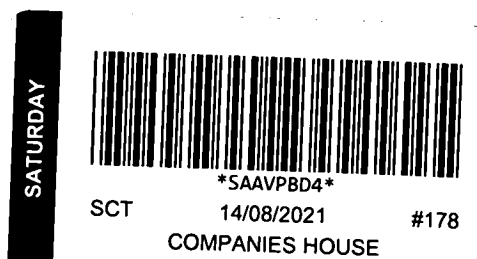


**EQUITIX MA EPS GP 6 LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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## **EQUITIX MA EPS GP 6 LIMITED**

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**EQUITIX MA EPS GP 6 LIMITED**

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**COMPANY INFORMATION**

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**Directors** H B Crossley  
G A Jackson  
J C Smith  
S Cote  
P S Roughton (appointed 16 January 2020)

**Registered number** SC583719

**Registered office** Citypoint  
65 Haymarket Terrace  
Edinburgh  
EH12 5HD

**Independent auditor** KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

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## **EQUITIX MA EPS GP 6 LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Directors present their annual report and the audited financial statements for the year ended 31 December 2020.

The Directors' report has been prepared in accordance with the special provisions relating to small companies under s415a Companies Act 2006.

#### **REVIEW OF THE YEAR**

The principal activity of Equitix MA EPS GP 6 Limited (the "Company") is to act as General Partner to Equitix MA EPS 6 LP (the "Partnership"), a limited partnership managed by Equitix Investment Management Limited (the "Manager"), an entity authorised and regulated by the Financial Conduct Authority. The Partnership has been established for the purpose of carrying on the business of acting as an Enhanced Profit Share Partner (the "EPS Partner") for Equitix MA 6 LP (the "fund"), an unregulated collective investment scheme managed by the Manager.

The loss for the year is presented in the profit and loss account on page 9.

The Directors do not recommend the payment of a dividend (2019: £nil).

#### **GOING CONCERN**

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate successfully for the period of 12 months from the date of these financial statements. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence. Accordingly they adopt the going concern basis in preparing the financial statements.

Equitix Limited, a fellow group undertaking has pledged to continue their financial support of the Company and will meet all financial obligations of the Company on their behalf for a year from the date of these statements.

The Directors of the Company have considered the impact of the COVID-19 global pandemic which has arose in 2020 when preparing these financial statements. Refer to Note 1 Accounting Policies.

#### **DIRECTORS**

The Directors who served throughout the year and up to the date of this report are shown on page 1.

#### **KEY PERFORMANCE INDICATORS**

The key performance indicators for the Company are listed below:

- tracking the performance of the Partnership's interest in Equitix MA 6 LP;
- the comparison of actual cash flows costs to those that have been forecast;
- the value of investments held by Equitix MA 6 LP and the expected future cash flows; and
- that Equitix MA 6 LP is performing in accordance with its fund documentation.

The latest fund models indicates that performance is in line with expectations.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's main concern is attributable to the sound operation of Equitix MA 6 LP and the underlying infrastructure assets, ensuring that the modelled cash flows, made up of, but not limited to, subordinated debt principal repayments, subordinated debt interest payments, dividends and other fees are indeed received. The Company will monitor actual and projected fund cash flows to ensure that the returns are as expected.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**FUTURE DEVELOPMENTS**

The Directors do not expect the primary activity of the Company to alter in the foreseeable future.

**AUDITOR**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board and signed on its behalf.



**J C Smith**  
Director

Date: 04/08/2021

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

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 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 company and to prevent and detect fraud and other irregularities.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX MA EPS GP 6 LIMITED

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### Opinion

We have audited the financial statements of Equitix MA EPS GP 6 Limited ("the Company") for the year ended 31 December 2020 which comprise the profit and loss account, the balance sheet and the statement of changes in equity for the year then ended and the related notes, including the significant accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss 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.

### 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 company 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 directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company'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 its 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 directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' 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 directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company'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 company will continue in operation.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX MA EPS GP 6 LIMITED

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### **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 management, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading minutes of the Board of Directors; and
- 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.

