



# BEIF Management Limited

Report and financial statements for the year to 31 March 2020

Registered Number : 04186911



## Directors' report

The Directors submit their report on BEIF Management Limited (the "Company") with the financial statements for the year ended 31 March 2020.

## Business review

### Activities and future prospects

The Company has not traded during the year. The Directors do not foresee any future changes in the activity of the Company.

## Directors

The following served as Directors throughout the year and to the date of this report except where otherwise indicated:

J Halai  
N W Middleton  
K J Dunn  
J C Murphy

## Going concern

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

## Exemption from presenting a Strategic Report

The Directors have taken the exemption available under Section 414B of the Companies Act in not presenting a Strategic Report.

## Auditor

In accordance with section 480 of the Companies Act 2006, no auditor has been appointed for the current financial period as the Directors have resolved that audited accounts are not required.



Jasi Halai  
Authorised Signatory

Registered Office  
16 Palace Street  
London  
SW1E 5JD

5 July 2020

## Directors' report

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 the profit or loss for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 which 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.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

## Statement of financial position

As at 31 March 2020

	Notes	2020 £	2019 £
<b>Assets</b>			
<b>Current assets</b>			
Amounts owed by group undertakings	3	2	2
<b>Total current assets</b>		2	2
<b>Net assets</b>		2	2
<b>Equity</b>			
Issued capital	2	2	2
<b>Total equity</b>		2	2

The accounting policies on page 4 and notes on pages 5 to 6 form an integral part of these financial statements.

Under section 480(1) of the Companies Act 2006, the Company is entitled to exemption from preparing audited financial statements for the year to 31 March 2020.

The Directors have not required the Company to obtain an audit of its financial statements for the year to 31 March 2020, in accordance with section 476(1) of the Companies Act 2006.

The Directors acknowledge their responsibility for:

- ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006, and
- preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of its profit or loss for the financial period, in accordance with the requirements of section 396 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

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



Jasi Halai  
Authorised Signatory  
15 July 2020

## Accounting policies

**A Statement of compliance** These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU and in accordance and compliance with the Companies Act 2006.

### New standards and interpretations applied

The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

		Effective for periods beginning on or after
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

IFRIC 23 clarifies IAS 12 in relation to accounting for income taxes when tax treatments are uncertain. The Directors evaluate such tax positions to determine whether, for all tax years still subject to assessment or challenge by the relevant taxation authorities, the tax positions are probable to be accepted on examination by the relevant tax authorities. If it is probable that the Company's tax positions are accepted, the taxable profits or losses should be consistent with the Company's tax filings. If it is not probable, the Company must reflect the effect of the uncertainty in determining its taxable profits or losses. The effect of the uncertain tax treatment is determined by applying the expected value method or by applying the most likely method.

The Directors have analysed the Company's tax positions, and has concluded that no liability for unrecognised tax exposures should be recorded in relation to uncertain tax positions for the year ended 31 March 2020.

### New standards and interpretations not applied

The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

		Effective for periods beginning on or after
IFRS 17	Insurance contracts	1 January 2021

The Directors have performed an assessment and do not anticipate that IFRS 17 will have a material impact on its results as the Company does not have any insurance contracts.

**B Basis of preparation** The principal accounting policies applied in the preparation of the Partnership accounts are disclosed below. These policies have been consistently applied and apply to all years presented.

These financial statements have been prepared on a going concern basis in accordance with and in compliance with the Companies Act 2006. The financial statements are presented in sterling, the functional currency of the Company, being the currency in which it operates and generates revenue and incurs expenses.

## Notes to the financial statements

### 1 Statement of comprehensive income

No statement of comprehensive income has been prepared as the Company has not traded during the year.

### 2 Share capital

	Number of shares	Amount £
Called up and allotted ordinary shares of £1 each at 31 March 2019 and 31 March 2020	2	2

### 3 Related parties

Each category of related parties and their impact on the financial statements is detailed below.

#### Parent company

<i>Issued capital</i>	2020 £	2019 £
Issued capital	2	2
Amounts owed by group undertakings	2	2

### 4 Parent undertaking and controlling party

The Company's immediate parent undertaking is 3i BIFM Investments Limited.

