

Five Arrows Investments Limited
Annual Report and Unaudited Financial Statements
Year Ended 31 December 2016
Registration number: 02008260

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Five Arrows Investments Limited

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Five Arrows Investments Limited

Company Information

Directors Craig C Armstrong
 Magnus J Goodlad
 Benjamin M Johnston

Company secretary SJP Secretaries Limited

Registered office Windmill Hill
 Silk Street
 Waddesdon
 Aylesbury
 Buckinghamshire
 HP18 0JZ

Accountants Francis Clark LLP
 Hitchcock House
 Hilltop Park
 Devizes Road
 Salisbury
 Wiltshire
 SP3 4UF

Five Arrows Investments Limited

Directors' Report

Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors of the company

The directors who held office during the year were as follows:

Lord Rothschild (resigned 5 February 2016)

Craig C Armstrong

Magnus J Goodlad

Benjamin M Johnston

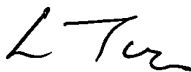
Principal activity

The principal activity of the company is that of investment and dealing.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 30/6/17 and signed on its behalf by:



.....
SJP Secretaries Limited
Company secretary

Five Arrows Investments Limited

Statement of Income and Retained Earnings

Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		2,041,063	1,754,871
Administrative income/(expenses)		314,713	(12,748)
Other operating income	3	<u>12,067,879</u>	<u>16,687,311</u>
Operating profit	4	<u>14,423,655</u>	<u>18,429,434</u>
Other interest receivable and similar income		5	5
Interest payable and similar charges		<u>(9,006)</u>	<u>-</u>
		<u>(9,001)</u>	<u>5</u>
Profit before tax		14,414,654	18,429,439
Taxation		<u>(33,525)</u>	<u>(1)</u>
Profit for the financial year		14,381,129	18,429,438
Retained earnings brought forward		104,588,431	86,158,993
Dividends paid		<u>(1,742,000)</u>	<u>-</u>
Retained earnings carried forward		<u><u>117,227,560</u></u>	<u><u>104,588,431</u></u>

Included in retained earnings carried forward are non-distributable reserves of £105,034,781.

Five Arrows Investments Limited

Balance Sheet

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Other financial assets	6	111,324,517	98,314,921
Current assets			
Debtors	5	5,000,998	1,899,491
Other financial assets	6	891,110	3,900,080
Cash at bank and in hand		46,403	476,614
		<u>5,938,511</u>	<u>6,276,185</u>
Creditors: Amounts falling due within one year	7	<u>(35,368)</u>	<u>(2,575)</u>
Net current assets		<u>5,903,143</u>	<u>6,273,610</u>
Net assets		<u>117,227,660</u>	<u>104,588,531</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>117,227,560</u>	<u>104,588,431</u>
Total equity		<u>117,227,660</u>	<u>104,588,531</u>

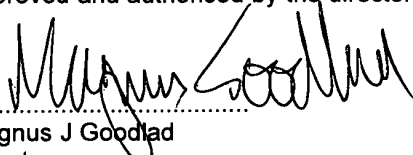
For the financial year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his 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.

Approved and authorised by the director on 30/12/17


.....
Magnus J Goodlad
Director

Company Registration Number: 02008260

Five Arrows Investments Limited

Notes to the Financial Statements

Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Windmill Hill
Silk Street
Waddesdon
Aylesbury
Buckinghamshire
HP18 0JZ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Change in basis of accounting and basis statement of compliance

The company's financial statements have been prepared in accordance with FRS102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland. The company has transferred from previously extant UK GAAP to FRS102 as at 1 January 2015. Comparatives have been restated, and an explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 8.

There are no material departures from FRS102.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

Five Arrows Investments Limited

Notes to the Financial Statements

Year Ended 31 December 2016

Judgements

Investments are classified as fixed assets if, at the point of acquisition, the directors intend to hold the assets for a period in excess of one year. Other investments are classified as current.

Key sources of estimation uncertainty

Valuation of investments - fixed and current asset investments that are listed on a recognised stock exchange are valued at open market value, which is provided by investment portfolio managers. The directors consider this to be equal to the fair value of the investment.

