

DEVA GENERAL PARTNER (NO. 2) LIMITED

Report and Financial Statements

Year Ended 31 December 2016

WEDNESDAY



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DEVA GENERAL PARTNER (NO. 2) LIMITED

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DEVA GENERAL PARTNER (NO. 2) LIMITED

OFFICERS AND REGISTERED OFFICE

DIRECTORS

P L Doyle
I R S Prideaux

SECRETARY

G M Chadwick

REGISTERED OFFICE

The Reay Forest Estate Office
Achfary
Sutherland
IV27 4PQ

DEVA GENERAL PARTNER (NO. 2) LIMITED

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 2016. In the prior period the Company changed its accounting reference date to 31 December in order to bring reporting periods in line with Wheatsheaf Group policy.

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 Deva Private Equity (No.2) Limited Partnership, a limited partnership registered in Scotland.

DIRECTORS

The Directors of the Company who served throughout the period and thereafter were:

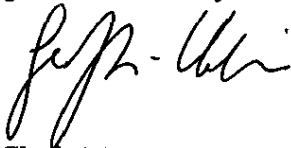
P L Doyle

J H M Newsum

(resigned 31 December 2016)

I R S Prideaux

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



G M Chadwick

Company Secretary

1st August 2017

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.

DEVA GENERAL PARTNER (NO. 2) LIMITED

BALANCE SHEET As at 31 December 2016

	Note	31 December 2016		31 December 2015	
		£	£	£	£
FIXED ASSETS					
Investments	3		10		10
CURRENT ASSETS					
Debtors	4	-		7	
Cash at bank and in hand		18		11	
		<u>18</u>		<u>18</u>	
NET CURRENT ASSETS			<u>18</u>		<u>18</u>
NET ASSETS			<u>28</u>		<u>28</u>
CAPITAL AND RESERVES					
Called up share capital	5		27		27
Profit and loss account	6		<u>1</u>		<u>1</u>
SHAREHOLDERS' FUNDS			<u>28</u>		<u>28</u>

The Company did not trade during the current year or preceding period and has made neither profit or loss, nor any other items of comprehensive income. Deva General Partner (No.2) Limited is a dormant company, as defined by the Companies Act 2006, and has therefore elected to retain its accounting policies for reported assets, liabilities and equity at the date of transition to FRS102 in accordance with the transition provisions in paragraph 35.10 in FRS102.

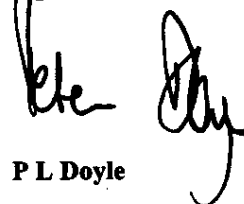
For the year ended 31 December 2016 the Company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies.

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 financial statements of Deva General Partner (No.2) Limited, company registration number SC308452, were approved by the Board of Directors on 18 July 2017.

Signed on behalf of the Board of Directors



P L Doyle
Director

DEVA GENERAL PARTNER (NO. 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

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

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 (31 December 2015: same). The Directors did not receive any remuneration from the Company during the year (31 December 2015: same).

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 year or preceding financial period. There have been no movements in shareholders' funds during the current year or preceding financial period and therefore no statement of changes in equity has been included. The expenses of the Company are met by Wheatsheaf Group Limited, its parent company.

3. FIXED ASSET INVESTMENTS

	31 December 2016 £	31 December 2015 £
Unlisted shares at cost		
At beginning and end of the year	10	10

The above investment is held in the Deva Private Equity (No.2) Limited Partnership, a limited partnership registered in Scotland. Deva General Partner (No.2) Limited is entitled to 0.0002% of the profit, loss and net assets of the partnership. At 31 December 2016 the Company's share of the partnership's accumulated undistributed profit is £35 (31 December 2015 - £15).

4. DEBTORS

	31 December 2016 £	31 December 2015 £
Amounts owed by related undertakings	-	7

5. SHARE CAPITAL

	31 December 2016 £	31 December 2015 £
Called up, allotted and fully paid		
27 ordinary shares of £1 each (31 December 2015: 27)	27	27

DEVA GENERAL PARTNER (NO. 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2016

6. PROFIT AND LOSS ACCOUNT

	31 December 2016 £	31 December 2015 £
At beginning and end of the year	<u>1</u>	<u>1</u>

7. ULTIMATE PARENT UNDERTAKING

The Company's immediate and ultimate parent undertaking is Wheatsheaf Group Limited, a company registered in England and Wales. Wheatsheaf Group Limited is wholly owned by trusts and members of the Grosvenor family headed by the Duke of Westminster.