The Company's ultimate parent undertaking and controlling party is 3i plc which is incorporated in Great Britain and registered in England and Wales. Copies of its group financial statements, which include the Company, are available from 16 Palace Street, London, SW1E 5JD.

## Notes to the financial statements

### 5 Financial risk management

The Company is a subsidiary of 3i plc which sets objectives, policies and processes for managing and monitoring risk as set out in its Directors' report in the 3i plc annual report. This note provides further information on the specific risks faced by the Company.

#### **Capital Management**

The capital structure of the Company consists of equity. There is sufficient capital in the Company to cover liabilities and the Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations. No significant constraints have been identified in the past.

#### **Credit risk**

The Directors do not believe that there is significant credit risk as the Company had no receivables at 31 March 2020.

#### **Liquidity risk**

The Directors do not believe that there is significant liquidity risk as the Company has no trade and other payables at 31 March 2020.

#### **Market risk**

The Directors do not believe that there is significant market risk as the Company does not hold fixed or floating rate loans or liabilities or investments which are exposed to market fluctuations.

#### **Currency risk**

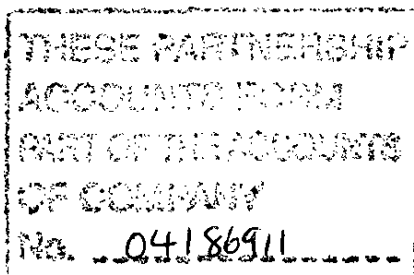
The Directors do not believe that there is significant currency risk as in the year ended 2020 the exposure of the Company to foreign currencies was nil and is expected to remain nil in the future years.



## BIIF Management LP

Annual report and accounts for the year to 31 December 2019

Registered number: SL006566





## Contents

Manager's report .....	2
Members' responsibilities statement .....	4
Statement of comprehensive income .....	5
Statement of changes in Partners' accounts .....	6
Statement of financial position .....	7
Statement of cash flows .....	8
Accounting policies .....	9
Notes to the financial statements .....	11

## Manager's report

The Directors of 3i BIFM Investments Limited (the "Manager") present their Manager's report on BIIF Management LP (the "Partnership") for the year ended 31 December 2019.

## Background and general information

The Partnership was established on 16 May 2008 and is domiciled in Scotland as a Scottish Limited Partnership under the Limited Partnership Act 1907. The registered office of the Partnership is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ. The General Partner of the Partnership is BEIF Management Limited.

The manager submits its report with the unaudited financial statements of the Partnership for the year to 31 December 2019.

## Activities and future prospects

The Partnership has been reported as a Qualifying Limited Partnership as defined under The Partnerships (Accounts) Regulations 2008. The principal activity of the Partnership is to carry on the business of an investor in Infrastructure deals across all regions in which BIIF LP (the "Fund") invests in Europe.

The Manager does not foresee any changes in the activity of the Partnership.

## Results

The Profit and Total comprehensive income for the year amounted to £46,546 (2018: £166,257). This includes an unrealised profit on revaluation of investments of £22,235 (2018: £126,844).

## Partners' interests

A summary of movements in Partners' accounts is given in the Statement of changes in Partners' accounts on page 6.

## Manager

The Manager has responsibility for managing and operating the Partnership and for managing its investment portfolio. The Manager is authorised and regulated by the Financial Conduct Authority.

## Going concern

The Manager is satisfied through performing stress testing analysis that the Partnership has sufficient undrawn commitments to draw down from Partners. In addition the Partnership has sufficient cash resources to ensure that the Partnership can continue to operate for the foreseeable future and for at least 12 months. Whilst the valuation of the assets within the Partnership's portfolio was impacted by the outbreak of COVID-19 up to the date of sign off, the Partnership does not need to rely on the sale of its assets to meet its obligations when they fall due. Accordingly, but recognising the high degree of uncertainty in respect of the dynamic situation unfolding with COVID-19 in the global economy, the Manager believes that it is appropriate to prepare the financial statements on a going concern basis.

## Events after the balance sheet date

The effects of COVID-19 remain uncertain subsequent to 31 December 2019 up to the date of sign off with the economic disruption continuing to impact the valuation of investments. The exact impact remains uncertain at this point and will be quantified at the next quarterly valuation date.

