

Azini 2 LLP

Report and Financial Statements

Year ended 31 December 2017

Registered No: OC357327

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Azini 2 LLP

Statement of financial position at 31 December 2017

Registered No: OC357327		2017	2016
	Note	\$	\$
Fixed assets			
Investments	6	62,554,000	60,525,025
Current assets			
Debtors due within one year	7	7,789	5,940
Cash at bank and in hand		479,248	1,394,828
		487,037	1,400,768
Creditors: amounts falling due within one year	8	(47,328)	(43,558)
Net current assets		439,709	1,357,210
Net assets attributable to members		62,993,709	61,882,235
Loans due to members			
Other amounts		62,992,463	61,880,989
Members' other interests			
Members' capital classified as equity		1,246	1,246
		62,993,709	61,882,235
Total members' interests			
Loans due to members		62,992,463	61,880,989
Members' other interests		1,246	1,246
		62,993,709	61,882,235

These financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the members of the Limited Liability Partnership and authorised for issue on 12 February 2018.

The Partnership's annual financial statements have been delivered to the registrar in accordance with provisions of the Companies Act 2006 applicable to partnerships subject to the small partnerships regime. A copy of the Partnership's income statement has not been delivered to the registrar of companies.



Michael Bennett
On behalf of Azini 2 (GP) Limited
General Partner of Azini 2 (GP) LP
Designated member



Nicholas Habgood
On behalf of Azini 2 (GP) Limited
General Partner of Azini 2 (GP) LP
Designated member

The notes on pages 10 to 13 form part of these financial statements.

Azini 2 LLP

Reconciliation of members' interests for the year ended 31 December 2017

	Founder Partners \$	Limited Partners \$	Total \$
Capital	249	997	1,246
Loan	-	9,603,612	9,603,612
Current	-	38,561,849	38,561,849
Total members' interests at 1 January 2016	249	48,166,458	48,166,707
Net capital calls/(distributions)	-	-	-
Allocation of profit for year	-	13,715,528	13,715,528
Capital	249	997	1,246
Loan	-	9,603,612	9,603,612
Current	-	52,277,377	52,277,377
Total members' interests at 1 January 2017	249	61,881,986	61,882,235
Net capital calls/(distributions)	-	1,400,000	-
Allocation of loss for year	-	(288,526)	(288,526)
Capital	249	997	1,246
Loan	-	11,003,612	11,003,612
Current	-	51,988,851	51,988,851
Total members' interests at 31 December 2017	249	62,993,460	62,993,709

Azini 2 LLP

Notes forming part of the financial statements for the year ended 31 December 2017

1. Entity information

Azini 2 LLP (the "Partnership" or "LLP") is a limited liability partnership, registered in England, registration number OC357327. The registered office is 32 Maple Street, London, W1T 6HB.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, except for investments which are recorded at fair value through profit and loss, and in accordance with applicable United Kingdom accounting standards. There are no material departures from the provisions of either FRS 102 Section 1A small entities, or the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships', issued in January 2017.

The LLP is exempt from the requirement to prepare consolidated financial statements by virtue of section 398 of the Companies Act 2006 as the group it heads qualifies as a small group. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

The members have assessed it appropriate, as required, to prepare the financial statements on the going concern basis and have done so accordingly.

The financial statements are presented in USD (\$), being the functional currency.

An audit of the Partnership's financial statements was carried out by BDO LLP as statutory auditors who reported to the Partnership's members on 12 February 2018. The auditor's report was signed by David Eagle as senior statutory auditor and was unqualified.

3. Judgements in applying accounting policies and key source of estimation uncertainty

In preparing these financial statements, the managers have had to make the certain judgements and estimates. Actual experience may differ from the estimates and the assumptions made. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year are discussed below:

- Investments (Note 6)
Investments are valued in accordance with the valuation methods specified in the International Private Equity and Venture Capital ("IPEV") guidelines, and are reassessed on a regular basis.

4. Accounting policies

Investments

The investments are held at the Manager's valuation in accordance with the IPEV guidelines. Investments are made with the express intention of capital appreciation and receipt of income. Azini 2 LLP has made use of the provision in FRS 102 to account for associates as investments according to the method of accounting applied to other investments within their investment portfolio, rather than as an associate or joint venture, even where there is significant influence or joint control.

Income and expenses

All income and expenses are accounted for on an accruals basis. Bank interest is accounted for as it is received.

Management fee

The priority profit share loan payable to the general partner during the period in accordance with the Partnership Agreement is charged to the income statement as a management fee. This treatment and presentation reflects the substance of the transaction. The loan is non-repayable other than out of any future priority profit share on realised disposals and bears no interest.

Azini 2 LLP

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

4. Accounting policies (continued)

Taxation

The LLP, as an entity, is not liable to taxation in the United Kingdom on its income and gains. Therefore no taxation is provided in these accounts. However, each partner may be required, under tax regulations appropriate to their jurisdiction of residence, to report their share of the income, gains, losses, deductions and credits of the LLP.

Allocation of net income, net income losses and capital gains and losses

Allocation of net income, net income losses and capital gains and losses are made in accordance with the Partnership agreement.

Foreign exchange

Foreign currency transactions are translated into USD at the rates ruling when they occur. Monetary assets and liabilities denominated in foreign currencies are translated into USD at the rates ruling at the statement of financial position date. Any differences are taken to the income statement.

5. Operating loss

	Year ended 31 Dec 2017	Year ended 31 Dec 2016
	\$	\$

This has been arrived at after charging:

Auditors' remuneration	- audit fees	32,303	29,562
	- non audit services	13,023	13,994

6. Fixed asset Investments

	Year ended 31 Dec 2017	Year Ended 31 Dec 2016
	\$	\$
Balance brought forward 1 January	60,525,025	46,400,047
Purchases at cost	1,922,315	-
Disposals proceeds	(32)	-
Realised gain	7	-
Mark-up of investments in year	7,481,685	14,325,000
Write down of investments in year	(7,375,000)	(200,022)
Net valuation movement	106,685	14,124,978
Balance carried forward 31 December	62,554,000	60,525,025

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Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

6. Fixed asset Investments (continued)

The LLP has an interest in the following partnerships :-

Subsidiary undertaking	Registered office	Country of Incorporation	Proportion of Voting rights and capital held	Nature of Business
Berkeley I LLP	32 Maple Street London W1T 6HB	UK	99.99%	Investment Holding Entity
Berkeley II LLP	32 Maple Street London W1T 6HB	UK	99.99%	Investment Holding Entity
Berkeley III LLP	32 Maple Street London W1T 6HB	UK	99.99%	Investment Holding Entity

Under the provision of section 398 of the Companies Act 2006 the LLP is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the LLP as an individual entity.

7. Debtors

	2017 \$	2016 \$
Prepayments	7,789	5,940

8. Creditors: amounts falling due within one year

	2017 \$	2016 \$
Accruals	47,328	43,558

9. Total members' interests

The loans and other debts due to members at the statement of financial position date would rank pari passu with any unsecured creditors in the event of a winding up.

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Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

10. Members and employees

During the year, there were no employees. The average number of members was as follows:

	2017	2016
Investing members	5	5

11. Investment commitments

There were no future commitments that had been approved at 31 December 2017.

12. Investing members' commitments

Under the terms of the Partnership Agreement, as at 31 December 2017, \$7,021,318 may be drawn down by the General Partner for future investments and costs.