



**Iona EI (General Partner) 2 LLP**

**Partnership Number: OC402464**

**Annual Report and Financial Statements**

**For the year ended 31 March 2020**

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## **Iona EI (General Partner) 2 LLP**

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## **Iona EI (General Partner) 2 LLP**

### **MANAGEMENT AND ADMINISTRATION**

**Designated members:**

Nicholas R W Ross  
Michael B Dunn (resigned on 23 October 2019)  
Iona Capital Ltd

**Independent Auditor:**

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

**Administrator:**

Langham Hall UK Services LLP  
8th Floor  
1 Fleet Place  
London  
EC4M 7RA

**Registered Office:**

123 Pall Mall  
London  
SW1Y 5EA

**Banker:**

HSBC Bank Plc  
60 Queen Victoria Street  
London  
EC4N 4TR

## **Iona EI (General Partner) 2 LLP**

### **MEMBERS' REPORT**

**For the year ended 31 March 2020**

The Members submit their Annual Report and Audited Financial Statements for Iona EI (General Partner) 2 LLP (the "Limited Liability Partnership" or "LLP") for the year ended 31 March 2020.

#### **Principal activity and incorporation**

The LLP was incorporated on 26 October 2015 with registration number OC402464.

The principal activity of the LLP is to act as General Partner to Iona Environmental Infrastructure 2 LP, ('the Fund'), an English Limited Partnership. The Fund is setup to make investments primarily in organic waste recycling infrastructure projects in the UK.

The LLP intends to continue acting as General Partner to Iona Environmental Infrastructure 2 LP.

#### **Review of the affairs of the Limited Liability Partnership**

The LLP acted as the General Partner to the Fund during the year and received General Partner's Share from the Fund in accordance with the Limited Partnership Deed (the "LP Deed") dated 26 October 2015. The LLP paid fees to Iona Capital Ltd, its parent company, in accordance with the Management Deed.

#### **Results**

The results for the year are set out in the Statement of Comprehensive Income on page 8.

#### **Members**

The Members of the LLP during the year and at the date of this report are as stated on page 2. All members of the LLP are designated members.

#### **Members' drawings, subscriptions and repayments of capital**

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Amended and Restated Limited Liability Partnership Deed dated 26 October 2015 (the "LLP Deed").

The capital requisite for carrying on the business of the LLP shall be agreed and contributed by the members from time to time.

Details of changes in members' capital in the year ended 31 March 2020 are set out in the financial statements.

Profits and losses of the LLP are allocated to members in line with the LLP Deed.

#### **Going concern**

The Members have considered the net liability position and specifically the ability of the Fund to continue to pay the General Partner's Share to the General Partner which will, in turn, allow the General Partner to continue to meet its obligations as they fall due. The Members consider that the Fund has sufficient cash to fund future expenses as they fall due and it has the ability to call from investors in a timely manner for the purpose of meeting the Priority Profit Share requirements. The Members therefore expect the Fund to be able to pay the General Partner's Share for a period of at least 12 months from the date of approval of these financial statements and conclude that it remains appropriate to prepare these financial statements on a going concern basis.

## **Iona EI (General Partner) 2 LLP**

### **MEMBERS' REPORT (continued) For the year ended 31 March 2020**

#### **Statement of Members' responsibilities**

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"). Under that legislation 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 these financial statements, the Members 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to the auditors**

So far as each of the Members are aware, there is no relevant audit information of which the LLP's auditor is unaware, and each has taken all the steps they ought to have taken as Members to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

#### **Auditor**

The Members decided not to continue with Ernst & Young LLP as auditor. There were no disagreements and the relationship ended amicably. On 23 December 2019 the Members appointed RSM UK Audit LLP as auditor and RSM UK Audit LLP has indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next board meeting.

