitner-Dietmaier	F. P. Lohner
G. Hislop (resigned on 31 December 2022)	H. Johnson
W. A. Stokhuyzen	R. Lawrence
C. Clifford	R. P. Tunney
G. A. J. C. Jabalot	Montagu Equity Limited
E. J. T. Shuckburgh	S. Hoas
A. Sassi	P. Czarnowski
R. Candelier	T. Lloyd-Evans
T. Weltin	B. A. Bokhove
C. P. Rumeu	M. Servant
Minerva Acquisition 2 LP	Minerva Acquisition 4 LP
P. A. Ambrosi	M. Carratt (appointed on 1 April 2022 and resigned on 31 March 2023)
	L. N. Denning (appointed on 19 April 2022)
	T. J. Cochrane (appointed on 3 May 2022)

Rose S.A.M., C. J. Gatenby and L. N. Denning are Designated Members. The average monthly number of members during the period was 31 (2021: 29).



## Members' Report (continued)

### Members' capital

Under the terms of the LLP Agreement, each Member subscribes a sum of capital based on their ownership percentage. Total capital contributions of £10,000 are paid up by the Members and form a part of the Regulatory Capital. Members' capital is repayable on leaving the Partnership, subject to approval from the Montagu Private Equity LLP Management Board. Repayment of this capital is permitted only on the condition that an equal amount is paid into the Partnership so as to maintain capital of at least £10,000. Members' capital has been classified as equity and the Reconciliation of Members' Interests on pages 21 – 24 provides details of Members' interests. Members' profit shares are distributed throughout the year with the balance of profits being distributed after the year. All distributions are subject to the FCA's capital resources requirements for AIFMs.

### Members' profits and losses

Members' profits and losses are allocated based on the LLP Agreement. An amount is paid each month, subject to certain conditions, and any surplus is dealt with according to the LLP Agreement and using Members' ownership percentages.

### Streamlined Energy and Carbon Reporting (SECR)

The Partnership is required to report its UK energy use and carbon emissions in accordance with the requirements of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The full list of persons who were members of the Partnership is included on page 4.

#### *Approach to measuring energy use*

An operational approach was used to define the boundary of emissions and energy use for which the Partnership is responsible. The reported data covers the Partnership's UK operations only, as required by SECR. This report was prepared following the Greenhouse Gas ("GHG") Protocol Corporate Standard (revised). Government factors and activity data were used for the calculation of the published data. The Partnership's UK greenhouse gas emissions and energy consumption were as follows:



## Members' Report (continued)

### Streamlined Energy and Carbon Reporting (SECR) (continued)

		2022	2021 <sup>3</sup>
Energy consumption (kWh/yr)	Electricity	358,347	305,382
	Natural gas	76,255	55,878
	Total UK energy consumption	434,602	361,260
Carbon emissions (kgCO <sub>2</sub> e)	Scope 1 (direct emissions from owned or controlled sources)	13,920	10,235
	Scope 2 (indirect emissions from generation of purchased electricity) <sup>1</sup>	69,297	63,941
	Scope 1 & 2 total tonnes of CO <sub>2</sub> equivalent	83,217	74,176
	kgCO <sub>2</sub> e / no of employees <sup>2</sup>	693	798

1. Scope 2 emissions reported using location method.

2. Based on scope 1 and 2 emissions per employee.

3. 2021 data was re-stated to account for the Partnership's headcount only.

We have taken several steps to strengthen our environmental approach, including forming an internal working group to further enhance the firm's approach to environmental factors.

Notable actions taken during 2022 include:

- Continued purchasing 100% renewable electricity in the London office.
- Continued to offset 100% of our operational emissions (Scope 1, 2 and business travel). However, our focus remains on reducing our emissions.

### Independent auditor

KPMG LLP have indicated their willingness to continue as auditor of the Partnership and have been duly reappointed.

By order of the Members:

L. N. Denning  
Designated Member  
2 More London Riverside  
London  
SE1 2AP  
2 June 2023





## Statement of Members' responsibilities in respect of the Members' Report and the financial statements

The Members are responsible for preparing the Members' Report and the Group and Partnership financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare Group and Partnership financial statements for each financial year. Under that law the Members have elected to prepare both the Group and Partnership 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 Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the Members 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 Group and the Partnership and of the profit or loss of the Group for that period. In preparing each of the Group and Partnership financial statements, the Members are required to:

- selected suitable accounting policies and then apply them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assessed the Group and the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- used the going concern basis of accounting unless they either intend to liquidate the Group or the Partnership or to cease operations or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that its financial statements comply with those regulations.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

# Independent auditor's report to the Members of Montagu Private Equity LLP

## Opinion

We have audited the Group and Partnership financial statements of Montagu Private Equity LLP ("the Partnership") for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Partnership Balance Sheet, Consolidated Cash Flow Statement, Reconciliation of Members' Interests (Group), Reconciliation of Members' Interests (Partnership) and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and of the Partnership as at 31 December 2022 and of the profit of the Group for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The Members have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Partnership or to cease their operations, and as they have concluded that the Group and the Partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Members' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Partnership's financial resources or ability to continue operations over the going concern period.

