

# WHEATSHEAF GENERAL PARTNER (NO 2) LIMITED

## Report and Financial Statements Year Ended 31 December 2019

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# WHEATSHEAF GENERAL PARTNER (NO 2) LIMITED

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# WHEATSHEAF GENERAL PARTNER (NO 2) LIMITED

## OFFICERS AND REGISTERED OFFICE

### Directors

I R S Prideaux

H F Jaquiss

S H Dean

### Company secretary

S H Carss

### Registered office

The Reay Forest Estate Office

Achfary

Sutherland

IV27 4PQ

## **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the company together with the financial statements for the year ended 31 December 2019.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

### **Activities**

The company's principal activity is to act as general partner to the Wheatsheaf Private Equity (No.2) Limited Partnership, a limited partnership registered in Scotland. There were no transactions in the financial year and therefore no profit and loss account has been presented.

### **Directors**

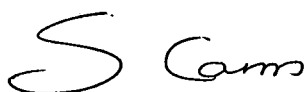
The directors of the company who served during the year were:

I R S Prideaux

H F Jaquiss

S H Dean

Approved by the Board of Directors  
and signed on its behalf by



**S H Carss**

Company Secretary

10 SEPTEMBER 2020

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and accounting estimates that are reasonable and prudent; and
- (c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WHEATSHEAF GENERAL PARTNER (NO 2) LIMITED

**BALANCE SHEET  
AS AT 31 DECEMBER 2019**

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	3		23		23
<b>Current assets</b>					
Debtors	4	40		40	
<b>Creditors: amounts falling due within one year</b>	5	<u>(23)</u>		<u>(23)</u>	
<b>Net current assets</b>			<u>17</u>		<u>17</u>
<b>Net assets</b>			<u>40</u>		<u>40</u>
<b>Capital and reserves</b>					
Called up share capital	6		<u>40</u>		<u>40</u>
<b>Shareholders' funds</b>			<u>40</u>		<u>40</u>

The company did not trade during the current or preceding year and has made neither profit or loss, nor any other items of comprehensive income.

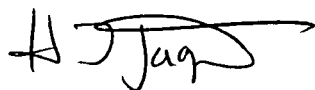
Wheatsheaf General Partner (No 2) Limited is a dormant company, as defined by the Companies Act 2006 and was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its accounts for this period in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements of Wheatsheaf General Partner (No 2) Limited, company registration number SC331840, were approved by the Board of Directors on 10 SEPTEMBER 2020 and signed on its behalf by:



**H F Jaquiss**  
Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. Accounting policies**

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principal accounting policies adopted are described below. They have been applied consistently throughout the current and previous year.

**Basis of accounting**

The financial statements are prepared under the historical cost convention.

**Investments**

Shares in related undertakings are stated at cost less provision for impairment.

**2. Profit and loss account**

The company has no employees other than the directors (2018: nil). The directors received no remuneration from the company during the year (2018: nil).

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any other items of comprehensive income during either the current or preceding year. There have been no movements in shareholders' funds during the current year or preceding financial year and therefore no statement of changes in equity has been included. The expenses of the company are met by Deva Victrix Holdings Limited, its parent company.

**3. Fixed asset investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Unlisted shares at cost</b>		
At beginning and end of the year	<u>23</u>	<u>23</u>

The above investment is in the Wheatsheaf Private Equity (No.2) Limited Partnership, a limited partnership registered in Scotland. Wheatsheaf General Partner (No 2) Limited is entitled to 0.0002% of the profit, loss and net assets of the partnership. At 31 December 2019 the Company's share of the partnership's accumulated undistributed profit is £37 (2018: £32).

**4. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<u>40</u>	<u>40</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Amounts owed to related undertakings	<u>23</u>	<u>23</u>

**6. Share capital**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Allotted and called up</b>		
40 ordinary shares of £1 each (2018: 40)	<u>40</u>	<u>40</u>

The company has one class of ordinary shares which carries no right to fixed income.

**7. Ultimate parent undertaking**

The company's immediate and ultimate parent undertaking is Deva Victrix Holdings Limited, a company registered in England and Wales. Deva Victrix Holdings Limited is wholly owned by a Grosvenor Estate trust.

Deva Victrix Holdings Limited heads the largest and smallest group of undertakings of which the company is a member and for which group financial statements have been prepared for the year ended 31 March 2020.