#### **Approval**

These financial statements were approved and authorised for issue by the Members on 08 September 2020 and signed on their behalf by



Colm Walls  
On Behalf of Iona Capital Ltd  
Designated Member of Iona EI (General Partner) 2 LLP

## **Iona EI (General Partner) 2 LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 2 LLP**

#### **Opinion**

We have audited the financial statements of Iona EI (General Partner) 2 LLP (the 'limited liability partnership') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Members' Interest and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Iona EI (General Partner) 2 LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 2 LLP (continued)**

#### **Other information (continued)**

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which 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

#### **Responsibilities of members**

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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the limited liability partnership'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 the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Iona EI (General Partner) 2 LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 2 LLP (continued)**

#### **Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK AUDIT LLP

Stuart Clowser (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

Date 08 September 2020



**Iona EI (General Partner) 2 LLP**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 March 2020**

		<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>Note</b>	<b>GBP</b>	<b>GBP</b>
<b>Income</b>			
General Partner's share	2.5	<u>643,137</u>	<u>661,763</u>
<b>Total income</b>		<u><b>643,137</b></u>	<u><b>661,763</b></u>
<b>Expenses</b>			
Management fees	2.6	<u>(643,137)</u>	<u>(661,763)</u>
Bank charges		<u>(47)</u>	<u>(39)</u>
<b>Total expenses</b>		<u><b>(643,184)</b></u>	<u><b>(661,802)</b></u>
<b>Loss before members remuneration</b>		<u><b>(47)</b></u>	<u><b>(39)</b></u>
Members remuneration charged as an expense		<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<u><u><b>(47)</b></u></u>	<u><u><b>(39)</b></u></u>

The results above are in respect of continuing operations.

The notes on pages 12 to 13 form an integral part of these financial statements

**Iona EI (General Partner) 2 LLP**

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2020**

	Note	As at 31 March 2020 GBP	As at 31 March 2019 GBP
<b>Current assets</b>		-	-
Cash at bank		45	92
		<u>45</u>	<u>92</u>
<b>Current liabilities</b>			
Creditors	4	(200)	(200)
		<u>(200)</u>	<u>(200)</u>
<b>Net liabilities attributable to members</b>		<u>(155)</u>	<u>(108)</u>
<b>Equity</b>			
Members' capital classed as equity		50	50
Members' other interests		(205)	(158)
<b>Total Members' Funds</b>		<u>(155)</u>	<u>(108)</u>

The financial statements on pages 8 to 13 were approved and authorised for issue by the Members on 08 September 2020 and are signed on their behalf by:



Colm Walls  
On Behalf of Iona Capital Ltd  
Designated Member of Iona EI (General Partner) 2 LLP

Registered Number OC402464

The notes on pages 12 to 13 form an integral part of these financial statements

**Iona EI (General Partner) 2 LLP**

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 March 2020**

	<b>Note</b>	<b>31 March 2020</b> <b>GBP</b>	<b>31 March 2019</b> <b>GBP</b>
<b>Cash flows from operating activities</b>			
Other operating activities		<u>(47)</u>	<u>(39)</u>
Net cash outflow from operating activities		<u>(47)</u>	<u>(39)</u>
<b>Net movement in cash at bank during the year</b>		<b>(47)</b>	<b>(39)</b>
Cash at bank at start of the year		<u>92</u>	<u>131</u>
<b>Cash at bank at end of the year</b>		<u><b>45</b></u>	<u><b>92</b></u>
<b>Other operating activities are made up of:</b>			
Net loss		<u>(47)</u>	<u>(39)</u>
		<u><b>(47)</b></u>	<u><b>(39)</b></u>

The notes on pages 12 to 13 form an integral part of these financial statements

**Iona EI (General Partner) 2 LLP**

**STATEMENT OF CHANGES IN MEMBERS' INTEREST**  
For the year ended 31 March 2020

	<b>Members' capital classified as equity</b>	<b>Members' other interests</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<b>As at 1 April 2019</b>	<b>50</b>	<b>(158)</b>	<b>(108)</b>
Total comprehensive loss for the year	-	(47)	(47)
<b>As at 31 March 2020</b>	<b>50</b>	<b>(205)</b>	<b>(155)</b>

	<b>Members' capital classified as equity</b>	<b>Members' other interests</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<b>As at 1 April 2018</b>	<b>50</b>	<b>(119)</b>	<b>(69)</b>
Total comprehensive loss for the year	-	(39)	(39)
<b>As at 31 March 2019</b>	<b>50</b>	<b>(158)</b>	<b>(108)</b>

The notes on pages 12 to 13 form an integral part of these financial statements

## **Iona EI (General Partner) 2 LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2020**

#### **1. Incorporation and activity**

Iona EI (General Partner) 2 LLP was incorporated on 26 October 2015 as a Limited Liability Partnership. The principal activity of the LLP is to act as the General Partner of Iona Environmental Infrastructure 2 LP.