# Independent auditor's report to the Members of Montagu Private Equity LLP (continued)

## Going concern (continued)

Our conclusions based on this work:

- we consider that the Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Partnership's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Partnership will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of the Members as to the Group and the Partnership's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading the Group and the Partnership's meeting minutes;
- considering remuneration incentive schemes and performance targets;
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

## Independent auditor's report to the Members of Montagu Private Equity LLP (continued)

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

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue streams are simple in nature with respect to accounting policy choice and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to revenue, investments and cash accounts.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Members and other management (as required by auditing standards), from inspection of the Group and the Partnership's regulatory correspondence and discussed with the Members the policies and procedures regarding compliance with laws and regulations.

As the Group and the Partnership are regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group and the Partnership are subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related LLP legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## **Independent auditor's report to the Members of Montagu Private Equity LLP (continued)**

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

Secondly, the Group and the Partnership are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group and the Partnership's regulatory permissions. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of LLP legislation recognising the financial and regulated nature of the Group and the Partnership's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Members and other management and inspection of regulatory correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The Members are responsible for the other information, which comprises the Members' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

# **Independent auditor's report to the Members of Montagu Private Equity LLP (continued)**

## **Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Partnership, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the Partnership's individual financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## **Members' responsibilities**

As explained more fully in their statement set out on page 8, the Members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Partnership or to cease operations, or have no realistic alternative but to do so.

# Independent auditor's report to the Members of Montagu Private Equity LLP (continued)

## Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Members of the Partnership, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership'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 Partnership and the Partnership's Members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Martin (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

2 June 2023



## Consolidated Statement of Comprehensive Income

### For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Turnover		72,614	77,356
Operating costs	2	<u>(44,062)</u>	<u>(43,047)</u>
Operating profit		28,552	34,309
Investment income and gains		49,414	48,558
Interest receivable and similar income		517	1,259
Interest payable and similar expenses		<u>(30,767)</u>	<u>(25,016)</u>
Profit before taxation		47,716	59,110
Tax on profit	4	4,961	(479)
Non-controlling interest	12	<u>(29,435)</u>	<u>(40,964)</u>
Profit for the financial year before Members' remuneration and profit shares		23,242	17,667
Members' remuneration charged as an expense		<u>(6,973)</u>	<u>(5,926)</u>
Profit for the financial year available for discretionary division among Members		<u>16,269</u>	<u>11,741</u>

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 25 to 47 form part of these financial statements.





## Consolidated Balance Sheet

### At 31 December 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible fixed assets	5	6,514	1,112
Intangible fixed assets	6	699	651
Investments	7	586,073	501,231
		<u>593,286</u>	<u>502,994</u>
<b>Current assets</b>			
Debtors (including £nil (2021: £nil) due after one year)	8	22,168	23,944
Cash and cash equivalents	9	29,327	47,346
		<u>51,495</u>	<u>71,290</u>
Creditors: amounts falling due within one year	10	(46,658)	(38,757)
<b>Net current assets</b>		4,837	32,533
<b>Total assets less current liabilities</b>		<b>598,123</b>	<b>535,527</b>
Creditors: amounts falling due after one year	10	(446,542)	(406,281)
Provision for liabilities and charges	11	(1,112)	(6,920)
Non-controlling interest	12	(98,142)	(69,476)
<b>Net assets attributable to Members</b>		<b><u>52,327</u></b>	<b><u>52,850</u></b>



## Consolidated Balance Sheet (continued)

### At 31 December 2022

	Notes	2022 £'000	2021 £'000
Represented by:			
Loans and other debts due to Members within one year			
Other amounts		6,993	6,416
Other interests			
Members' other interests – classified as equity		10	10
Members' other interests – other reserves		45,324	46,424
<b>Total Members' interests</b>		<b>52,327</b>	<b>52,850</b>
Loans and other debts due to Members		6,993	6,416
Members' other interests		45,334	46,434
		<b>52,327</b>	<b>52,850</b>

The notes on pages 25 to 47 form part of these financial statements.

The financial statements on pages 14 to 47 were approved by the Members on 2 June 2023 and were signed on their behalf by:

L. N. Denning  
Designated Member  
Registered No. OC319972



## Partnership Balance Sheet

### At 31 December 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible fixed assets	5	5,730	595
Intangible fixed assets	6	699	651
Investments in Group undertakings	7	6	6
		<u>6,435</u>	<u>1,252</u>
<b>Current assets</b>			
Debtors (including £2,017,000 (2021: £nil) due after one year)	8	25,972	23,985
Amounts due from Members		2,829	12,751
Cash and cash equivalents	9	7,044	16,238
		<u>35,845</u>	<u>52,974</u>
Creditors: amounts falling due within one year	10	<u>(24,662)</u>	<u>(33,130)</u>
<b>Net current assets</b>		11,183	19,844
<b>Total assets less current liabilities</b>		<b>17,618</b>	<b>21,096</b>
Creditors: amounts falling due after one year	10	(1,005)	(1,644)
Provision for liabilities and charges	11	<u>-</u>	<u>-</u>
<b>Net assets attributable to Members</b>		<b><u>16,613</u></b>	<b><u>19,452</u></b>