Copies of the consolidated financial statements of Deva Victrix Holdings Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

**WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED  
PARTNERSHIP**

**General Partner's Report and Financial Statements**

**Year Ended 31 December 2019**

**Partnership Registration No: 6544**

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

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# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## GENERAL INFORMATION

### Registered Office

The Reay Forest Estate Office  
Achfary  
Sutherland  
IV27 4PQ

### General Partner and Manager

Wheatsheaf General Partner (No.2) Limited  
Reay Forest Estate Office  
Achfary  
Sutherland  
IV27 4PQ

### Investment Manager

Cambridge Associates, LLC  
125 High Street  
Boston  
Massachusetts  
USA

### Solicitors

Shepherd and Wedderburn LLP  
1 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8HL

### Bankers

The Royal Bank of Scotland plc  
Commercial & Private Banking  
9th Floor  
250 Bishopsgate  
London  
EC2M 4AA

### Auditor

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## GENERAL PARTNER'S REPORT

The General Partner presents its report together with the audited accounts of the Wheatsheaf Private Equity (No.2) Limited Partnership ("the partnership") for the year ended 31 December 2019.

### Registration

The partnership was registered as a limited partnership in Scotland under the Limited Partnerships Act, 1907 on 23 April 2008.

### Principal activity

The principal activity of the partnership is to make investments in accordance with the provisions of the limited partnership agreement dated 21 April 2008.

### Results

The results for the year ended 31 December 2019 are shown in the statement of comprehensive income on page 7. The General Partner has not made any distributions to the Limited Partners in the current or preceding year.

### Valuation

Unquoted investments are held in the partnership accounts at valuation based on audited accounts provided by the Investee funds (see accounting policy notes for further details). The General Partner has overall responsibility for the valuation.

### Events after the balance sheet date

During the period from the balance sheet date to the date that the financial statements were approved, the Coronavirus (COVID-19) outbreak has already caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the Partnership is difficult to determine due to the uncertainty of government responses across the world, both safety-related and economic, within the jurisdictions in which our underlying investments reside. In accordance with the requirements of UK GAAP the fair values and carrying values at the date of the balance sheet reflect the economic conditions in existence at that date.

### Going concern

Taking into account the positive cash balance and after making enquiries, including consideration of the possible impact of COVID-19, for example on outstanding commitments and availability of funding, the General Partner has a reasonable expectation that the partnership has adequate resources to continue in existence for the foreseeable future. Any shortfall in funding the outstanding commitments will be met by further capital contributions from the limited partners.

The partnership has made a profit for the year of £1,894,358 (2018: £3,843,474) and has net assets of £30,070,135 (2018: £27,575,777), and sufficient cash balances and undrawn committed equity to cover operating expenses and investment commitments for the foreseeable future. Accordingly, the General Partner continues to adopt the going concern basis in preparing the financial statements.

### Provision of information to auditor

In the case of each of the members who are members of the partnership at the date when this report is approved:

- so far as they are individually aware, there is no relevant audit information of which the partnership's auditor is unaware; and
- each of the members has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the partnership's auditor is aware of the information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## GENERAL PARTNER'S REPORT (continued)

### Statement of General Partner's responsibilities

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with the limited partnership agreement, United Kingdom Financial Reporting Standards and the Companies Act 2006 as applied to Limited Partnerships by Statutory Instrument 'The Partnership (Accounts) Regulations 2008 ('SI 2008/569')'.

Company law requires the General Partner to prepare financial statements for each financial period. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable it to ensure that the financial statements comply with the Companies Act 2006. The General Partner is also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the General Partner has taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006; together with the exemption from preparing a Strategic Report provided by section 414B.

This report was approved by the board on 10 SEPTEMBER 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'H F Jaquiss', with a long horizontal line extending to the right.

H F Jaquiss

For and on behalf of Wheatsheaf General Partner (No.2) Limited

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Wheatsheaf Private Equity (No. 2) Limited Partnership (the 'qualifying partnership'):

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared 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"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in partnership funds;
- the cash flow statement;
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### 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 qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 are required by ISAs (UK) to report in respect of the following matters where:

- the General Partner's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the General Partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying 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.

We have nothing to report in respect of these matters.