BIIF Management LP

## **Members' report (continued)**

### **Auditor**

In accordance with section 477 of the companies Act 2006, no auditor has been appointed for the current financial period as the Manager has resolved that audited accounts are not required.

For and on behalf of 3i BiFIM Investments Limited



Jasi Halai  
Authorised Signatory

11 September 2020

Registered office:  
16 Palace Street  
London  
SW1E 5JD

## **Members' responsibilities statement**

The Partnerships (Accounts) Regulations 2008 requires the Members to prepare financial statements for each financial year. The Members have appointed the Manager to prepare the financial statements.

The Manager is responsible for preparing the Strategic report, Members' report and the financial statements in accordance with applicable law and regulations.

The Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law. Under law the Manager 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 Partnership and the profit or loss of the Partnership for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager has been appointed by the Members to fulfil the below responsibilities of the Members.

The Manager is responsible for keeping adequate accounting records which 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 which enable the Manager to ensure that the financial statements comply with the Companies Act 2006 as applicable to Qualifying Limited Partnerships by The Partnerships (Accounts) Regulations 2008. The Manager 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. The Manager confirms that they have complied with the above requirements in preparing the financial statements.

## Statement of comprehensive income

for the year ended 31 December 2019

	Notes	2019 £	2018 £
Unrealised profit on investment in investment entities	2	22,235	126,844
<hr/>			
<b>Gross investment return</b>		22,235	126,844
General Partner's Share rebate		48,388	49,944
Operating expenses	1	(24,677)	(10,777)
Interest income		600	246
<hr/>			
<b>Profit and Total comprehensive income for the year</b>		46,546	166,257

All items in the above statement are derived from continuing operations. No operations were acquired or discontinued in the year.

The accounting policies on pages 9 to 10 and the notes on pages 11 to 13 form an integral part of these financial statements.

## Statement of changes in Partners' accounts

for the year ended 31 December 2019

	Capital Contributions £	Loan account £	Profit and loss account £	Total £
<b>Opening balance of Partners' accounts</b>	15,710	2,953,512	2,329,810	5,299,032
Distributions to Partners	-	(272,492)	-	(272,492)
	15,710	2,681,020	2,329,810	5,026,540
Profit and Total comprehensive income for the year	-	-	46,546	46,546
<b>Closing balance of Partners' accounts</b>	15,710	2,681,020	2,376,356	5,073,086

for the year ended 31 December 2018

	Capital Contributions £	Loan account £	Profit and loss account £	Total £
<b>Opening balance of Partners' accounts</b>	15,710	3,325,108	2,163,553	5,504,371
Distributions to Partners	-	(371,596)	-	(371,596)
	15,710	2,953,512	2,163,553	5,132,775
Profit and Total comprehensive income for the year	-	-	166,257	166,257
<b>Closing balance of Partners' accounts</b>	15,710	2,953,512	2,329,810	5,299,032

The accounting policies on pages 9 to 10 and the notes on pages 11 to 13 form an integral part of these financial statements.

## Statement of financial position

as at 31 December 2019

	Notes	2019 £	2018 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in investment entities	2	4,813,460	5,226,868
<b>Total non-current assets</b>		4,813,460	5,226,868
<b>Current assets</b>			
Cash and cash equivalents		298,849	94,166
Receivables	3	60,107	60,107
<b>Total current assets</b>		358,956	154,273
<b>Total assets</b>		5,172,416	5,381,141
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	4	(99,330)	(82,109)
<b>Total current liabilities</b>		(99,330)	(82,109)
<b>Total liabilities</b>		(99,330)	(82,109)
<b>Net assets attributable to Partners</b>		5,073,086	5,299,032
<b>Represented by:</b>			
Capital contributions		15,710	15,710
Loan account		2,681,020	2,953,512
Profit and loss accounts		2,376,356	2,329,810
<b>Total assets attributable to Partners</b>		5,073,086	5,299,032

The accounting policies on pages 9 to 10 and the notes on pages 11 to 13 form an integral part of these financial statements. The financial statements have been approved and authorised for issue by the Manager.

