

## **Azini 2 LLP**

Report and Financial Statements

Year ended 31 December 2018

Registered No: OC357327



## Azini 2 LLP

### Statement of financial position at 31 December 2018

Registered No: OC357327		2018	2017
	Note	\$	\$
<b>Fixed assets</b>			
Investments	6	71,729,000	62,554,000
<b>Current assets</b>			
Debtors due within one year	7	9,079	7,789
Cash at bank and in hand		387,442	479,248
		396,521	487,037
<b>Creditors: amounts falling due within one year</b>	8	(45,443)	(47,328)
<b>Net current assets</b>		351,078	439,709
<b>Net assets attributable to members</b>		72,080,078	62,993,709
<b>Loans due to members</b>			
Other amounts		72,078,832	62,992,463
<b>Members' other interests</b>			
Members' capital classified as equity		1,246	1,246
		72,080,078	62,993,709
<b>Total members' interests</b>			
Loans due to members		72,078,832	62,992,463
Members' other interests		1,246	1,246
		72,080,078	62,993,709

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 25 February 2019.

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.

  
**K A Hoad**  
 On behalf of Azini Capital Partners LLP

  
**N J Habgood**  
 On behalf of Azini Capital Partners LLP

The notes on pages 9 to 12 form part of these financial statements.

## Azini 2 LLP

### Reconciliation of members' interests for the year ended 31 December 2018

	Founder Partners \$	Limited Partners \$	Total \$
Capital	249	997	1,246
Loan	-	9,603,612	9,603,612
Current	-	52,277,377	52,277,377
<b>Total members' interests at 1 January 2017</b>	<b>249</b>	<b>61,881,986</b>	<b>61,882,235</b>
Net capital calls	-	1,400,000	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
<b>Total members' interests at 1 January 2018</b>	<b>249</b>	<b>62,993,460</b>	<b>62,993,709</b>
Net capital calls	-	400,000	400,000
Allocation of profit for year	-	8,686,369	8,686,369
Capital	249	997	1,246
Loan	-	11,403,612	11,403,612
Current	-	60,675,220	60,675,220
<b>Total members' interests at 31 December 2018</b>	<b>249</b>	<b>72,079,829</b>	<b>72,080,078</b>

# Azini 2 LLP

## Notes forming part of the financial statements for the year ended 31 December 2018

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### 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 26 February 2019. 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 2018 (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 2018 \$	Year ended 31 Dec 2017 \$
This has been arrived at after charging:		
Auditors' remuneration		
- audit fees	32,237	32,303
- non audit services	13,204	13,023

#### 6. Fixed asset Investments

	Year ended 31 Dec 2018 \$	Year Ended 31 Dec 2017 \$
Balance brought forward 1 January	62,554,000	60,525,025
Purchases at cost	70,493	1,922,315
Disposals proceeds	-	(32)
Realised gain	-	7
Mark-up of investments in year	12,854,507	7,481,685
Write down of investments in year	(3,750,000)	(7,375,000)
Net valuation movement	9,104,507	106,685
<b>Balance carried forward 31 December</b>	<b>71,729,000</b>	<b>62,554,000</b>

## Azini 2 LLP

### Notes forming part of the financial statements for the year ended 31 December 2018 (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

	2018 \$	2017 \$
Prepayments	9,079	7,789

#### 8. Creditors: amounts falling due within one year

	2018 \$	2017 \$
Accruals	45,443	47,328

#### 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.

## Azini 2 LLP

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

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### 10. Members and employees

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

	2018	2017
Investing members	<u>5</u>	<u>5</u>

### 11. Investment commitments

There were no future commitments that had been approved at 31 December 2018.

### 12. Investing members' commitments

Under the terms of the Partnership Agreement, as at 31 December 2018 an amount of \$6,621,318 (2017: \$7,021,318) may be drawn down by the General Partner for future investments and costs.