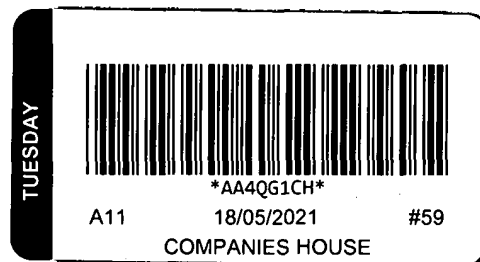


Azini 2 LLP

Report and Financial Statements

Year ended 31 December 2020

Registered No: OC357327



Azini 2 LLP

Statement of financial position at 31 December 2020

Registered No: OC357327		2020	2019
	Note	\$	\$
Fixed assets			
Investments	6	63,021,000	60,618,000
Current assets			
Debtors due within one year	7	10,887	410,525
Debtors due after more than one year	7	732,681	677,087
Cash at bank and in hand		2,092	5,753
		745,660	1,093,365
Creditors: amounts falling due within one year	8	(159,489)	(93,120)
Net current assets		586,171	1,000,245
Net assets attributable to members		63,607,171	61,618,245
Loans due to members			
Other amounts		63,605,925	61,616,999
Members' other interests			
Members' capital classified as equity		1,246	1,246
		63,607,171	61,618,245
Total members' interests			
Loans due to members		63,605,925	61,616,999
Members' other interests		1,246	1,246
		63,607,171	61,618,245

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 2021.

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 2020

	Founder Partners \$	Limited Partners \$	Total \$
Capital	249	997	1,246
Loan	-	11,403,612	11,403,612
Current	-	60,675,220	60,675,220
Total members' interests at 1 January 2019	249	72,079,829	72,080,078
Distributions	-	(26,267,950)	(26,267,950)
Allocation of profit for year	-	15,806,117	15,806,117
Capital	249	997	1,246
Loan	-	-	-
Current	-	61,616,999	61,616,999
Total members' interests at 1 January 2020	249	61,617,996	61,618,245
Allocation of profit for year	-	1,988,926	1,988,926
Capital	249	997	1,246
Loan	-	-	-
Current	-	63,605,925	63,605,925
Total members' interests at 31 December 2020	249	63,606,922	63,607,171

Azini 2 LLP

Notes forming part of the financial statements for the year ended 31 December 2020

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 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 3 March 2021. The auditor's report was signed by Michael Philp as senior statutory auditor and was unqualified.

Going Concern

The LLP has net liquid liabilities at the balance sheet date but will meet these either from the proceeds of investment realisations or the drawdown of investor commitments. The term of the Partnership currently expires on 31 October 2021. On expiry, the remaining assets of the Partnership would be distributed to the investors and the Partnership would cease to trade. The Manager is confident that the Partnership term will be extended for a period of at least 12 months from the current expiry date.

The LLP has sufficient undrawn commitments of \$6,621,318 (2019: \$6,621,318) to fund any further investments in portfolio companies and working capital requirements for the foreseeable future. The Limited Partner commitments are contractual obligations under the Limited Liability Partner Agreement, however, the Manager recognises that the continued global pandemic (COVID-19) adds a further element of risk of default on these commitments. The Manager believes that the LLP is still well positioned to manage its business risks and has a reasonable expectation that it will continue in operational existence for the foreseeable future and have therefore applied the going concern basis in preparing the financial statements.

However, as the term of the Partnership is less than 12 months from the date of approval of these financial statements, and is yet to be formally extended, there exists a material uncertainty which may cast significant doubt over the LLP's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the LLP were unable to continue as a going concern.

Azini 2 LLP

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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, including amounts relating to deferred sale proceeds and escrow accounts, are valued in accordance with the valuation methods specified in the International Private Equity and Venture Capital ("IPEV") guidelines. This includes consideration of the stage of the lifecycle of investment company, the comparability of publicly available listed multiples to the investment company and the maintainability of the performance of the investment company. These continue to be 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.

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	Year ended
31 Dec 2020	31 Dec 2019
\$	\$

This has been arrived at after charging:

Auditors' remuneration	- audit fees	34,591	34,271
	- non audit services	13,852	13,875
		<hr/>	<hr/>

Azini 2 LLP

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

6. Fixed asset Investments

	Year ended 31 Dec 2020 \$	Year Ended 31 Dec 2019 \$
Balance brought forward 1 January	60,618,000	71,729,000
Disposals proceeds	(83,173)	(27,393,111)
Realised gain	83,173	2,393,111
Mark-up of investments in year	3,304,000	17,074,000
Write down of investments in year	(901,000)	(3,185,000)
Net valuation movement	<u>2,403,000</u>	<u>13,889,000</u>
 Balance carried forward 31 December	 <u>63,021,000</u>	 <u>60,618,000</u>

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.

Azini 2 LLP

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

7. Debtors and prepayments

	2020 \$	2019 \$
Due within one year		
Prepayments	10,887	-
Escrow	-	410,525
	<u>10,887</u>	<u>410,525</u>
Due after more than one year		
Escrow	<u>732,681</u>	<u>677,087</u>

The escrow relates to amounts being withheld by the buyer following the disposal of Corvil. The remaining cash balance is to be released, subject to deduction for any claims, in July 2022.

8. Creditors: amounts falling due within one year

	2020 \$	2019 \$
Accruals	54,146	51,119
Creditors	105,343	42,001
	<u>159,489</u>	<u>93,120</u>

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.

10. Members and employees

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

	2020	2019
Investing members	<u>5</u>	<u>5</u>

11. Investment commitments

There were no future commitments that had been approved at 31 December 2020 (2019: none).

12. Investing members' commitments

Under the terms of the Partnership Agreement, as at 31 December 2020 an amount of \$6,621,318 (2019: \$6,621,318) may be drawn down by the General Partner for future investments and costs.