For the year ending 31 December 2019, the Partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

For and on behalf of 3i BIFM Investments Limited



Authorised signatory

Date: 11/09/20

## Statement of cash flows

for the year ended 31 December 2019

	Notes	2019 £	2018 £
<b>Cash flow from operating activities</b>			
Net cash flow from investment entities		435,644	356,435
Net cash flow from Co-invest refund		-	52,470
General Partner's Share rebate		48,388	49,944
Bank interest received		600	246
Operating expenses		(13,097)	(10,927)
<b>Net cash flow from operating activities</b>		<b>471,535</b>	<b>448,168</b>
<b>Cash flow from financing activities</b>			
Distributions		(266,852)	(363,903)
<b>Net cash flow from financing activities</b>		<b>(266,852)</b>	<b>(363,903)</b>
<b>Change in cash and cash equivalents</b>		<b>204,683</b>	<b>84,265</b>
Cash and cash equivalents at the start of the year		94,166	9,901
<b>Cash and cash equivalents at the end of the year</b>		<b>298,849</b>	<b>94,166</b>

The accounting policies on pages 9 to 10 and the notes on pages 11 to 13 form an integral part of these financial statements.



## Accounting policies

**A Statement of compliance** These financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU and in accordance and compliance with the Partnership (Accounts) Regulation 2008 and the Companies Act 2006.

### New standards and interpretations applied

The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

	Effective for periods beginning on or after
IFRIC 23      Uncertainty over income tax treatments	1 January 2019

IFRIC 23 clarifies IAS 12 in relation to accounting for income taxes when tax treatments are uncertain. The Manager evaluates such tax positions to determine whether, for all tax years still subject to assessment or challenge by the relevant taxation authorities, the tax positions are probable to be accepted on examination by the relevant tax authorities. If it is probable that the Partnership's tax positions are accepted, the taxable profits or losses should be consistent with the Partnership's tax filings. If it is not probable, the Partnership must reflect the effect of the uncertainty in determining its taxable profits or losses. The effect of the uncertain tax treatment is determined by applying the expected value method or by applying the most likely method.

The Manager has analysed the Partnership's tax positions, and has concluded that no liability for unrecognised tax exposures should be recorded in relation to uncertain tax positions for the year ended 31 December 2019.

### New standards and interpretations not applied

The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

	Effective for periods beginning on or after
IFRS 17      Insurance contracts	1 January 2021

The Manager has performed an assessment and does not anticipate that IFRS 17 will have a material impact on its results as the Partnership does not have any insurance contracts.

**B Basis of preparation** The principal accounting policies applied in the preparation of the Partnership accounts are disclosed below. These policies have been consistently applied and apply to all years presented. Whilst the valuation of the assets within the Partnership's portfolio was impacted by the outbreak of COVID-19 up to the date of sign off, the Partnership does not need to rely on the sale of its assets to meet its obligations as and when they fall due. The Manager has prepared a cash flow forecast and is satisfied that through cash resources the Partnership can continue to operate for the foreseeable future and for at least 12 months from the date of approval of the financial statements. Accordingly, but recognising the high degree of uncertainty in respect of the dynamic situation unfolding with COVID-19 in the global economy, the Manager believes that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements have been prepared on a going concern basis and are presented in pounds, the functional currency of the Partnership, being the currency in which Partners' capital commitments, drawdowns and distributions are denominated.

**C Significant accounting estimates and judgements** The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for estimation are described in the accounting policies below.

The most significant estimates for the Partnership relate to the fair valuation of the investments. The valuation methodologies for investments are disclosed in accounting policy D and is discussed in note 2.

## Accounting policies (continued)

**D Investments in investment entities** The Manager has concluded that an entity meets the definition of an investment entity where its strategic objective is of investing in portfolio investments; providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation; and measuring and evaluating the performance of substantially all of its investments on a fair value basis. These entities are typically Limited Partnerships and other intermediary holding structures which holds the Partnership's interest in the underlying investment portfolio.

There are two type of Investment entities identified by the Manager: (a) Investment entities that are controlled by the Partnership, defined as 'Investment entity - controlled subsidiaries'; and (b) Investment entities that are managed by 3i Group plc but not controlled by the Partnership, defined as 'Investment entity - other'. Control, as defined by IFRS 10, is achieved when the Partnership is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in investment entities which are managed on a fair value basis and are classified as financial instruments at fair value through profit or loss. The fair value can increase or reduce from either cash flows to and from the investment entities or from valuation movements in line with the Partnership's valuation policy. The fair value of such entities is the fair value of their portfolio investments, subject to any appropriate adjustments, plus any other net assets held by the investment entities.