Wheatsheaf Group 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 December 2016.

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

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

General Partner's Report and Financial Statements

Year Ended 31 December 2016

Partnership Registration No: 5897

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DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

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DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

GENERAL INFORMATION

Registered Office

The Reay Forest Estate Office
Achfary
Sutherland
IV27 4PQ

General Partner and Manager

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

Investment Manager

Cambridge Associates, LLC
100 Summer Street
Boston
Massachusetts
USA

Solicitors

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

Bankers

The Royal Bank of Scotland plc
London Corporate Service Centre
PO Box 39952
2½ Devonshire Square
London
EC2M 4XJ

Statutory Auditor

Deloitte LLP
London

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT

The General Partner presents its report together with the audited accounts of the Deva Private Equity (No.2) Limited Partnership ("the Partnership") for the year ended 31 December 2016. During the prior year, the year end of the Partnership was changed from 31 March to 31 December with results being reported for a nine month period from 1 April to 31 December 2015.

Registration

The Partnership was registered as a limited partnership in Scotland under the Limited Partnerships Act, 1907 on 10 November 2006.

Principal activity

The principal activity of the Partnership is to make investments in accordance with the provisions of the Limited Partnership Agreement dated 30 October 2006.

Results

The results for the year ended 31 December 2016 are shown in the statement of comprehensive income on page 7. The General Partner has not made any distributions to the partners in the current year or preceding period.

Going concern

After making enquiries, including consideration of the outstanding commitments and positive cash balance, 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 partner.

The partnership has made a profit for the year of £2,649,867 (nine months ended 31 December 2015: loss £2,349) and has net assets of £17,269,118 (2015: £14,619,251), and sufficient cash balances to cover operating expenses for the foreseeable future. Cash totalling £4.9m was returned to the Partners of Deva Private Equity (No2) LP in February 2017. This return on capital was surplus to working capital requirements. Accordingly, the general partner continues to adopt the *going concern basis in preparing the financial statements*.

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.

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 confirmation 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.

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT (continued)

Statement of General Partner's responsibilities

The General Partner presents their report and the financial statements for the year ended 31 December 2016. The General Partner who served during the year was Deva General Partner (No.2) Limited.

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')'.

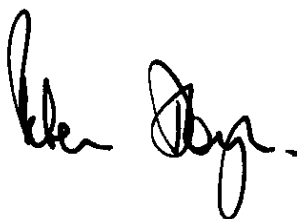
Company law requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 18 July 2017 and signed on its behalf.



P L Doyle

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

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

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

We have audited the financial statements of Deva Private Equity (No.2) LP for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in Partnership funds, the cash flow statement and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying 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 qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the general partner and auditor

As explained more fully in the Statement of General Partner's Responsibilities, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the general partner; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the manager's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006 as applied to qualifying partnerships.

Opinion 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the General Partner's Report.

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying 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
- certain disclosures of the 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; or
- the General Partner was not entitled to take advantage of the small qualifying partnerships exemption in preparing the General Partner's report or from the requirement to prepare a Strategic Report.



Georgina Robb FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

.....28 July.....2017

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016 £	9 months to 31 December 2015 £
Operating income			
Income from fund managers		84,969	137,690
Expenses			
Share of funds net expenditure		(105,040)	(579,434)
Other administrative expenses		(41,628)	(132,749)
		(146,668)	(712,183)
Other operating items			
Foreign exchange gains		541,449	47,360
Gains on disposal of investments		1,056,904	1,275,570
Fair value movements on investments	5	1,136,121	(715,696)
		2,734,474	607,234
Operating profit		2,672,775	32,741
Interest receivable		15,259	2,306
Profit before taxation	4	2,688,034	35,047
Taxation	2c	(38,167)	(37,396)
Profit /(loss) attributable to partners for the year/period and total comprehensive income		2,649,867	(2,349)

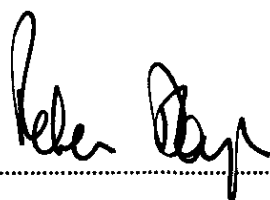
All activities relate to continuing operations.