As required by auditing standards, 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 and the risk of bias in accounting estimates and judgements such as provision for impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

#### *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 through discussion with management (as required by auditing standards) and from inspection of the Company's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.

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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is 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. We identified the following areas as those most likely to have such an effect: anti-bribery, money laundering and GDPR compliance recognising the financial nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal 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.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX MA EPS GP 6 LIMITED

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### *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.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4 the directors 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 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX MA EPS GP 6 LIMITED

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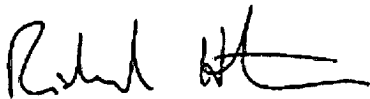
### **Auditor's responsibilities**

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 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.



**Richard Hinton (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date: 04/08/2021

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**EQUITIX MA EPS GP 6 LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Change in fair value of investment	<b>6</b>	(92,289)	428,527
<b>(Loss)/profit before taxation</b>	<b>2</b>	(92,289)	428,527
Tax on (loss)/profit	<b>5</b>	-	-
<b>(Loss)/profit for the financial year</b>		<u>(92,289)</u>	<u>428,527</u>

All items in the profit and loss account relate to continuing operations.

All gains and losses are recognised in the profit and loss account in the current year, and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 12 to 18 form an integral part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	6	336,320	428,609
		<u>336,320</u>	<u>428,609</u>
<b>Current assets</b>			
Debtors	7	1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	8	(82)	(82)
		<u>(81)</u>	<u>(81)</u>
<b>Net current liabilities</b>		(81)	(81)
<b>Total assets less current liabilities</b>		<u>336,239</u>	<u>428,528</u>
<b>Net assets</b>		<u>336,239</u>	<u>428,528</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account		336,238	428,527
		<u>336,239</u>	<u>428,528</u>

The financial statement were approved and authorised for issue by the board and were signed on its behalf by:



**J C Smith**  
Director

Date: 04/08/2021

The notes on pages 12 to 18 form part of these financial statements.

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**EQUITIX MA EPS GP 6 LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2019</b>	1	-	1
<b>Comprehensive income for the year</b>			
Profit for the year	-	428,527	428,527
<b>At 31 December 2019</b>	1	428,527	428,528
<b>Comprehensive income for the year</b>			
Loss for the year	-	(92,289)	(92,289)
<b>At 31 December 2020</b>	1	336,238	336,239

The notes on pages 12 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES**

Equitix MA EPS GP 6 Limited ("the company") is a private company incorporated, domiciled and registered in the UK. The registered number is SC583719 and the registered address is 4th Floor Saltire Court, City Point, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD.

**1.1 Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland as issued in August 2014. The amendments to FRS102 issued in July 2015 and March 2018 have been applied. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently in the year, is shown below.

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

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Equitix Holdings Ltd include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12
- Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

**1.2 Investments**

Under FRS 102, the investment in Equitix MA EPS 6 LP must be shown at fair value. The investment is not traded in an active market and there are no recent transactions of an identical asset so, in accordance with FRS 102 Section 11, the Company uses a valuation technique to value the investment. The investment continues to be shown at fair value on the balance sheet and a reliable estimate of fair value of the investment is presented in note 6.

**1.3 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Enhanced profit share ("EPS")**

The EPS is an entitlement to Equitix MA EPS 6 LP (the "Partnership"), as the EPS Partner, to share in the profits and assets of Equitix MA 6 LP (the "Fund") as provided in the relevant Limited Partnership Agreement. As EPS Partner to Equitix MA 6 LP, if the Fund maintains a return above the hurdle rate of 6.5% throughout the Measurement Period defined in the Limited Partnership Agreement, the Partnership will be entitled to a share of returns exceeding the hurdle rate for the year in question, but limited to an overall return of 20% by the Fund. Equitix MA EPS GP 6 Limited (the "Company"), as General Partner to the Partnership, is entitled to a share of these returns.

EPS is only recognised when the measurement year return exceeds 6.5% for the relevant waterfall period (being the six months ending 31 December and 30 June in each year).

The Company, as General Partner of the Partnership, is liable in the first instance for all debts of the Partnership without limitation and binding the Partnership in all respects. The General Partner derives a return from the Partnership dependent upon the value of capital invested.