## Partnership Balance Sheet (continued)

### At 31 December 2022

	Notes	2022 £'000	2021 £'000
Represented by:			
Loans and other debts due to/(from)			
Members within one year			
Other amounts		4,164	(6,335)
Other interests			
Members' other interests – classified as equity		10,979	10,979
Members' other interests – other reserves		1,470	14,808
Total Members' interests		<u>16,613</u>	<u>19,452</u>
Amounts due from Members		(2,829)	(12,751)
Loans and other debts due to Members		6,993	6,416
Members' other interests		9,619	13,040
		<u>13,783</u>	<u>6,705</u>

The notes on pages 25 to 47 form part of these financial statements.

The financial statements on pages 14 to 47 were approved by the Members on 2 June 2023 and were signed on their behalf by:

L. N. Denning  
Designated Member  
Registered No. OC319972



## Consolidated Cash Flow Statement

### At 31 December 2022

	2022	2021
	£'000	£'000
<b>Cash flows from operating activities</b>		
Profit for the year before Members' remuneration and profit shares	23,242	17,667
Depreciation/amortisation	772	1,030
Interest receivable	(517)	(1,259)
Interest payable	30,767	25,016
Investment income and gains	(49,414)	(48,558)
Non-controlling interest	29,435	40,964
Tax (credit)/charge	(4,961)	479
Decrease/(increase) in debtors	1,429	(6,974)
Decrease in creditors	(2,355)	(739)
Decrease in provisions	(5,808)	(785)
Movement in deferred tax	5,808	(105)
FX movements on investments	(866)	23,245
FX movements on reserves	-	224
FX movements on non-controlling interest	3,787	(2,209)
Corporation tax repaid/(paid)	142	(327)
<b>Net cash inflow from operating activities</b>	<b>31,461</b>	<b>47,669</b>
<b>Cash flows from investing activities</b>		
Interest received	517	1,259
Acquisition of tangible fixed assets	(6,117)	(217)
Acquisition of intangible fixed assets	(131)	(337)
Acquisition of investments	(30,463)	(173,171)
Disposal of tangible fixed assets	26	1
Disposal of investments	15,518	27,104
Other investment income	6,726	23,700
<b>Net cash outflow from investing activities</b>	<b>(13,924)</b>	<b>(121,661)</b>



## Consolidated Cash Flow Statement (continued)

### At 31 December 2022

	2022	2021
	£'000	£'000
Cash flows from financing activities		
Payments to Members	(21,073)	(11,787)
Interest paid	(9,074)	(23,214)
Payments to non-controlling interest	(13,852)	(26,723)
Cash received from non-controlling interest	9,296	13,278
Net (decrease)/increase in borrowings	(853)	132,797
Net cash (outflow)/inflow from financing activities	<b>(35,556)</b>	<b>84,351</b>
Net (decrease)/increase in cash and cash equivalents	(18,019)	10,359
Cash and cash equivalents at 1 January	47,346	36,987
Cash and cash equivalents at 31 December	<b>29,327</b>	<b>47,346</b>

The notes on pages 25 to 47 form part of these financial statements.



## Reconciliation of Members' Interests (Group)

For the year ended 31 December 2022

	Members' other interests		Loans and other debts due to Members	Total Members' interests
	Members' capital classified as equity £'000	Other reserves £'000	Other amounts £'000	£'000
Members' interests at 1 January 2021	10	40,798	5,938	46,746
FX movements on reserves	-	224	-	224
Members' remuneration charged as an expense	-	-	5,926	5,926
Profit for the financial year available for discretionary division among Members	-	11,741	-	11,741
Members' interests after profit for the year	10	52,763	11,864	64,637
Other division of profits	-	(6,339)	6,339	-
Other amounts introduced by Members	2	-	-	2
Repayments of capital by Members	(2)	-	-	(2)
Drawings	-	-	(11,787)	(11,787)
Members' interests at 31 December 2021	<u>10</u>	<u>46,424</u>	<u>6,416</u>	<u>52,850</u>



## Reconciliation of Members' Interests (Group) (continued)

### For the year ended 31 December 2022

	Members' other interests		Loans and other debts due to Members	Total Members' interests
	Members' capital classified as equity	Other reserves	Other amounts	
	£'000	£'000	£'000	£'000
Members' interests at 1 January 2022	10	46,424	6,416	52,850
FX movements on reserves	-	(2,692)	-	(2,692)
Members' remuneration charged as an expense	-	-	6,973	6,973
Profit for the financial year available for discretionary division among Members	-	16,269	-	16,269
Members' interests after profit for the year	10	60,001	13,389	73,400
Other division of profits	-	(14,677)	14,677	-
Other amounts introduced by Members	-	-	-	-
Repayments of capital by Members	-	-	-	-
Drawings	-	-	(21,073)	(21,073)
Members' interests at 31 December 2022	10	45,324	6,993	52,327

The notes on pages 25 to 47 form part of these financial statements.