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed Assets			
Investments	5	10,648,819	9,903,062
Current Assets			
Debtors	6	1,586	2,629
Cash at bank and in hand		6,694,496	4,808,592
		6,696,082	4,811,221
Current Liabilities			
Creditors: amounts falling due within one year	7	(75,783)	(95,032)
Net Current Assets		6,620,299	4,716,189
Net Assets attributable to the partners		17,269,118	14,619,251
Represented by:			
General Partner's account			
Capital account		10	10
Limited Partner's account			
Capital account		4,803,783	4,803,783
Current account		12,465,325	9,815,458
Partnership Funds		17,269,118	14,619,251

The General Partner in accordance with the Limited Partnership Agreement approved the financial statements on 18 July 2017.



Signed on behalf of the General Partner, Deva General Partner (No2) Limited
Partnership registration LP 5897

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN PARTNERSHIP FUNDS AT 31 DECEMBER 2016

	Capital accounts £	Current accounts £	General Partner Capital account £	Total £
As at 1 April 2015	4,803,783	9,817,807	10	14,621,600
Total comprehensive income:				
Loss for the period	-	(2,349)	-	(2,349)
As at 31 December 2015	<u>4,803,783</u>	<u>9,815,458</u>	<u>10</u>	<u>14,619,251</u>
Total comprehensive income:				
Profit for the year	-	2,649,867	-	2,649,867
As at 31 December 2016	<u>4,803,783</u>	<u>12,465,325</u>	<u>10</u>	<u>17,269,118</u>

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016	9 months to 31 December 2015
		£	£
Net cash inflow from operating activities	9	119,021	34,266
Cash flow from investing activities			
Proceeds from sale of investments		1,593,134	2,371,704
Interest received		15,259	2,306
Purchase of investments		(250,906)	(204,167)
Net cash inflow from investing activities		1,357,487	2,169,843
 Net increase in cash and cash equivalents		 1,476,508	 2,204,109
 Cash and cash equivalents at beginning of year		 4,808,592	 2,592,067
Effect of foreign exchange rate changes		409,396	12,416
 Cash and cash equivalents at end of year/period		 6,694,496	 4,808,592
 Reconciliation to cash at bank and in hand			
Cash at bank and in hand at end of the year		6,694,496	4,808,592
Cash and cash equivalents at end of year		6,694,496	4,808,592

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2016

1. Partnership agreement

Deva Private Equity (No.2) Limited Partnership was registered as a limited partnership in Scotland under the Limited Partnership Act 1907 on 10 November 2006. The General Partner is Deva General Partner (No.2) Limited, a company incorporated in the UK under the Companies Act. The address of the registered office for Deva Private Equity (No2) Limited Partnership and Deva General Partner (No2) Limited is given on page 2. The operation of the partnership is governed by the Partnership Agreement dated 30 October 2006. 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 are 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.

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 balance sheet 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.

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2016**

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 charge of £38,167 (2015: £37,396) in respect of US tax liabilities was incurred 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 rate of exchange ruling at the date of the transaction.

The period 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.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the partnership's accounting policies, which are described in note 2, the manager 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 key accounting judgement is in respect of the determination of the fair value of the investments, which are based on the audited accounts of the Investee Funds as noted in 2(b) above.

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2016

4. Operating profit

Operating profit is stated after charging:

	Year ended 31 December 2016 £	9 months to 31 December 2015 £
Fees payable to the partnership's auditor for the audit of the partnership's annual accounts	6,240	6,120

The partnership had no employees in the year (2015: none).

There were no non-audit services provided by the trust auditors in the current and prior year.