Where an investment is not listed on a recognised stock exchange it is recognised at its purchase price which is considered to be the fair value. The directors assess this fair value at the end of the reporting period in line with sales of similar investments. Where there is a material difference a fair value movement is recognised. The carrying amount is £112,215,626 (2015 -£102,215,001).

Revenue recognition

Dividends and interest on investments are credited to the profit and loss account in the period in which they relate by reference to payment dates. Bank interest is credited to the profit and loss account on an accrual basis. Where interest has not yet been received in cash these are included in accrued income.

Profit or losses on disposal of a current asset investment are accounted for in the profit and loss account for the period in which the disposal occurs.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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 corporation 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.

Five Arrows Investments Limited

Notes to the Financial Statements

Year Ended 31 December 2016

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Cash and bank balances; and
- Fixed and current asset investments.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for investments, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

For fixed and current asset investments listed on a recognised stock exchange these are initially recognised at cost and are subsequently carried at fair value, which is equal to the market value. All other investments are initially recognised at cost and subsequently carried at fair value.

Five Arrows Investments Limited

Notes to the Financial Statements

Year Ended 31 December 2016

3 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2016 £	2015 £
Fair value adjustments	<u>12,067,879</u>	<u>16,687,311</u>

4 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Foreign exchange (gains)/losses	<u>(321,923)</u>	<u>5,080</u>

5 Debtors

	2016 £	2015 £
Amounts owed by related parties	-	1,898,688
Prepayments	5,000,000	-
Accrued income	998	803
	<u>5,000,998</u>	<u>1,899,491</u>

Five Arrows Investments Limited

Notes to the Financial Statements

Year Ended 31 December 2016

6 Other investments

	Financial assets at fair value through profit and loss £	Total £
Non-current financial assets		
Valuation		
At 1 January 2016	98,314,922	98,314,922
Fair value adjustments	11,923,229	11,923,229
Additions	1,086,366	1,086,366
At 31 December 2016	<u>111,324,517</u>	<u>111,324,517</u>

The directors have valued the fair value of the unlisted fixed asset investments using an open market value at 31 December 2016. The fair value of the investments are £151,543 (2015 - £65,178).

The historic cost of the fixed asset investments are £6,548,720 (2015 - £5,462,354).

No deferred tax has been provided on fixed asset investments as the company would elect to transfer all gains to its' ultimate parent company.

	Financial assets at fair value through profit and loss £	Total £
Current financial assets		
Valuation		
At 31 December 2016	<u>891,110</u>	<u>891,110</u>

The historic cost of current asset investments are £701,543 (2015 - £3,785,744).

No deferred tax has been provided on current asset investments as the company would elect to transfer all gains to its' ultimate parent company.

Five Arrows Investments Limited

Notes to the Financial Statements

Year Ended 31 December 2016

7 Creditors

	Note	2016 £	2015 £
Due within one year			
Trade creditors	13	-	-
Corporation tax	33,525	-	-
Accrued expenses	1,830	2,575	
		<u>35,368</u>	<u>2,575</u>

8 Transition to FRS 102

This is the first year that the company has presented its' financial statements under FRS 102. The effect of transition to FRS 102 is shown in the table below:

Reconciliation of Equity at 1 January 2015

	£
Funds attributable to members at 1 January 2015 under previous UK GAAP	9,879,501
Investments at fair value	<u>76,279,592</u>
Funds attributable to members at 1 January 2015 under FRS 102	<u>86,159,093</u>

Reconciliation of Equity at 31 December 2015

	£
Funds attributable to members at 31 December 2015 under previous UK GAAP	11,621,628
Investments at fair value	<u>92,966,903</u>
Funds attributable to members at 31 December 2015 under FRS 102	<u>104,588,431</u>

Reconciliation of Profit and Loss at 31 December 2015

	£
Profit for the year ended 31 December 2015 under previous UK GAAP	1,742,127
Investments at fair value	<u>16,687,311</u>
Profit for the year ended 31 December 2015 under FRS 102	<u>18,429,438</u>