## Reconciliation of Members' Interests (Partnership)

### For the year ended 31 December 2022

	Members' other interests		Loans and other debts due to Members	Total Members' interests
	Members' capital classified as equity	Other reserves	Other amounts	
	£'000	£'000	£'000	£'000
Amounts due to Members	10,979	-	5,938	16,917
Amounts due from Members	-	(289)	(813)	(1,102)
Members' interests at 1 January 2021	10,979	(289)	5,125	15,815
Members' remuneration charged as an expense	-	-	5,926	5,926
Profit for the financial year available for discretionary division among Members	-	12,845	-	12,845
Members' interests after profit for the year	10,979	12,556	11,051	34,586
Other division of profits	-	(10,495)	10,495	-
Other amounts introduced by Members	2	-	-	2
Repayments of capital by Members	(2)	-	-	(2)
Drawings	-	-	(27,881)	(27,881)
Members' interests at 31 December 2021	10,979	2,061	(6,335)	6,705
Amounts due to Members	10,979	2,061	-	13,040
Amounts due from Members	-	-	(6,335)	(6,335)



## Reconciliation of Members' Interests (Partnership) (continued)

### For the year ended 31 December 2022

	Members' other interests		Loans and other debts due to Members	Total Members' interests
	Members' capital classified as equity	Other reserves	Other amounts	
	£'000	£'000	£'000	£'000
Amounts due to Members	10,979	2,061	-	13,040
Amounts due from Members	-	-	(6,335)	(6,335)
Members' interests at 1 January 2022	10,979	2,061	(6,335)	6,705
Members' remuneration charged as an expense	-	-	6,973	6,973
Profit for the financial year available for discretionary division among Members	-	15,145	-	15,145
Members' interests after profit for the year	10,979	17,206	638	28,823
Other division of profits	-	(18,566)	18,566	-
Other amounts introduced by Members	-	-	-	-
Repayments of capital by Members	-	-	-	-
Drawings	-	-	(15,040)	(15,040)
Members' interests at 31 December 2022	10,979	(1,360)	4,164	13,783
Amounts due to Members	10,979	-	4,164	15,143
Amounts due from Members	-	(1,360)	-	(1,360)

The notes on pages 25 to 47 form part of these financial statements.



## Notes to the financial statements for the year ended 31 December 2022

### 1. Accounting policies

#### a. Basis of accounting

Montagu Private Equity LLP is a limited liability partnership incorporated in the United Kingdom. The address of the registered office is 2 More London Riverside, London, SE1 2AP.

The financial statements are prepared under the historical cost basis, in accordance with applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), and the Limited Liability Partnerships Act 2000. The financial statements have also been prepared in accordance with the Statement of Recommended Practice for Limited Liability Partnerships 2021 issued by the Consultative Committee of Accountancy Bodies.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £'000.

The accounting policies set out below have unless otherwise stated, been applied consistently to all periods presented in the financial statements.

Under section 408 of the Companies Act 2006, the Partnership is not required to present its own statement of comprehensive income.

The Members have reviewed the operating and cash flow forecasts of the Partnership and after making suitable assessments, the Members believe that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements of the Partnership. In forming their assessment, the Members have considered the impact of wider market uncertainty and volatility on the Partnership's business model. The Partnership has adequate financial resources to continue in operational existence and cover its costs and meet its liabilities when they fall due for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements.

Accordingly, the Members continue to adopt the going concern basis in preparing the financial statements.



## Notes to the financial statements for the year ended 31 December 2022

### 1. Accounting policies (continued)

#### b. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Leasehold improvements	10.0
Fixtures and fittings	20.0
Computer equipment	33.3

#### c. Intangible fixed assets

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Partnership intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Partnership can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life of three years. Intangible assets are amortised from the date they are available for use.

#### d. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income. 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.



## Notes to the financial statements for the year ended 31 December 2022

### 1. Accounting policies (continued)

#### d. Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. 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.

#### 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 and cash equivalents

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



## Notes to the financial statements for the year ended 31 December 2022

### 1. Accounting policies (continued)

#### 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. Pension costs

A defined contribution plan is a post-employment benefit plan under which the Partnership pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

#### i. Foreign currencies

Transactions in foreign currencies are translated to the Partnership'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 statement of comprehensive income.

#### j. Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income over the term of the lease as an integral part of the total lease expense.



## Notes to the financial statements for the year ended 31 December 2022

### 1. Accounting policies (continued)

#### k. Investments

Investments in Montagu IV LP, Montagu V LP, Montagu VI LP and Montagu+ SCSp are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through the statement of comprehensive income. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in the statement of comprehensive income. Other investments are measured at cost less impairment in the balance sheet.

#### l. Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the statement of comprehensive income.

#### m. Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### n. 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 the statement of comprehensive income as they accrue, using the effective interest method.

#### o. Provisions

A provision is recognised in the balance sheet when the Partnership has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.



## Notes to the financial statements for the year ended 31 December 2022

### 1. Accounting policies (continued)

#### p. Consolidation

The consolidated financial statements include in full the Partnership and all its subsidiary undertakings except as detailed in the following paragraph.

