

DII CAPITAL 2 LIMITED

**Company Registration Number:
08088559 (England and Wales)**

Unaudited abridged accounts for the year ended 31 May 2018

Period of accounts

Start date: 01 June 2017

End date: 31 May 2018

DII CAPITAL 2 LIMITED

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for the Period Ended 31 May 2018

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DII CAPITAL 2 LIMITED**Balance sheet**

As at 31 May 2018

	<i>Notes</i>	<i>2018</i>	<i>2017</i>
		<i>£</i>	<i>£</i>
Fixed assets			
Investments:	2	17,383,584	16,275,104
Total fixed assets:		<u>17,383,584</u>	<u>16,275,104</u>
Current assets			
Debtors:	3	11,365,124	21,823,979
Cash at bank and in hand:		13,468,413	4,135,027
Total current assets:		<u>24,833,537</u>	<u>25,959,006</u>
Creditors: amounts falling due within one year:	4	(37,873,191)	(16,425,309)
Net current assets (liabilities):		<u>(13,039,654)</u>	<u>9,533,697</u>
Total assets less current liabilities:		4,343,930	25,808,801
Creditors: amounts falling due after more than one year:	5		(22,500,000)
Total net assets (liabilities):		<u>4,343,930</u>	<u>3,308,801</u>
Capital and reserves			
Called up share capital:		1	1
Profit and loss account:		4,343,929	3,308,800
Shareholders funds:		<u>4,343,930</u>	<u>3,308,801</u>

The notes form part of these financial statements

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Balance sheet statements

For the year ending 31 May 2018 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit 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 the preparation of accounts.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A).

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

The directors have chosen to not file a copy of the company's profit & loss account.

**This report was approved by the board of directors on 09 October 2018
and signed on behalf of the board by:**

Name: Richard Sharp
Status: Director

The notes form part of these financial statements

DII CAPITAL 2 LIMITED

Notes to the Financial Statements

for the Period Ended 31 May 2018

1. Accounting policies

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Other accounting policies

Basis of preparation These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Tax The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Investments Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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Notes to the Financial Statements

for the Period Ended 31 May 2018

2. Fixed investments

Investments in subsidiaries total £1 (2017: £1) Investments in associates total £2,097,610 (2017: £2,097,610) Non-current financial assets At 1 June 2017: £14,177,492 Revaluations: £1,693,662 Additions: £901,569 Disposals: £(1,486,750) At 31 May 2018: £15,285,973

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Notes to the Financial Statements

for the Period Ended 31 May 2018

3. Debtors

	2018	2017
	£	£
Debtors due after more than one year:	0	0

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Notes to the Financial Statements

for the Period Ended 31 May 2018

4. Creditors: amounts falling due within one year note

Bank loans total £33,405,060 (2017: £10,556,435) Amounts owed to related parties £4,468,130 (2017: £5,104,717) Other creditors £1 (2017: £764,157)

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Notes to the Financial Statements

for the Period Ended 31 May 2018

5. Creditors: amounts falling due after more than one year note

Bank loan £nil (2017: £22,500,000)

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Notes to the Financial Statements

for the Period Ended 31 May 2018

6. Loans to directors

An interest free loan was outstanding to the director, Richard Sharp, as at the year end as follows: At 1 June 2017: £(5,104,716) Advanced: £762,652 Repaid: £(126,066) As at 31 May 2018: £(4,468,129)

DII CAPITAL 2 LIMITED**Notes to the Financial Statements****for the Period Ended 31 May 2018****7. Related party transactions**

Name of the related party:	RS Special Feeder 1, LP
Relationship:	Shareholder is a partner in the management group of this fund
Description of the Transaction:	During the year, the company received distributions from RS Special Feeder 1, LP of £1,486,750 (2017: £398,844), and paid capital calls totalling £106,029 (2017: £849,572). At the year end, the investment in RS Special Feeder 1, LP was revalued to fair value, which resulted in an upward revaluation of £1,586,354 (2017: downward revaluation of £505,676). The value as at 31 March 2018 was used for the purposes of valuation as this was the latest available audited figure. The company is a limited partner of RS Special Feeder 1, LP.
	£
Balance at 01 June 2017	0
Balance at 31 May 2018	0

Name of the related party:	RS Special Feeder 2, LP
Relationship:	Shareholder is a partner in the management group of this fund
Description of the Transaction:	During the year, the company paid capital calls to RS Special Feeder 2, LP totalling £795,540 (2017: £355,695). At the year end, the investment in RS Special Feeder 2, LP was revalued to fair value, which resulted in an upward revaluation of £107,308 (2017: nil). The value as at 31 March 2018 was used for the purposes of valuation as this was the latest available audited figure. The company is a limited partner of RS Special Feeder 2, LP.
	£
Balance at 01 June 2017	0
Balance at 31 May 2018	0

Name of the related party:	DII Capital UK Adviser LLP
Relationship:	Company is a member of this LLP
Description of the Transaction:	During the year, DII Capital UK Adviser LLP recharged expenses of £nil (2017: £nil) to DII Capital 2 Limited. The company also loaned a total of £nil (2017: £200,000) during the year to DII Capital UK Adviser LLP to provide working capital. A total of £nil (2017: £500,000) of the loan balance was repaid before the year end. The

company is a member of the LLP. At the balance sheet date the amount due from DII Capital UK Adiser LLP was £11,759 (2017: £311,759).

	£
Balance at 01 June 2017	11,759
Balance at 31 May 2018	311,759