#### Other information

The General Partner is responsible for the other information. The other information comprises the information included in the General Partner's Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial

## WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP (continued)

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 respect of these matters.

#### **Responsibilities of partners**

As explained more fully in the General Partner's responsibilities statement, the General Partner is 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 partners 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 partners are responsible for assessing the qualifying 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 partners either intend to liquidate the qualifying 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 further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the General Partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the General Partner's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the General Partner's report.

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

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report in respect of the following matters 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
- certain disclosures of General Partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The General Partner was not entitled to take advantage of the small qualifying partnership's exemption in preparing the General Partner's Report or from the requirement to prepare a Strategic Report.

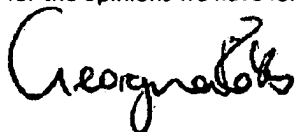
We have nothing to report in respect of these matters.

## WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP (continued)

#### Use of our report

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



Georgina Robb FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

11 September ..... 2020

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Operating income</b>			
Income receivable from fund managers		90,607	-
		<u>90,607</u>	<u>-</u>
<b>Expenses</b>			
Share of funds net expenditure		(547,360)	(538,702)
Other administrative expenses		(136,037)	(256,985)
		<u>(683,397)</u>	<u>(795,687)</u>
<b>Other operating items</b>			
Gains on disposal of investments		3,864,399	2,455,770
Fair value (losses)/gains on fixed asset investments	5	(1,176,254)	1,339,954
Fair value losses on current asset investments		(4,193)	-
Foreign exchange (losses)/gains		(318,108)	705,962
		<u>2,365,844</u>	<u>4,501,686</u>
<b>Operating profit</b>		1,773,054	3,705,999
Interest receivable		165,727	162,407
Interest payable		(2,544)	-
<b>Profit before taxation</b>	4	<u>1,936,237</u>	<u>3,868,406</u>
Tax on profit	2(c)	(41,879)	(24,932)
<b>Profit attributable to partners for the year and total comprehensive income</b>		<u>1,894,358</u>	<u>3,843,474</u>

All activities relate to continuing operations.

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	5	20,602,266	16,368,412
<b>Current assets</b>			
Debtors	6	23	23
Investments	7	19,725	-
Cash at bank and in hand		9,545,891	11,352,076
		9,565,639	11,352,099
<b>Creditors: amounts falling due within one year</b>	8	(97,770)	(144,734)
<b>Net current assets</b>		9,467,869	11,207,365
<b>Net assets attributable to the partners</b>		30,070,135	27,575,777
<b>Represented by:</b>			
<b>General Partner's account</b>			
Capital account		23	23
Current account		37	32
<b>Limited Partners' account</b>			
Capital accounts		13,600,000	13,000,000
Current accounts		16,470,075	14,575,722
<b>Partnership funds</b>		30,070,135	27,575,777

The General Partner in accordance with the Limited Partnership Agreement approved the financial statements of Wheatsheaf Private Equity (No. 2) Limited Partnership, partnership registration LP 6544

on 10 September 2020.



Signed on behalf of the General Partner, Wheatsheaf General Partner (No2) Limited

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## STATEMENT OF CHANGES IN PARTNERSHIP FUNDS AS AT 31 DECEMBER 2019

	Limited Partners		General Partner		Total
	Capital accounts £	Current accounts £	Capital account £	Current account £	£
<b>As at 1 January 2018</b>	13,000,000	10,732,255	23	25	23,732,303
<b>Total comprehensive income:</b>					
Profit for the year	-	3,843,467	-	7	3,843,474
<b>As at 31 December 2018</b>	13,000,000	14,575,722	23	32	27,575,777
<b>Total comprehensive income:</b>					
Profit for the year	-	1,894,353	-	5	1,894,358
	13,000,000	16,470,075	23	37	29,470,135
<b>Contributions by partners:</b>					
Capital contributions	600,000	-	-	-	600,000
<b>As at 31 December 2019</b>	13,600,000	16,470,075	23	37	30,070,135