Group undertakings manage a number of private equity limited partnerships as the General Partner. The attributable proportions of the assets and income of the limited partnerships held by the General Partners through their equity participation in the underlying funds is inconsequential and is consolidated. These partnerships are subsidiary undertakings as a result of the control exercised by their General Partners and under the terms of the Companies Act 2006 should be consolidated in full. However, the Members consider the financial statements would not give a true and fair view if the assets and income of the limited partnerships as a whole were to be consolidated since the Group's interest in these assets is, except to the extent that they are proportionally consolidated, merely that of investment managers. The effect of this departure is to decrease both profit after tax and the non-controlling interest in the profit for the year by £500m (2021: £1,288m), and to decrease fixed asset investments by £6,958m (2021: £5,518m), and decrease other net assets by £6,789m (2021: £91m increase).

In addition, Group undertakings also hold a small non-controlling interest in certain limited partnerships as co-investments and these investments are held at fair value.

#### q. Turnover

Turnover consists of fee income, which represents management and arrangement fees accounted for on an accruals basis and dividend income accounted for on a cash basis. Provision is made against this income where the Members are uncertain as to its future recoverability.





## Notes to the financial statements for the year ended 31 December 2022

### 1. Accounting policies (continued)

#### r. Qualifying partnerships disclosure

As a result of being dealt with on a consolidated basis in the Partnership's Group financial statements, the following partnerships have taken advantage of the exemption in Part 2 Regulation 7 of the Partnerships (Accounts) Regulations 2008:

MPE Scottish (No. 6 Bank Portfolio) LP	Montagu V Jade Co-Invest LP
MPE Scottish (No. 9 European) LP	Montagu Team Co-Invest LP
MPE Scots (No. 10 European) LP	Montagu IV Co-Invest I LP
MPE Scots (No. 11 European) LP	Montagu Aphaarma Co-Invest LP
MPE Scots (No. 12 European) LP	HSBC Private Equity Portfolio Fund – Inter Ikea (dissolved on 13 January 2023)
Montagu IV (Scots Feeder) LP	HSBC Private Equity Portfolio Fund – Shell Pensions Trust (dissolved on 13 January 2023)
MPE (GP IV LP)	HPE No 2 C.V.
Montagu IV LP	Montagu V L.P.
Montagu IV (B) LP	Montagu V (US) LP
Montagu IV (US) LP	Montagu V (Non-US) LP.
Montagu IV (Non-US) LP	Montagu V (D) LP.
Montagu V East Town Co-Invest LP	Montagu GP Commitment LP
Montagu IV (US) LP	Montagu VI East Town Co-Invest L.P.
Montagu V Newton Co-Invest LP	Montagu Petroglyph Co-Invest L.P.
Montagu V Kings Co-Invest (Delaware) LP	MVI Aggregator LP.
Montagu V (Scots Feeder) LP	M+ Aggregator SCSp
MPE (GP V LP)	MPE Scots (+) LP
Montagu VI L.P.	Montagu + (Feeder) SCSp
Montagu VI (US) L.P.	MPE (GP +) LP
Montagu VI EEA SCSp	Minerva Co-Invest LP
Montagu VI (Feeder) EEA SCSp	MPE (GP VI) LP
MV Aggregator I LP.	Montagu VI Phoenix Co-Invest LP.
Private Equity Portfolio (Investment) LP Incorporated	HPE Limited Partnership (dissolved)
Montagu+ SCSp	Montagu LTSA I EEA SCSP (dissolved)
Montagu LTSA I L.P. (dissolved)	Montagu VI Apollo Co-invest II LP.
MVI Aggregator II L.P.	Montagu VI Apollo Co-invest LP.
Montagu+ ACV SCSp	Montagu VI Swordfish Co-Invest L.P.
Montagu VI Phoenix II Co-Invest L.P.	Montagu IV FPCI
Montagu ACV SCSp	Montagu VI FPCI
Montagu V FPCI	



## Notes to the financial statements for the year ended 31 December 2022

### 2. Expenses and auditor's remuneration

Profit for the year is stated after charging/(crediting):

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Depreciation/amortisation	772	573	1,030	896
Operating lease – property	3,728	2,961	2,099	1,344
Exchange (gains)/losses	(62)	2,325	129	(2,903)

Auditor's remuneration:

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Audit of these financial statements	99	99	52	52
Audit of financial statements of subsidiaries of the Partnership	137	114	148	84
Audit-related assurance services	17	17	98	28
Taxation audit services	9	9	8	8
	<u>262</u>	<u>239</u>	<u>306</u>	<u>172</u>



## Notes to the financial statements for the year ended 31 December 2022

### 3. Employee information

The average number of persons employed by the Partnership was 145 (2021: 122).