5. Investments

	1 January 2016 £	Net additions / (disposals) £	Fair value movement £	31 December 2016 £
Private Equity Funds (i)				
Sofinnova	676,657	20,512	(42,706)	654,463
Providence	3,232,972	(92,861)	237,985	3,378,096
Venrock	4,337,434	(108,396)	945,379	5,174,417
Symmetric LP	519,268	(27,953)	21,393	512,708
Dover Street VII	1,136,731	(76,626)	(130,970)	929,135
	<u>9,903,062</u>	<u>(285,324)</u>	<u>1,031,081</u>	<u>10,648,819</u>

Increase in valuation for the year:

	2016 £
Unrealised gains on investments	1,136,121
Share of funds net expenditure	(105,040)
	<u>1,031,081</u>

Additions / (disposals) for the year:

	2016 £
Investments acquired	250,906
Return of capital	(536,230)
	<u>(285,324)</u>

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2016

5. Investments (continued)

The historical cost of the above investments is:

	£
Sofinnova	690,280
Providence	2,686,321
Venrock	1,810,001
Symmetric LP	121,172
Dover Street VII	714,375
	<u>6,022,149</u>

(i) Deva Private Equity (No 2) LP has committed funds as follows as at 31 December 2016:

	Commitment	Invested as at 1 January 2016	Invested in year	Balance of Commitment at 31 December 2016
	US\$	US\$	US\$	US\$
Sofinnova	2,040,000	1,999,200	40,800	-
Providence	8,000,000	7,389,340	192,181	418,479
Venrock	5,000,000	4,000,000	750,000	250,000
Symmetric LP	2,500,000	1,503,568	256,134	740,298
Dover Street VII	4,000,000	3,830,000	-	170,000

Deva Private Equity (No2) LP holds less than 20% of each of the above funds.

6. Debtors

	2016 £	2015 £
Prepayments	<u>1,586</u>	<u>2,629</u>

7. Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals	<u>75,783</u>	<u>95,032</u>

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2016

8. Financial instruments

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

	2016 £	2015 £
Equity instruments measured at fair value		
Fixed asset investments in unlisted instruments (note 5)	<u>10,648,819</u>	<u>9,903,062</u>

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

	Year ended 31 December 2016 £	9 months to 31 December 2015 £
Interest income and expenses		
Interest income on cash at bank and in hand	15,259	2,306
Total interest income for financial assets measured at fair value through profit or loss	<u>24,813</u>	<u>120,080</u>
On financial assets (including listed investments) measured at fair value through the statement of comprehensive income net of expenses (note 5)	<u>1,031,081</u>	<u>(1,295,131)</u>

9. Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 31 December 2016 £	9 months to 31 December 2015 £
Operating profit	2,672,775	32,741
Adjustments for:		
Share of funds net expenditure	105,040	579,434
Unrealised exchange gains	(409,396)	(12,416)
Gains on disposal of investments	(1,056,904)	(1,275,570)
Fair value movement on investments	<u>(1,136,121)</u>	<u>715,696</u>
Operating cash inflow before movements in working capital	175,394	39,885
Tax paid	(38,167)	(37,396)
Decrease in debtors	1,043	305
(Decrease) / increase in creditors	<u>(19,249)</u>	<u>31,472</u>
Net cash inflow from operating activities	<u>119,021</u>	<u>34,266</u>

DEVA PRIVATE EQUITY (NO.2) LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2016

10. Transaction with related parties

No fees have been payable to the General Partner in the current year or preceding period.

The Partnership sold US\$2,000,000 in cash to Wheatsheaf Private Equity (No2) LP at a spot rate of 1.2437 USD/GBP on 20 December 2016.

11. Controlling party

The general partner and controlling party, Deva General Partner (No 2) Limited is a company registered in Scotland which is wholly-owned by Wheatsheaf Group Limited, a company registered in England and Wales which is wholly-owned by trusts and members of the Grosvenor family headed by The Duke of Westminster.

The sole limited partner, Deva Private Equity LP is a limited partnership registered in Scotland.

The partnership is not consolidated in any entity's group accounts.

12. Subsequent events

Cash totalling £4.9m was returned to the Partners of Deva Private Equity (No2) LP in February 2017 against its current account balance. This cash was surplus to working capital requirements.