Iona Capital Ltd is the Manager of the Fund and Iona EI (SLP) II LP is the Carried Interest Partner of the Fund.

#### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for the year ended 31 March 2020, unless otherwise stated.

##### **2.1 Basis of accounting**

The financial statements have been prepared in compliance with the FRS102 as it applies to the financial statements of the LLP for the year ended 31 March 2020.

##### **2.2 Going Concern**

The Members have considered the net liability position and specifically the ability of the Fund to continue to pay the General Partner's Share to the General Partner which will, in turn, allow the General Partner to continue to meet its obligations as they fall due. The Members consider that the Fund has sufficient cash to fund future expenses as they fall due and it has the ability to call from investors in a timely manner for the purpose of meeting the Priority Profit Share requirements. The Members therefore expect the Fund to be able to pay the General Partner's Share for a period of at least 12 months from the date of approval of these financial statements and conclude that it remains appropriate to prepare these financial statements on a going concern basis.

##### **Income**

Income is recognised on an accruals basis when the LLP obtains the right to consideration in exchange for its performance. Income consists of General Partner's Share received from the Fund, explained in detail in note 2.5.

##### **2.3 Expenses**

All expenses are accounted for on an accruals basis. Apart from the management fees and bank charges, all expenses of the LLP are borne by the Fund.

##### **2.5 General Partner's Share**

The LLP acts as General Partner to the Fund and is entitled to receive a General Partner's Share which shall be determined and paid as set out below.

(a) for the period from the closing until the last day of the investment period, an aggregate amount, calculated with respect to each Limited Partner equal to 1.25 per cent per annum of the commitment of such Limited Partner; and

(b) after the end of the investment period, an aggregate amount, calculated with respect to each Limited Partner equal to 1.25 per cent per annum of the commitments under management in respect of such Limited Partner, calculated as of the date of the closing and, thereafter, as of each quarterly instalment date in such accounting period.

On a quarterly basis, the amount of the General Partner's Share calculated shall be reduced, but not below zero, by the sum of transaction fees received by Iona Capital Ltd, (the "Manager"), from investee companies of the Fund.

## **Iona EI (General Partner) 2 LLP**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2020**

#### **2. Summary of significant accounting policies (continued)**

##### **2.6 Management fees**

As per the Management Deed, the LLP has appointed Iona Capital Ltd to act as the Manager of the Fund and that it will pay the Manager by way of remuneration for its services hereunder such fee as the Manager and the LLP agree from time to time.

##### **2.7 Cash at bank and in hand**

Cash at bank and in hand comprises cash held on current account.

#### **3. Fees and Expenses**

The auditors' remuneration for the year was GBP 4,500 (2019: GBP 5,250), and was borne by the Fund.

#### **4. Creditors**

	<b>31 March 2020</b>	<b>31 March 2019</b>
	<b>GBP</b>	<b>GBP</b>
Amounts due to Iona Capital Ltd	200	200
	<b>200</b>	<b>200</b>

#### **5. Controlling party**

The LLP's ultimate controlling party is Iona Capital Ltd, by virtue of it controlling the majority of the voting rights of the LLP. The registered office of Iona Capital Ltd is 123 Pall Mall, London, SW1Y 5EA.

#### **6. Post balance sheet events**

The Members are not aware of any matters or circumstances arising since 31 March 2020, not otherwise dealt within the financial statements, which significantly affects the financial position of the LLP and the results of its operations.

#### **7. Transactions with related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

During the year ended 31 March 2020, Iona EI (General Partner) 2 LLP received a General Partner's Share of GBP 643,137 (2019: GBP 661,763) from the Fund.

During the year ended 31 March 2020, Iona EI (General Partner) 2 LLP incurred management fees of GBP 643,137 (2019: GBP 661,763) from Iona Capital Ltd. Two of the Directors of Iona Capital Ltd, the Manager, are also members of Iona EI (General Partner) 2 LLP. As at 31 March 2020, a balance of GBP 200 (2019: GBP 200) was due to Iona Capital Ltd in respect of working capital advanced.