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Wages, salaries, and other staff costs	27,234	19,051	22,905	15,544
Social security costs	3,335	1,423	2,902	1,337
Other pension costs	902	902	775	775
	<u>31,471</u>	<u>21,376</u>	<u>26,582</u>	<u>17,656</u>



## Notes to the financial statements for the year ended 31 December 2022

### 4. Tax on profit

Analysis of the tax (credit)/charge in the year:

	Group 2022 £'000	Group 2021 £'000
<b>Current tax</b>		
UK current tax charge on profit	847	374
<b>Deferred tax</b>		
Origination and reversal of timing difference	(5,808)	105
<b>Tax on profit</b>	<b>(4,961)</b>	<b>479</b>



## Notes to the financial statements for the year ended 31 December 2022

### 4. Tax on profit (continued)

Reconciliation of effective tax rate:

	Group 2022 £'000	Group 2021 £'000
Profit before taxation	47,716	59,110
Tax using the UK corporation tax rate of 19% (2021: 19%)	9,066	11,231
Expenses not deductible for tax purposes net of non-taxable income	(1,011)	(837)
Partnership income not taxable	(7,692)	(10,835)
Effect of overseas tax rate	769	130
Taxable income not recognised	373	1,171
Utilised losses brought forward	(658)	(486)
Deferred tax timing differences	(5,808)	105
Total tax (credit)/charge on profit	(4,961)	479

The Partnership is transparent for UK tax purposes. As a result any profits of the Partnership are taxable on the members.

In the 3 March 2021 Budget, it was announced that the UK corporation tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Group's future tax charge. If this rate had been substantively enacted at the current balance sheet date, the deferred tax liability movement would be trivial.



## Notes to the financial statements for the year ended 31 December 2022

### 5. Tangible fixed assets – Group

	Leasehold Improvements £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
1 January 2022	2,405	2,266	2,601	7,272
FX movements on overseas balances	17	16	18	51
Reclassification	133	(133)	–	–
Additions	5,047	715	322	6,084
Disposals	(91)	(32)	(27)	(150)
31 December 2022	<u>7,511</u>	<u>2,832</u>	<u>2,914</u>	<u>13,257</u>
<b>Depreciation</b>				
1 January 2022	1,959	1,709	2,492	6,160
FX movements on overseas balances	7	4	7	18
Charge for the year	303	184	202	689
Disposals	(66)	(32)	(26)	(124)
31 December 2022	<u>2,203</u>	<u>1,865</u>	<u>2,675</u>	<u>6,743</u>
<b>Net book value 31 December 2022</b>	<u>5,308</u>	<u>967</u>	<u>239</u>	<u>6,514</u>
<b>Net book value 31 December 2021</b>	<u>446</u>	<u>557</u>	<u>109</u>	<u>1,112</u>



## Notes to the financial statements for the year ended 31 December 2022

### 5. Tangible fixed assets (continued) – Partnership

	Leasehold Improvements £'000	Fixtures & Fittings £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
1 January 2022	1,675	1,942	2,246	5,863
Reclassification	133	(133)	–	–
Additions	4,888	582	155	5,625
31 December 2022	6,696	2,391	2,401	11,488
<b>Depreciation</b>				
1 January 2022	1,675	1,493	2,100	5,268
Charge for the year	225	140	125	490
31 December 2022	1,900	1,633	2,225	5,758
<b>Net book value 31 December 2022</b>	4,796	758	176	5,730
<b>Net book value 31 December 2021</b>	–	449	146	595



## Notes to the financial statements for the year ended 31 December 2022

### 6. Intangible fixed assets – Group & Partnership

	Software Development £'000
<b>Cost</b>	
1 January 2022	2,517
Additions	131
	<hr/>
31 December 2022	2,648
	<hr/>
<b>Amortisation</b>	
1 January 2022	1,866
Charge for the year	83
	<hr/>
31 December 2022	1,949
	<hr/>
<b>Net book value 31 December 2022</b>	699
	<hr/>
<b>Net book value 31 December 2021</b>	651
	<hr/>





## Notes to the financial statements for the year ended 31 December 2022

### 7. Investments

Investments in limited partnerships:

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Balance brought forward	501,231	-	353,553	-
Additions	53,790	-	174,973	-
Disposals	(15,518)	-	(27,104)	-
Net unrealised gains	19,361	-	23,054	-
Effect of foreign exchange movements	27,209	-	(23,245)	-
Balance carried forward	<b>586,073</b>	<b>-</b>	<b>501,231</b>	<b>-</b>

Investments in limited partnerships are direct interests held by MPE (GP IV) LP, MPE Coinvest Limited and Montagu GP Commitment LP in Montagu IV LP, Montagu V LP, Montagu VI LP and Montagu+ SCSp. Investments are held as fixed assets and are stated at fair value. The valuations of the underlying investments in Montagu IV LP, Montagu V LP, Montagu VI LP and Montagu+ SCSp are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Any gains or losses on revaluing investments are taken to the statement of comprehensive income.