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Net cash outflow from operating activities</b>	10	(110,879)	(117,337)
<b>Cash flow from investing activities</b>			
Proceeds from sale of fixed asset investments		5,232,210	4,285,767
Proceeds from sale of current asset investments		158,459	-
Interest received		165,727	162,407
Purchase of fixed asset investments		(7,325,167)	(3,312,770)
Purchase of investments	5	(182,534)	-
<b>Net cash flows from investing activities</b>		<u>(1,951,305)</u>	<u>1,135,404</u>
<b>Cash flows from financing activities</b>			
Capital contribution		600,000	-
Interest paid		(2,544)	-
<b>Net cash flows from financing activities</b>		<u>597,456</u>	<u>-</u>
 Net (decrease)/increase in cash and cash equivalents		 (1,464,728)	 1,018,067
 Cash and cash equivalents at beginning of year		 11,352,076	 9,794,712
 Effect of foreign exchange rate changes		 (341,457)	 539,297
 <b>Cash and cash equivalents at end of year</b>		 <u>9,545,891</u>	 <u>11,352,076</u>
 <b>Reconciliation to cash at bank and in hand</b>			
Cash at bank and in hand at end of year		<u>9,545,891</u>	<u>11,352,076</u>
<b>Cash and cash equivalents at end of year</b>		<u>9,545,891</u>	<u>11,352,076</u>

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2019

### 1. Partnership agreement

Wheatsheaf Private Equity (No.2) Limited Partnership was registered as a limited partnership in Scotland under the Limited Partnership Act 1907 on 23 April 2008. The General Partner is Wheatsheaf General Partner (No.2) Limited, a company incorporated in the UK under the Companies Act 2006. The address of the registered office for Wheatsheaf Private Equity (No.2) Limited Partnership and Wheatsheaf General Partner (No.2) Limited is given on page 1. The operation of the partnership is governed by the Partnership Agreement dated 21 April 2008. Under the terms of the Partnership Agreement:

- (a) The profits, losses and liabilities of the partnership shall be appropriated to the partners in the proportions equal to their percentage capital contribution from time to time, unless every partner agrees otherwise.
- (b) Profits available for distribution shall be paid to the partners on this basis determined by the General Partner from time to time; taking into account working capital requirements and such other matters as the General Partner considers to be relevant.
- (c) Notwithstanding the provisions of (a) above, the liability of each Limited Partner for any losses and liabilities of the partnership shall not exceed the amount of its capital contribution.

### 2. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted have been applied consistently in the current and prior years and are described below.

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and on a going concern basis, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. An assessment of going concern is contained within the General Partner's Report. After making appropriate enquiries and having considered the potential impact of COVID-19, the General Partners have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. As a result, the going concern basis of accounting remains appropriate.

The functional currency of the LP is considered to be pounds sterling because that is the currency of the primary economic environment in which the LP operates.

#### (b) Financial Instruments

Financial assets and financial liabilities are recognised when the partnership becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### (i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the statement of comprehensive income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the statement of balance when, and only when there exists a legally enforceable right to set off the recognised amounts and the partnership intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2019

### 2. Accounting policies (continued)

#### *(ii) Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Investments have been classified as instruments at fair value through the statement of comprehensive income ('the fair value'). In estimating the fair value of any investments, the manager shall use the audited valuations provided by the general partners and/or administrators of the Investee funds. The valuations of the Investee funds have been reviewed since the year end to assess whether any impairment in valuations has arisen.

#### **(c) Taxation**

As a partnership, taxable income and chargeable gains and losses are borne by the individual partners and are not reflected in these accounts.

A tax charge of £41,879 (2018: £24,932) in respect of US tax liabilities has been borne by the partnership in the year, being tax withheld on distributions received.

#### **(d) Share of funds net expenditure**

Fund management expenses represents share of net income or expenditure recorded in each of the underlying funds translated into sterling using an average exchange rate for the year.

#### **(e) Foreign currency**

The partnership invests solely in funds based in the United States. These investments are made in US dollars and are translated into sterling at the rates of exchange ruling at the date of the transaction.

The year end value of each investment is retranslated into sterling using the year end exchange rate and the resultant exchange gain or loss is shown in the Statement of Comprehensive Income.

Monetary assets and liabilities are translated into sterling at the month end rate, and the resultant gain or loss on exchange is reflected in the Statement of Comprehensive Income.

#### **(f) Operating income**

Income receivable from fund managers is accounted for on an accruals basis and when the Partnership is legally entitled to the income and the amount can be reliably measured.

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the partnerships accounting policies, which are described in note 2, the General Partner is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The General Partner does not consider there are any critical accounting judgements, other than those involving estimations, applied in the preparation of the accounts.

