

MONTAGU PRIVATE EQUITY ASSOCIATES LLP

**Members' report and audited financial statements for the
year ended 31 December 2015**



Registered in England No. OC339798

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Members' report

The members present their report and financial statements for the year ended 31 December 2015.

Principal Activities

The principal activity of the partnership is the provision of consultancy services.

Members

The Members of the Partnership throughout the year ended 31 December 2015 (unless otherwise stated) were:

Montagu Private Equity LLP

MPE Associateco Limited

V. G. J. Schwegmann

M. McCourt (Resigned: 03/07/2015)

P. A. L. Lebreton (Resigned: 19/06/2015)

A. J. Bowkett (Resigned: 03/07/2015)

J. Dove

M. Lamure (Joined: 01/07/2015)

Montagu Private Equity LLP is the Designated Member. The average monthly number of members during the year was six.

Members' Capital

Under the terms of the Members' Agreement, each Member subscribes a sum of capital based on their ownership percentage. Total capital contributions of €2 are paid up by the Members as permanent capital.

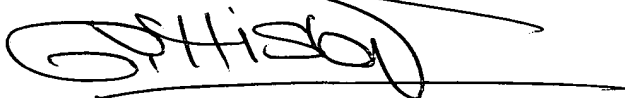
Members' Profits and Losses

Members' profits and losses are allocated between them based on the LLP agreement. An amount is paid each month, subject to certain conditions, and any surplus is dealt with in accordance with the LLP agreement and using members' ownership percentages.

Independent auditor

KPMG LLP have expressed willingness to continue to act as auditor for the year.

Approved by the Members on 18 March 2016.



G. Hislop
Representing Designated Member Montagu Private Equity LLP

Registered No. OC339798

Statement of Members' responsibilities in respect of the Members' report and the financial statements

The members are responsible for preparing the Members' Report and 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 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 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 LLP and of the profit or loss of the LLP for that year. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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 LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Montagu Private Equity Associates LLP

We have audited the financial statements of Montagu Private Equity Associates LLP for the year ended 31 December 2015 set out on pages 6 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the members of the limited liability partnership (LLP), 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 LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Iain Bannatyne (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
18 March 2016

Profit and Loss Account
For the year ended 31 December 2015

	Notes	2015 €	2014 €
Fee income	1	5,711,060	3,092,475
Operating costs	2	<u>(2,101,669)</u>	<u>(1,909,850)</u>
Operating profit		3,609,391	1,182,625
Other interest receivable and similar income		<u>930</u>	<u>673</u>
Profit for the financial year before members' remuneration and profit shares		3,610,321	1,183,298
Members' remuneration charged as an expense		<u>(4,341,955)</u>	<u>(3,651,443)</u>
Result for the financial year available for discretionary division among members		<u>(731,634)</u>	<u>(2,468,145)</u>

All results relate to continuing activities.

The Partnership has no recognised gains and losses other than the results as stated above and therefore no separate statement of recognised gains and losses is presented.

There is no difference between the amounts stated above and their historical cost equivalents, either in respect of profit on ordinary activities before taxation or the retained profit for the year.

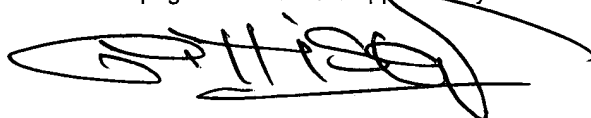
The notes on pages 8 to 10 form part of these financial statements.

Balance Sheet
31 December 2015

	Notes	2015 €	2014 €
Current assets			
Debtors	3	301,605	812,525
Amounts due from members	3	2	2
Cash and short term deposits		<u>74,757</u>	<u>290,644</u>
		376,364	1,103,171
Creditors: amounts falling due within one year	4	<u>(4,440,957)</u>	<u>(3,236,104)</u>
Net current liabilities		<u>(4,064,593)</u>	<u>(2,132,933)</u>
Total assets less current liabilities		(4,064,593)	(2,132,933)
Net liabilities attributable to members		<u>(4,064,593)</u>	<u>(2,132,933)</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	5	588,486	1,788,512
Equity			
Members' other interests – Other reserves classified as Equity.		<u>(4,653,079)</u>	<u>(3,921,445)</u>
Total Members' interests		<u>(4,064,593)</u>	<u>(2,132,933)</u>
Amounts due from Members		-	-
Loans and other debts due to Members		588,484	1,788,510
Members' other interests		<u>(4,653,079)</u>	<u>(3,921,445)</u>
		<u>(4,064,595)</u>	<u>(2,132,935)</u>

The notes on pages 8 to 10 form part of these financial statements.