Investments in subsidiaries:

	Partnership	Partnership
	2022	2021
	£'000	£'000
Balance brought forward	6	6
Balance carried forward	<b>6</b>	<b>6</b>



## Notes to the financial statements for the year ended 31 December 2022

### 7. Investments (continued)

The following entities are exempt from the requirement relating to the audit of individual financial statements for the year ended 31 December 2022 by virtue of Section 479A of the Companies Act 2006 relating to subsidiaries:

Name	Registered number
MPE G.P. Limited	02068638
MML II Limited	05945979
MVI Aggregator GP Limited	13131099
Montagu Management Limited	04600037
Montagu Holdings Limited	04464887
Montagu Equity Limited	02781154
MV Star General Partner Limited	12172731
MPE G.P. (Scotland) Limited	SC208145
MPE (Managing Partner) Limited	SC386738
MPE (G.P. IV General Partner) Limited	SC384399
MPE (General Partner V) Limited	SC498403
MPE (General Partner VI) Limited	SC620794
MPE (General Partner +) Limited	SC699871
Minerva GP Limited	SC682272



## Notes to the financial statements for the year ended 31 December 2022

### 8. Debtors

Amounts falling due within one year:

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Amounts due from subsidiaries	-	4,067	-	2,734
Balances with limited partnerships	10,963	10,719	10,256	10,082
Prepayments and accrued income	3,987	3,269	3,638	3,054
Taxation	-	-	346	-
Other debtors	7,218	5,900	8,184	6,595
Financial instruments	-	-	1,520	1,520
	<u>22,168</u>	<u>23,955</u>	<u>23,944</u>	<u>23,985</u>

Amounts falling due after one year:

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Amounts due from subsidiaries	-	2,017	-	-
	<u>-</u>	<u>2,017</u>	<u>-</u>	<u>-</u>

### 9. Cash and cash equivalents

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Cash at bank and in hand	<u>29,327</u>	<u>7,044</u>	<u>47,346</u>	<u>16,238</u>
	<u>29,327</u>	<u>7,044</u>	<u>47,346</u>	<u>16,238</u>



## Notes to the financial statements for the year ended 31 December 2022

### 10. Creditors

Amounts falling due within one year:

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Amounts owed to subsidiaries	-	12,370	-	11,534
Other taxation and social security	-	437	-	286
Sundry creditors	6,267	3,959	7,330	7,529
Taxation	1,255	71	612	71
Accruals and deferred income	12,389	7,422	18,302	13,710
Bridged investments	14,156	-	3,343	-
Loans due within a year	12,188	-	9,170	-
Financial instruments	403	403	-	-
	<b>46,658</b>	<b>24,662</b>	<b>38,757</b>	<b>33,130</b>

As at 31 December 2022 there were 9 forward currency contracts outstanding (2021: 9). A subsequent current liability and loss of £403,000 (2021: current asset and gain of £1,520,000) has been recognised in the balance sheet and the statement of comprehensive income respectively.

There are investing entities that are limited partners in the underlying Montagu funds. During the year, underlying funds acquired certain assets, which were financed through the use of bridge facilities. As a result, the creditors of the Group include amounts related to bridge facilities payable by the Group for these assets. These are not external loans, and they are not bridge facilities for the Group, only at the level of the funds. The amounts relate to proportionate shares of the bridge facilities based on the committed capital of the Group.



## Notes to the financial statements for the year ended 31 December 2022

### 10. Creditors (continued)

Amounts falling due after one year:

	Group	Partnership	Group	Partnership
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Amounts due from subsidiaries	-	-	-	187
Long term creditor	1,005	1,005	1,457	1,457
Long term loan	445,537	-	404,824	-
	<b>446,542</b>	<b>1,005</b>	<b>406,281</b>	<b>1,644</b>

The Group has four loan facilities in place:

- A loan facility of €14.8m is available. The loan is drawn and repaid as investments are made and exited within the Montagu V fund. Interest is payable on drawn amounts at a rate of Euribor + 5% per annum. A commitment fee is payable on undrawn amounts at 2% per annum. The loan expires on 9 November 2024 and is secured on the Group's assets.
- A loan facility of €23.3m is available. The loan is drawn and repaid as investments are made and exited within the Montagu VI fund. Interest is payable on drawn amounts at a rate of Euribor + 5% per annum. A commitment fee is payable on undrawn amounts at 2% per annum. The loan expires on 19 April 2026 and is secured on the Group's assets.
- A loan facility of €18.7m is available. The loan is drawn and repaid as investments are made and exited within the Montagu+ fund. Interest is payable on drawn amounts at a rate of Euribor + 2.25% per annum. The loan expires on 24 November 2023 and is secured on the Group's assets.
- MVI bridge loan facilities as detailed in note 17.



## Notes to the financial statements for the year ended 31 December 2022

### 11. Provision for liabilities and charges

	Group 2022 £'000	Partnership 2022 £'000	Group 2021 £'000	Partnership 2021 £'000
Balance at 1 January 2022	6,920	-	7,705	890
Released during the year	<u>(5,808)</u>	<u>-</u>	<u>(785)</u>	<u>(890)</u>
Balance at 31 December 2022	<u>1,112</u>	<u>-</u>	<u>6,920</u>	<u>-</u>

The provision of £1,112,000 (2021: £6,920,000) relates wholly to deferred tax.