#### **Key sources of estimation uncertainty**

In estimating the fair value of the investments, the partnership uses market observable data to the extent that it is available which approximates the share of net assets of the underlying funds as reported in their audited accounts. Apart from those involving estimations, which are dealt with separately above.

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2019

### 4. Profit before taxation

Profit before taxation is stated after charging:

	2019 £	2018 £
Fees payable to the partnership's auditor for the audit of the partnership's annual accounts	5,428	4,800

The partnership had no employees in the year (2018: none).

There were no non-audit services provided by the partnership's auditor in the current and prior year.

### 5. Fixed Asset Investments

	1 January 2019 £	Net additions/ (disposals) £	Fair value movement £	31 December 2019 £
<b>Private Equity Funds (i)</b>				
Columbia Capital Equity Partners V (Non-US) LP	2,189,776	(56,825)	(968,020)	1,164,931
SV Life Sciences Fund V, LP	2,053,838	123,584	(493,581)	1,683,841
Summit Partners Growth Equity Fund VIII-A, LP	3,090,071	(269,095)	(823,018)	1,997,958
Dover Street VIII Cayman Fund LP	1,557,828	(127,788)	(12,156)	1,417,884
XPV Water Fund II LP	2,344,599	440,160	178,049	2,962,808
Dover Street IX Cayman Fund LP	1,694,059	271,742	277,941	2,243,742
SV Life Sciences Fund VI, LP	2,569,168	75,450	58,605	2,703,223
Sofinnova Venture Partners X, LP	435,691	394,097	226,144	1,055,932
Spectrum Equity VIII B LP	433,382	1,623,569	(196,217)	1,860,734
Atlas Capital Resources III LP	-	394,847	108,264	503,111
MGG SF Drawdown Unlevered Fund II LP	-	2,833,154	(49,894)	2,783,260
Dover Street X Cayman Fund LP	-	-	30,431	30,431
Lux Co-Invest Opportunities II LP	-	11,235	(2,331)	8,904
SV7 Impact Medicine Fund LP	-	47,848	(30,662)	17,186
Orbimed Royalty & Credit Opportunities III LP	-	195,490	(27,169)	168,321
	<u>16,368,412</u>	<u>5,957,468</u>	<u>(1,723,614)</u>	<u>20,602,266</u>

(i) Private Equity Funds - The value of the private equity funds represents the partnership's share of the net assets of the Investee funds as reported in their audited accounts for the year ended 31 December 2019.

Wheatsheaf Private Equity (No 2) LP holds less than 20% of each of the above funds.

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2019

### 5. Investments (continued)

	<b>2019</b>
	<b>£</b>
Decrease in valuation for the year:	
Fair value net losses on investments	(1,176,254)
Share of funds net expenditure	(547,360)
Total decrease in valuation for the year	<u>(1,723,614)</u>

	<b>2019</b>
	<b>£</b>
Foreign exchange gains included within fair value losses on fixed asset investments	<u>(922,537)</u>
Net additions for the year:	
Investments acquired	7,325,167
Return of capital	<u>(1,367,699)</u>
	<u>5,957,468</u>

The historical cost of the above investments is:

	<b>2019</b>
	<b>£</b>
Columbia Capital Equity Partners V LP	870,826
SV Life Sciences Fund V, LP	2,313,169
Summit Partners Growth Equity Fund VIII-A, LP	1,875,212
Dover Street VIII Cayman Fund LP	770,036
XPV Water Fund II LP	2,382,803
Dover Street IX Cayman Fund LP	1,688,363
SV Life Sciences Fund VI, LP	2,056,851
Sofinnova Venture Partners X, LP	824,938
Spectrum Equity VIII B LP	2,140,808
Atlas Capital Resources III LP	394,847
MGG SF Drawdown Unlevered Fund II LP	2,833,154
Dover Street X Cayman Fund LP	-
Lux Co-Invest Opportunities II LP	11,235
SV7 Impact Medicine Fund LP	47,848
Orbimed Royalty & Credit Opportunities III LP	195,490
	<u>18,405,580</u>

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2019

### 5. Investments (continued)

Wheatsheaf Private Equity (No. 2) LP has committed funds as follows as at 31 December 2019:

	Commitment	Invested as at 1 January 2019	Invested in year	Balance of commitment at 31 December 2019
	US\$	US\$	US\$	US\$
Columbia Capital Equity Partners V (Non-US) LP	4,000,000	3,941,857	-	58,143
SV Life Sciences Fund V, LP	4,000,000	3,726,425	160,000	113,575
Summit Growth Equity VIII	5,000,000	3,835,945	(10,772)	1,174,827
Dover Street VIII Cayman Fund LP	5,000,000	4,500,000	50,000	450,000
XPV Water Fund II LP	4,000,000	2,550,922	339,077	1,110,001
Dover Street IX Cayman Fund LP	4,000,000	2,120,000	760,000	1,120,000
SV Life Sciences Fund VI, LP	4,000,000	2,582,886	100,138	1,316,976
Sofinnova Venture Partners X, LP	3,000,000	570,000	510,000	1,920,000
Spectrum Equity VIII B LP	4,000,000	660,000	2,040,000	1,300,000
Atlas Capital Resources III LP	2,000,000	-	510,553	1,489,447
MGG SF Drawdown Unlevered Fund II LP	4,000,000	-	3,609,605	390,395
Dover Street X Cayman Fund LP	4,000,000	-	-	4,000,000
Lux Co-Invest Opportunities II LP	3,000,000	-	15,000	2,985,000
SV7 Impact Medicine Fund LP	3,000,000	-	62,841	2,937,159
Orbimed Royalty & Credit Opportunities III LP	5,000,000	-	250,000	4,750,000

### 6. Debtors

	2019	2018
	£	£
Other debtors	23	23

### 7. Current Asset Investments

	2019	2018
	£	£
Merrill Lynch stock account at fair value	19,725	-
	19,725	-

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

	2019	2018
	£	£
Accruals	97,770	144,734

# WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2019

### 9. Financial instruments

The carrying values of the partnership's financial assets and liabilities are summarised by category below:

	2019 £'000	2018 £'000
<b>Equity instruments measured at fair value</b>		
Fixed asset investments in unlisted instruments (see note 5)	20,602,266	16,368,412
Current asset investments in unlisted instruments (see note 7)	19,725	-

The partnership's income, expense, gains and losses in respect of financial instruments are summarised below:

	2019 £'000	2018 £'000
<b>Interest income and expenses</b>		
Interest income on cash at bank and in hand	165,727	162,407
<b>Fair value gains and losses</b>		
On financial assets (including fixed and current listed investments) measured at fair value through the Statement of Comprehensive Income net of expenses	(1,727,807)	801,252

### 10. Reconciliation of operating profit to net cash flow from operating activities

	2019 £	2018 £
Operating profit	1,773,054	3,705,999
Adjustments for:		
Share of funds net expenditure	547,360	538,702
Unrealised exchange losses/(gains)	341,457	(539,297)
Gains on disposal of investments	(3,864,399)	(2,455,770)
Fair value gains on current asset investments	4,193	-
Fair value losses/(gains) on fixed asset investments	1,176,254	(1,339,954)
Operating cash outflow before movements in working capital	(22,081)	(90,320)
Decrease in debtors	-	20,567
Decrease in creditors	(46,964)	(22,652)
Tax paid	(41,834)	(24,932)
<b>Net cash flow from operating activities</b>	<b>(110,879)</b>	<b>(117,337)</b>

### 11. Transactions with related parties

No fees have been payable to the General Partner in the current and prior year.

During the year the partnership purchased \$0.7m in cash from Deva Private Equity LP at an average spot rate of 1.28455 USD/GBP and \$0.75m from Deva Private Equity (No. 2) LP at an average spot rate of 1.28545 USD/GBP.

## WHEATSHEAF PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

### NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2019

**12. Controlling party**

The General Partner and controlling party, Wheatsheaf General Partner (No 2) Limited is a company registered in Scotland which is wholly-owned by Deva Victrix Holdings Limited, a company registered in England and Wales, which is wholly-owned by a Grosvenor trust.

**13. Events after the balance sheet date**

During the period from the balance sheet date to the date that the financial statements were approved, the Coronavirus (COVID-19) outbreak has already caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the Partnership is difficult to determine due to the uncertainty of government responses across the world, both safety-related and economic, within the jurisdictions in which our underlying investments reside. In accordance with the requirements of UK GAAP the fair values and carrying values at the date of the balance sheet reflect the economic conditions in existence at that date.