**E Revenue recognition** The revenue recognised by the Partnership is investment income, analysed into the following component:

Unrealised profits or losses on the revaluation of investments are the movement in the carrying value of investments between the start and end of the accounting period.

**F Operating expenses** All operating expenses incurred in relation to the management and administration of the Partnership in accordance with the Limited Partnership Agreement ("LPA") are charged to the Statement of comprehensive income on an accruals basis.

**G Offsetting financial assets and liabilities** Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously. As at 31 December 2019 and 31 December 2018, no financial assets and liabilities are offset in the Statement of financial position.

**H Cash and cash equivalents** Cash and cash equivalents in the Statement of financial position comprise cash at bank.

**I Distributions** All capital and income receipts are distributed among the Partners based on allocations made in accordance with the LPA and at the discretion of the Manager. Distributions to Partners are accounted for as a deduction to the loan account until the balance is repaid and then as a deduction to the profit and loss accounts. A distribution is recognised in the year when the Manager approves it.

**J Capital contributions and loan account** Capital contributions and loan account are classified as a financial liability. Partners have committed to the Partnership in accordance with the LPA. These commitments will be satisfied through the contribution of capital and loan subscription amounts when admitted to the Partnership. The amounts and the timings of calls for capital contribution and loan commitments from the Limited Partners are at the discretion of the General Partner. Capital contributions and loan account are carried at amortised cost.

**K Receivables** Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment. Assets are reviewed for recoverability and impairment using the expected credit loss model simplified approach. The Partnership will recognise the asset's lifetime expected credit losses at each reporting period where applicable in the Statement of comprehensive income.

**L Payables** Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the Statement of financial position date.

## Notes to the financial statements

### 1 Operating expenses

	2019 £	2018 £
Legal and Professional fees	24,677	10,777
	24,677	10,777

### 2 Investment in investment entities

	2019 £	2018 £
Opening fair value	5,226,868	5,456,455
Net cash flows to and from investment entities	(435,643)	(356,431)
Fair value gain	22,235	126,844
Closing fair value	4,813,460	5,226,868

All investments in investment entities are classified as Level 3 in the fair value hierarchy. There are no transfers in or out of Level 3 in the year (2018: nil).

A 5% movement in the closing book value of investments in investment entities would have an impact of £240,673 (2018: £261,343). There are no significant restrictions on the ability to transfer funds from the investment entities to the Partnership.

The Partnership provides support to its investment entities for the purchase of underlying assets and ongoing operations of the investment entities.

### 3 Receivables

	2019 £	2018 £
Amounts due from Limited Partners	59,957	59,957
Prepayment of Expenses	150	150
	60,107	60,107

### 4 Payables

	2019 £	2018 £
Amounts due to the Fund	87,750	82,109
Accrued Expenses	11,580	-
	99,330	82,109

### 5 Taxation

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

## 6 Financial instruments and associated risks

The Partnership is subject to market price risk, concentration risk, liquidity risk, capital management risk and operational impact of COVID-19.

### Market price risk

Market risk is the potential for changes in value due to the performance of underlying investments.

The Partnership's investments are susceptible to market price risk arising from uncertainties about future market conditions within which the investments operate. The Partnership's market risk is regularly managed by the Manager.

### Concentration risk

The Manager seeks to diversify risk through significant dispersion of investments by geography, economic sector and size as well as through the maturity profile of its investment portfolio.

The Partnership invests in one investment entity and, as a consequence, the aggregate return of the Partnership may be materially and adversely affected by the unfavourable performance of the investments held by the investment entity.

### Liquidity risk

The Partnership's liquidity risk is the risk that the Partnership will encounter difficulties raising liquid funds to meet commitments as they fall due. The Manager is responsible for determining the level of liquid funds to be held by the Partnership. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for both operational expenses and investments through capital calls from Partners. As at 31 December 2019, the Partnership has undrawn commitments of £599,807 (2018: £599,807) which is callable by the General Partner in accordance with the LPA. In light of the recent impact on investors of the worldwide spread of COVID-19 we have completed an assessment of the creditworthiness of our investors and have determined that they would be able to meet commitments as they fall due.