Deferred tax has been recognised by quantifying any timing differences based on tax legislation that is substantively enacted as at the balance sheet date. MPE (General Partner V) Limited is due to be allocated profits from the Montagu V fund partnerships in the future in satisfaction of amounts which it has received from the Montagu V fund partnerships in its capacity as general partner and which have been recognised as turnover. MPE (General Partner V) Limited also has carried forward losses arising from management expenses paid in the period.

### 12. Non-controlling interest

	2022 £'000	2021 £'000
Non-controlling interest brought forward	69,476	38,600
Effect of foreign exchange movements	3,787	(2,209)
Drawdowns/additions to loan accounts	9,296	18,844
Income for the year	29,435	40,964
Distributions	<u>(13,852)</u>	<u>(26,723)</u>
Non-controlling interest	<u>98,142</u>	<u>69,476</u>



## Notes to the financial statements for the year ended 31 December 2022

### 13. Members

The average number of members during the year was 31 (2021: 29). Montagu Equity Limited was the highest paid Member and was allocated profits of £4,179,000 (2021: £3,940,000) from the Partnership during the year as it is entitled to receive a fixed proportion of profits from Montagu Private Equity LLP.

Guaranteed Members' drawings are charged to the statement of comprehensive income as an expense. Discretionary allocations are charged directly to equity by a transfer from other reserves to amounts due to Members. In the event of winding up the Partnership, monies due to creditors will be paid before any distributions of loans and other debts due to Members.

Amounts due from Members represents amounts due from Montagu Equity Limited of £2,829,000 (2021: £12,751,000) which are in relation to the net difference between intragroup financing and profits allocated to Montagu Equity Limited. These amounts will be repaid through intercompany loan repayments over the course of next year.

### 14. Pension obligations

The contributions for the year were £902,000 (2021: £775,000).

### 15. Financial commitments

At 31 December 2022, the Group and the Partnership had future minimum lease payments under non-cancellable operating leases as follows:

Group	Land & Buildings	
	2022	2021
	£'000	£'000
Less than one year	1,701	1,755
Between one and five years	9,962	2,331
More than five years	<u>10,965</u>	<u>1,746</u>



## Notes to the financial statements for the year ended 31 December 2022

### 15. Financial commitments (continued)

Partnership	Land & Buildings	
	2022	2021
	£'000	£'000
Less than one year	1,081	1,049
Between one and five years	6,214	387
More than five years	8,466	–

During the year £3,728,000 (2021: £2,099,000) was recognised as an expense in the statement of comprehensive income in respect of operating leases.

### 16. Related party transactions

The Partnership has taken advantage of the exemption provided in FRS 102 Section 33 from the requirement to disclose intragroup transactions and balances eliminated on consolidation, which are defined as related party transactions under FRS 102 Section 33.

During the year ended 31 December 2022, management fees of €48,568,000 and €3,441,000 were received from the Montagu VI fund and the Montagu+ fund respectively; both funds being managed by Group undertakings.

Also during the year, purchases totalling £10,000 (2021: £7,000) for storage services were provided to the Partnership by OASIS Group, a portfolio company in the Montagu V fund. As at 31 December 2022, a balance of £1,000 (2021: £1,000) remains outstanding and was subsequently paid in January 2023. All services provided are charged at market rate.





## Notes to the financial statements for the year ended 31 December 2022

### 17. Bridge loan facilities and contingent liabilities

A €70m (2021: €290m) bridge loan facility is available for Montagu (Funding V) Limited, Montagu V LP, Montagu V (Non-US) LP, Montagu V (US) LP and Montagu V (D) LP. The loan facility was renewed in August 2022 with four banks. Interest accruing on this facility is calculated as margin (1.60% per annum) + SONIA, or in relation to any loan in euro, Euribor. Any loans outstanding beyond their repayment point can be reclaimed by Lloyds Bank Corporate Markets plc, acting as Security Agent, from limited partners in respect of uncalled commitments. As at 31 December 2022, the following amounts have been drawn:

- Montagu (Funding V) Limited: €nil (2021: €nil)
- Montagu V fund partnerships: €60,898,000 (2021: €21,952,000)

A €1bn (2021: €1bn) bridge loan facility is available for Montagu (Funding VI) Limited, Montagu VI LP and Montagu VI EEA SCSp. Interest accruing on this facility is calculated as margin + SONIA, or in relation to any loan in euro, Euribor. The margin is 1.60% if the LP Cover Ratio is greater than or equal to 1.5:1, 1.65% if the LP Cover Ratio is less than 1.5:1 but greater than or equal to 1.3:1, and 1.70% if the LP Cover Ratio is less than 1.3:1 but greater than or equal to 1.1:1. Any loans outstanding beyond their repayment point can be reclaimed by Lloyds Bank Corporate Markets plc, acting as Security Agent, from limited partners in respect of uncalled commitments. As at 31 December 2022, the following amounts have been drawn:

- Montagu (Funding VI) Limited: €nil (2021: €nil)
- Montagu VI fund partnerships: €819,861,000 (2021: €105,305,000)

The bridge finance facilities exists so that the Group can provide short term financing facilities to portfolio companies acquired by the Montagu V and VI funds.

### 18. Post balance sheet events

There are no post balance sheet events to report for the Group.