The Company, as General Partner to the Partnership, is also responsible for the management, operations and administration of the affairs of the Partnership in accordance with the Limited Partnership Agreement. The General Partner has delegated the day-to-day administration of the Partnership and the management of the Fund to the appointed Investment Manager, Equitix Investment Management Limited, under the terms of the Investment Management Agreement dated 8 January 2018.

**1.5 Share capital**

Financial instruments issued by the Company are treated as equity.

**1.6 Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors 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 in the case of trade debtors.

**1.7 Going concern**

Notwithstanding net current liabilities of £81 as at 31 December 2020 (2019: £81), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's fellow subsidiary company, Equitix Limited not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £82. Equitix Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Going concern (continued)**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next twelve months from the date of approval of financial statements. Accordingly, they adopt the going concern basis in preparing the financial statements.

As part of these enquiries, the Directors have also considered the impact of the COVID-19 global pandemic, which has resulted in unprecedented risks and significant levels of volatility and reduced asset prices in global equity and bond markets. The main risk resulting from COVID-19 for the Company is in respect of the impact on the valuation of investments held at fair value through profit and loss by Equitix MA 6 LP as this valuation drives the rate of return and generation of EPS to which the Company is entitled. The Directors have considered the impact of potentially lower valuations and do not consider there to be any significant impact on the going concern basis of preparation of Equitix MA 6 LP financial statements. They consider that no severe but plausible downside event would prevent Equitix MA 6 LP being able to meet its liabilities as they fall due and so it would be able to continue in operation with the possibility of generating profits for distribution.

Further, the Directors of the Company have also assessed the wider Equitix group forecasts that considered various severe but plausible downside scenarios in the cash flow forecast model and confirmed that cash balance will stay positive and that there is no covenant breaches for at least 12 months from the date of the approval of the financial statements in each scenario.

In conjunction with this assessment, the Directors believe the Company has sufficient reserves, and if required access to financial support from the wider Equitix Group, to address any financial impact consequently, the Directors have concluded that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**1.8 Assessable risks**

*Credit risk*

The Company is not exposed to significant credit risk as the Company derives revenue from Equitix MA EPS 6 LP, an unregulated collective investment scheme managed by Equitix Investment Management Limited, a group undertaking. Equitix MA EPS 6 LP does not represent a significant credit risk to the Company as partners in the Fund are bound to a certain level of commitment under the terms of a Limited Partnership Agreement.

*Liquidity risk*

The revenue derived from Equitix MA EPS 6 LP is sustainable and underpinned by the Limited Partnership Agreement, with all material risk managed and mitigated.

Ongoing expenses are borne by Equitix Limited or the fund who do not seek recovery of costs.

*Foreign exchange risk*

The Company does not currently have any exposure to foreign currency exchange risk, nor does it have any immediate plans to geographically deviate its focus.

*Interest rate risk*

The Company is not exposed directly to interest rate risk.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Foreign currency**

**i. Functional and presentation currency**

The company's functional and presentation currency is the pound sterling.

**ii. Transactions and balances**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss.

**1.10 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the General Partner is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are received on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company has invested in Equitix MA EPS 6 LP, a UK partnership and the carrying value of this investment is currently valued at fair value.

The investment is unlisted and its carrying value is valued using a discounted cash flow analysis based on the forecast financial model of Equitix MA 6 LP which calculates forecast returns and EPS cashflows for the life of the Fund in accordance with the waterfall mechanism as detailed in the Fund LPA. The future EPS cash flows forecast by the model are discounted at a rate which takes into account the specific risks of the underlying Fund investment portfolio with reference to the individual Fund's weighted average discount rate, along with a premium reflecting the additional risk associated with the payment of EPS performance fees as outlined in more detail in note 1.4. The discount rate used for the 2020 valuation was 8.92% (2019: 9.51%). If the discount rate used in the valuation were increased or decreased by 100 bps, the impact on the value of the investment would be a loss of £21,161 or a gain of £22,870 respectively (2019: loss of £33,122 or gain of £36,417). If the expected future net cash flows were decreased or increased by 10%, with all other variables held constant, the impact on the value of financial assets would be £33,632 loss or gain respectively (2019: £42,853).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. RESULT BEFORE TAXATION**

The result before taxation of the Company is attributable to the principal activity of the Company, all of which was carried out in the United Kingdom.