The financial statements on pages 6 to 10 were approved by the members on 18 March 2016 and were signed on its behalf by:



G. Hislop
Representing Designated Member Montagu Private Equity LLP

Registered No. OC339798

Notes to the financial statements for the year ended 31 December 2015

1 Accounting Policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* 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 issued by the Consultative Committee of Accountancy Bodies.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

(b) Taxation

Income tax, being the individual liability of each member, is not provided for in the accounts of the LLP.

(c) Cash

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

(d) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and gains and losses are taken to the profit and loss account.

(e) Fee income

Fee income represents consultancy fees, and is accounted for on an accruals basis. Provision is made against this income where the directors are uncertain as to its future recoverability.

FPPs (Full Potential Plans) are prepared for company management following a systematic review of business strategy. The review is performed to identify the key value creation initiatives and growth options to exceed the business plan, outline a process for managing such initiatives and prioritise the key initiatives identified.

FPP cash fees are received in advance of services being performed and initially held as deferred income. Income is recognised over a 12 month period in line the period over which consultants provide services for the benefit of the company.

(f) Cash Flow Statement

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

- Cash flow statements and related notes.

The Partnership is equivalent in size to a small company as set out in s382 of the Companies Act 2006. It is therefore exempt under FRS 102 from the requirement to produce a cash flow statement.

(g) Going Concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of €4,064,591 which the directors believe to be appropriate for the following reason. The directors consider that for at least 12 months from the date of approval of these financial statements that the Company will continue in operational existence through the support of Montagu Private Equity LLP. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this position will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this agreement with Montagu Private Equity LLP, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Notes to the financial statements for the year ended 31 December 2015

2 Expenses and auditor's remuneration

	2015	2014
	€	€
Included in profit / (loss) are the following:		
Audit of these financial statements	13,979	12,000
Exchange losses	28,460	16,841

3 Debtors

	2015	2014
	€	€
Amounts due from members	2	2
Trade debtors	176,472	812,525
VAT	125,133	-
	301,607	812,527

4 Creditors: amounts falling due within one year

	2015	2014
	€	€
Sundry creditors	2,428,602	247,907
Accruals and deferred income	2,012,355	2,866,418
VAT	-	121,779
	4,440,957	3,236,104

5 Reconciliation of members' interests

	<u>Members' other interests'</u>		<u>Loans and other debts</u>		<u>Total</u>
Partnership	<u>Members'</u>	<u>Other</u>	<u>Members'</u>	<u>Other</u>	<u>members'</u>
	Classified	Reserves	Classified	amounts	interests
	as equity	€	as liability	€	€
	€	€	€	€	€
Members' interests at 1 Jan 2015	2	(3,921,447)	-	1,788,512	(2,132,933)
Members' remuneration charged as an expense	-	-	-	4,341,955	4,341,955
Result for the financial year available for discretionary division among members	-	(731,634)	-	-	(731,634)
Members' interests after (Loss) for the year	2	(4,653,081)	-	6,130,467	1,477,388
Drawings	-	-	-	(5,541,981)	(5,541,981)
Members' interests at 31 Dec 2015	2	(4,653,081)	-	588,486	(4,064,593)

Notes to the financial statements for the year ended 31 December 2015

5 Reconciliation of members' interests (continued)

The average number of Members during the period was six. The highest paid Member was allocated profits of €1,015,278 (2014: €1,055,108) from the Partnership during the year. In the event of a winding up of the Partnership, monies due to creditors will be paid before any distributions of loans and other debts due to Members.

6 Related party disclosures

As at 31st December 2015 a funding balance of €2,056,439 (2014: €118,227) was outstanding with Montagu Private Equity LLP.

7 Ultimate controlling party

There is no ultimate parent or controlling party.