

Registered number: 02008260

FIVE ARROWS INVESTMENTS LIMITED

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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FIVE ARROWS INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Craig C Armstrong Penelope A H Elliott (resigned 19 May 2021)
Company secretary	SJP Secretaries Limited
Registered number	02008260
Registered office	Estate Yard Office Queen Street Waddesdon Buckinghamshire HP18 0JW
Accountants	Rawlinson & Hunter LLP Chartered Accountants Eighth Floor 6 New Street Square New Fetter Lane London EC4A 3AQ

FIVE ARROWS INVESTMENTS LIMITED

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FIVE ARROWS INVESTMENTS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his report and the financial statements of Five Arrows Investments Limited ("the company") for the year ended 31 December 2021.

Principal activity

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

Directors

The directors who served during the year were:

Craig C Armstrong
Penelope A H Elliott (resigned 19 May 2021)

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



SJP Secretaries Limited
Secretary

Date: 1 April 2022

FIVE ARROWS INVESTMENTS LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF FIVE ARROWS INVESTMENTS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Five Arrows Investments Limited ("the company") for the year ended 31 December 2021 which comprise the Unaudited Profit and Loss Account, the Unaudited Balance Sheet, the Unaudited Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of the company, as a body, in accordance with the terms of our engagement letter dated 9 November 2017. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Board of Directors of the company, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that the company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of the company. You consider that the company is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of the company. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Rawlinson & Hunter LLP

Chartered Accountants

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date: 1 April 2022

FIVE ARROWS INVESTMENTS LIMITED

**UNAUDITED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Investment income	2,295,386	2,404,525
Administrative expenses	(10,419)	(8,244)
Net gain/(loss) on fair value investments	41,431,131	(1,985,769)
Interest receivable and similar income	-	463
Interest payable and similar expenses	(11,822)	(10,254)
Profit before tax	43,704,276	400,721
Tax on profit	-	-
Profit for the financial year	43,704,276	400,721

The notes on pages 6 to 12 form part of these financial statements.

FIVE ARROWS INVESTMENTS LIMITED
REGISTERED NUMBER: 02008260

UNAUDITED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Non-current assets			
Investments	5	175,847,884	135,199,827
		<u>175,847,884</u>	<u>135,199,827</u>
Current assets			
Cash at bank and in hand	6	5,882,473	3,192,893
		<u>5,882,473</u>	<u>3,192,893</u>
Creditors: amounts falling due within one year	7	(5,579)	(4,813)
Net current assets		<u>5,876,894</u>	<u>3,188,080</u>
Net assets		<u><u>181,724,778</u></u>	<u><u>138,387,907</u></u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	181,724,678	138,387,807
		<u><u>181,724,778</u></u>	<u><u>138,387,907</u></u>

The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Craig C Armstrong
Director

Date: 01.04.2022

The notes on pages 6 to 12 form part of these financial statements.

FIVE ARROWS INVESTMENTS LIMITED

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	100	138,327,086	138,327,186
Profit for the year	-	400,721	400,721
Total comprehensive income for the year	-	400,721	400,721
Dividends	-	(340,000)	(340,000)
At 1 January 2021	100	138,387,807	138,387,907
Profit for the year	-	43,704,276	43,704,276
Total comprehensive income for the year	-	43,704,276	43,704,276
Dividends	-	(367,405)	(367,405)
At 31 December 2021	100	181,724,678	181,724,778

The notes on pages 6 to 12 form part of these financial statements.

FIVE ARROWS INVESTMENTS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Five Arrows Investments Limited ("the company") is a private company, limited by shares and is incorporated and domiciled in England and Wales. The company's registration number is 02008260 and its registered office is Estate Yard Office, Queen Street, Waddesdon, Buckinghamshire, HP18 0JW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, unless otherwise specified within these accounting policies, and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Cash flow

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

2.3 Revenue

Dividends on listed investments are recognised when the underlying security is quoted as ex-dividend. Dividends on unlisted investments are recognised on receipt. Interest income is recognised on a receivable basis. Where interest has not yet been received in cash it is included in accrued income.

Profit or loss on disposal of an investment is accounted for in the Profit and Loss Account for the period in which the disposal occurs.

2.4 Valuation of Investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historical cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

FIVE ARROWS INVESTMENTS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

FIVE ARROWS INVESTMENTS LIMITED

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

2.9 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

2.11 Dividends payable

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

FIVE ARROWS INVESTMENTS LIMITED

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.12 Current and deferred taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

FIVE ARROWS INVESTMENTS LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events, that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key estimates and assumptions used by the company are discussed below:

Classification of Investments

Investments are classified as non-current assets if, at the point of acquisition, the director intends to hold the assets for a period in excess of one year. Other investments are classified as current.

Valuation of Investments

Non-current 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 director considers this to be equal to the fair value of the investment.

Where an investment is not listed on a recognised stock exchange it is initially recognised at its purchase price which is considered to be the fair value. The director assesses the 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 of listed and unlisted investments is £175,847,884 (2020 - £135,199,827).

4. Employees

The company has no employees other than the directors, who did not receive any remuneration (2020 - £Nil).

FIVE ARROWS INVESTMENTS LIMITED

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Investments

	Listed investments £	Unlisted investments £	Total £
Valuation			
At 1 January 2021	121,644,673	13,555,154	135,199,827
Additions	-	1,247,667	1,247,667
Disposals	(745,900)	(1,389,905)	(2,135,805)
Revaluations	40,091,354	1,444,841	41,536,195
At 31 December 2021	<u>160,990,127</u>	<u>14,857,757</u>	<u>175,847,884</u>

The director has assessed the fair value of the investments on an open market value basis at 31 December 2021.

The historical cost of the investments is £17,633,451 (2020 - £18,078,749).

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

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>5,882,473</u>	<u>3,192,893</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	91	91
Accruals and deferred income	5,488	4,722
	<u>5,579</u>	<u>4,813</u>

FIVE ARROWS INVESTMENTS LIMITED

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	181,730,357	138,392,720

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand, and non-current investments.

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	100	100

10. Reserves

Profit and loss account

The Profit and Loss Account represents accumulated comprehensive income for the current and prior years net of dividends and other adjustments.

11. Controlling party

The immediate parent undertaking is Five Arrows Securities Limited and the ultimate parent undertaking is Five Arrows Limited.

The director considers that the company has no single ultimate controlling party.