The Partnership's investments are subject to liquidity risk in the normal course of business. As at 31 December 2019, the Partnership held £4,813,460 (2018: £5,226,868) in investments that it considered to be illiquid. The Manager manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short term liquidity needs, as they fall due.

The following table analyses the Partnership's liabilities into relevant maturity groupings based on the remaining period at the Statement of financial position date. The amounts in the tables are the contractual undiscounted cash flows.

	Liabilities less than 1 year £	Liabilities between 1 - 5 years £	Liabilities more than 5 years £	Total £
<b>As at 31 December 2019</b>				
Other payables and accrued expenses	99,330	-	-	99,330
	99,330	-	-	99,330
<b>As at 31 December 2018</b>				
Other payables and accrued expenses	82,109	-	-	82,109
	82,109	-	-	82,109

The Partnership has no other liabilities to analyse into relevant maturity groupings.

## **6 Financial instruments and associated risks (continued)**

### **Capital Management**

The capital of the Partnership is considered to be the capital contributions, loan accounts and profit and loss accounts, which totalled £5,073,086 (2018: £5,299,032) at the reporting date. There are no externally imposed capital requirements on the Partnership. To maintain or adjust the capital structure, the General Partner may request additional contributions from the Partners in the form of drawdowns for operating expense or investment purposes and distribute capital back to the Partners on the sale of investments and receipt of income yield. No changes were made in the Partnership's objectives, policies or processes for the management of capital during the year ended 31 December 2019.

### **Operational impact of COVID-19**

COVID-19 presents the biggest risk to the global economy since the 2008 financial crisis and has led to severe reductions in economic growth forecasts worldwide. Clearly not all industries will see impacts to the same degree; however, the effects will be felt in a number of areas across the Manager, 3i, and the Partnership's portfolio companies.

COVID-19 has emphasised the importance of the Manager and the portfolio companies' focus on keeping employees safe, motivated and able to fulfil their roles effectively. New methods of working introduced in the wake of the COVID-19 outbreak have reshaped the work environment and the ways in which people interact and communicate. The Manager continues to review this situation based on the latest information available. Particular effort has been made to keep all staff informed and engaged through regular updates from management and team leaders. The Manager has taken the following steps in particular to address the impact on people and any risks that the changing work environment may present:

- Restrictions on international business travel to limit potential risk to staff;
- The implementation of a work-from-home policy for the UK and all international offices, facilitated through the use of remote login and video and audio conferencing;
- The provision of mental health and wellbeing advice and guidance to staff; and
- The provision of streamed fitness classes.

Members of the Manager's deal teams are working closely with our portfolio companies in order to manage the range of operational issues and problems that have arisen, aided by the close relationships built between the Manager and the underlying management teams. The impact from COVID-19 on each portfolio company is also closely monitored to analyse portfolio performance and future forecasts. Managing the stability and digital risk of an organisation's technology environment has become a key priority as firms seek to accomplish social distancing whilst maintaining normal everyday operations. Close monitoring of the performance of the Managers systems is ensuring their effective continuity. The Manager's IT system has performed strongly against these new demands with the continuation of high quality IT Service Desk support and the provision of accessible and effective video and audio teleconferencing software for all staff. Cybersecurity remains of paramount concern and monitoring of the risk to the Partnership and its portfolio companies continues, particularly in light of the recent surge in cyber-attacks such as COVID-19 related phishing attempts.

## **7 Related undertakings**

The Partnership has no interest in any subsidiaries, associates or joint ventures which would be classified as Related undertakings under the Companies Act 2006.

## **8 Controlling party**

3i Group plc ("3i") is the ultimate parent undertaking and controlling party of the Manager and of the General Partner of the Partnership. Copies of the 3i financial statements which include the Partnership are available from 16 Palace Street, London, SW1E 5JD.

## **9 Events after the balance sheet date**

The effects of COVID-19 remain uncertain subsequent to 31 December 2019 up to the date of sign off with the economic disruption continuing to impact the valuation of investments. The exact impact remains uncertain at this point and will be quantified at the next quarterly valuation date.