The audit fee for Equitix MA EPS GP 6 Limited of £3,175 (2019: £2,800) and any other ongoing expenses of the Company are borne by Equitix Limited, who will not seek compensation from the Company. No non-audit services were provided. There were no non-audit fees paid to the auditors (2019: £nil).

**3. DIRECTORS' REMUNERATION**

No Directors received any remuneration for services to the Company during the year (2019: nil). The Company is managed by secondees from other Group companies. No recharge for services rendered has been made during the year (2019: nil).

**4. STAFF NUMBERS**

The Company had no employees during the current year (2019: none).

**5. TAX CHARGE ON (LOSS)/PROFIT**

	2020 £	2019 £
<b>Taxation is based on the result for the year and comprises:</b>		
UK corporation tax at a rate of 19% (2019: 19%) of taxable (loss)/profit	_____	_____
- Current Year	-	-
	=====	=====

**Factors affecting tax charge for the year**

The differences between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2020 £	2019 £
Profit/ (loss) before tax	(92,289)	428,527
	=====	=====
Profit/ (loss) multiplied by standard rate of corporation tax in the UK of 19%(2019 - 19%)	(17,535)	81,420
<b>Effects of:</b>		
Non taxable income on fair value movements	-	(81,420)
Non deductible expenditure on fair value movements	17,535	-
	=====	=====
<b>Total current tax charge for the year</b>	-	-
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. TAX CHARGE ON (LOSS)/PROFIT (continued)****Factors that may affect future tax charges**

The March 2021 Budget announced a proposed increase in corporation tax rates with a corporation tax rate of 25% applying with effect from 1 April 2023. This will increase the Company's future current tax charge accordingly.

**6. INVESTMENTS**

	2020 £	2019 £
<b>Cost</b>		
Cost at 1 January and 31 December	82	82
	<u>82</u>	<u>82</u>
	2020 £	2019 £
<b>Fair value</b>		
Opening balance at 1 January	428,609	82
Unrealised gain	(92,289)	428,527
	<u>336,320</u>	<u>428,609</u>

Investments relate to the Company's investment in Equitix MA EPS 6 LP.

**7. DEBTORS**

	2020 £	2019 £
Amounts owed by parent	1	1
	<u>1</u>	<u>1</u>

The amounts owed from parent carry no interest and are repayable on demand.

**8. CREDITORS**

	2020 £	2019 £
Amounts owed to group undertakings	82	82
	<u>82</u>	<u>82</u>

The amounts owed to group undertakings carry no interest and are repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. CALLED UP SHARE CAPITAL**

	2020 £	2019 £
<b>Authorised</b>		
1 (2019 - 1) Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>
	2020 £	2019 £
<b>Allotted, called up and unpaid:</b>		
1 (2019 - 1) Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. There are no associated rights or preferences relating to the Ordinary Shares.

**10. TRANSACTIONS WITH RELATED PARTIES**

The Company has taken advantage of the Qualifying Entity exemption under FRS 102 not to provide information on related party transactions with other undertakings or key management remuneration within the Equitix Holdings Ltd group. Note 11 gives details of how to obtain a copy of the published consolidated financial statements of Equitix Holdings Ltd.

**11. ULTIMATE PARENT**

On 24 November 2020, ownership of the Company changed from Equitix Holdings Ltd to Equitix 2020 Issuer Limited, a company incorporated in Guernsey. The smallest group in which its results are consolidated is Equitix Holdings Ltd, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated accounts of Equitix Holdings Ltd are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The Company's ultimate parent, and the largest group in which its results are consolidated is Pace Topco Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated accounts of Pace Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Partnership's ultimate controlling company is Tetragon Financial Group Limited, a company incorporated and registered in Guernsey.

**12. POST BALANCE SHEET EVENTS**

During the period from the date of the balance sheet to the date these financial statements have been approved there have been no subsequent events which require disclosure in these financial statements.