

Registration number: 06056349

ARM Finance UK Two Limited

Annual Report and Financial Statements

for the Period from 1 January 2016 to 31 March 2017



ARM Finance UK Two Limited

Contents

Strategic Report	1
Directors' Report	2 to 3
Auditor's Report	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 16

ARM Finance UK Two Limited

Strategic Report for the Period from 1 January 2016 to 31 March 2017

The directors present their strategic report for the period from 1 January 2016 to 31 March 2017.

Fair review of the business

The principal operation and activity of the Company is to act as an intermediate holding company within the ARM Holdings plc Group (the "ARM Group").

The Company generated foreign exchange credits of £6,000 during the period 1 January 2016 to 31 March 2017 (year ended 31 December 2015: £1,000). There were no other operating revenues or costs during the period.

Dividends from group undertakings amounted to £nil for the period 1 January 2016 to 31 March 2017 (year ended 31 December 2015: £49,249,000).

At 31 March 2017 the Company had total investments of £224,439,000 (31 December 2015: £224,439,000) and total net assets of £225,183,000 (31 December 2015: £225,177,000).

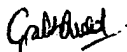
Principal risks and uncertainties

The directors of ARM Holdings plc and its subsidiaries (the "Group") manage the risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of ARM Finance UK Two Limited's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Strategic Report section of the ARM Holdings plc annual report which does not form part of this report. The Group's financial risk management policies are detailed in note 1c of the Financial Report section in the ARM Holdings plc annual report, which does not form part of this report.

Key performance indicators ("KPIs")

The Company's directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Approved by the Board of Directors on 28/4/17 and signed on its behalf by:



G Budd
Director

ARM Finance UK Two Limited

Directors' Report for the Period from 1 January 2016 to 31 March 2017

The directors present their report and the audited financial statements for the period from 1 January 2016 to 31 March 2017.

Directors of the Company

The directors who held office during the period and up to the date of signing the financial statements, unless otherwise stated, were as follows:

G Budd

P Davis (resigned 31 March 2017)

A Smith (appointed 31 March 2017)

C Kennedy (resigned 31 March 2017)

Principal activity

The principal activity of the Company is to act as an intermediate holding Company within the ARM Holdings plc group (the "ARM Group"). No changes to the Company's principal activity are currently envisaged.

Financial instruments

Financial risk management objectives and policies

The financial risk management objectives and policies of the ARM Group are detailed in the Annual Report for ARM Limited, which does not form part of this report.

The ARM Group's guidelines on managing currency risk, interest rate risk, securities price risk, credit risk and liquidity risk are also detailed in the Annual Report for ARM Limited, which does not form part of this report.

Dividends

The directors do not recommend the payment of a final dividend in respect of the period 1 January 2016 to 31 March 2017 (year ended 31 December 2015: £nil). An interim dividend related to the year ended 31 December 2014 was paid on 31 December 2015 at £0.49 per share, amounting to a total of £49.2 million.

Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have received confirmation that ARM Holdings plc intends to support the Company for at least one year after these financial statements are signed. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors' indemnities

The Company maintains liability insurance for its directors and officers. Following shareholder approval the Company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006. The third party indemnity provision was in force throughout the financial year and also up to the date of approval of the financial statements.

ARM Finance UK Two Limited

Directors' Report for the Period from 1 January 2016 to 31 March 2017 (continued)

Statement of Directors' Responsibilities

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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:

- select suitable accounting policies and then apply them consistently ;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Auditor

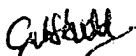
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditor in the period and have expressed their willingness to continue in office as auditor. Appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors on 28/9/17 and signed on its behalf by:



G Budd
Director

ARM Finance UK Two Limited

Independent Auditor's Report to the Members of ARM Finance UK Two Limited

We have audited the financial statements of ARM Finance UK Two Limited for the 15-month period ended 31 March 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 company's affairs as at 31 March 2017 and of its profit for the 15-month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Strategic Report and the Directors' Report.

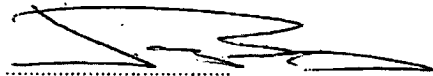
ARM Finance UK Two Limited

**Independent Auditor's Report to the Members of ARM Finance UK Two Limited
(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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Brass ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Statutory Auditor
St Albans, United Kingdom

28 September 2017

ARM Finance UK Two Limited

Profit and Loss Account for the Period from 1 January 2016 to 31 March 2017

		1 January 2016 to 31 March 2017 £ 000	Year ended 31 December 2015 £ 000
	Note		
Other operating income		6	1
Operating profit		6	1
Income from shares in group undertakings		-	49,249
Profit before tax	3	6	49,250
Tax on profit	6	-	-
Profit for the financial period		6	49,250

The above results were derived from continuing operations. There were no other comprehensive income or expenses other than as shown in the profit and loss account above. Accordingly, no statement of comprehensive income has been presented.

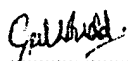
ARM Finance UK Two Limited

(Registration number: 06056349)

Balance Sheet as at 31 March 2017

	Note	31 March 2017 £ 000	31 December 2015 £ 000
Fixed assets			
Investments	7	224,439	224,439
Current assets			
Trade and other receivables	8	705	705
Cash at bank and in hand		39	33
		744	738
Net current assets		744	738
Total assets less current liabilities		225,183	225,177
Net assets		225,183	225,177
Capital and reserves			
Called up share capital	9	51,175	51,175
Profit and loss account	9	174,008	174,002
Total shareholders' funds		225,183	225,177

The financial statements on pages 6 to 16 were approved by the Board of Directors on 28/4/17.



G Budd
Director

ARM Finance UK Two Limited

Statement of Changes in Equity for the Period from 1 January 2016 to 31 March 2017

	Called up share capital £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 January 2015	51,175	174,001	225,176
Profit for the financial year	-	49,250	49,250
Total comprehensive income	-	49,250	49,250
Dividends (Note 10)	-	(49,249)	(49,249)
At 31 December 2015	51,175	174,002	225,177
At 1 January 2016	51,175	174,002	225,177
Profit for the financial period	-	6	6
Total comprehensive income	-	6	6
At 31 March 2017	51,175	174,008	225,183

The notes on pages 9 to 16 form an integral part of these financial statements.
Page 8

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017

1 General information

The Company is a private company limited by share capital incorporated and domiciled in England and Wales. The registered office of the Company is 110 Fulbourn Road, Cambridge, CB1 9NJ.

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.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has utilised the following exemptions:

- (i) the requirement to prepare a statement of cash flows under section 7 of FRS 102 and para 3.17(d);
- (ii) the Company has taken advantage of the exemptions contained within FRS 102 paragraph 33.1A not to disclose transactions with wholly owned group undertakings.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, SoftBank Group Corp., includes the Company's cash flows in its own consolidated financial statements.

The Company has taken advantage of the provisions of Section 401 of the Companies Act 2006 not to prepare consolidated financial statements since its results, assets and liabilities are included in the consolidated financial statements of the ultimate parent undertaking, SoftBank Group Corp. Accordingly, these financial statements present information about the Company and not about its group.

Statement of compliance

The individual financial statements of ARM Finance UK Two Limited have been prepared in compliance with United Kingdom accounting Standards, including FRS 102, and the Companies Act 2006.

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention and have been prepared on the going concern basis.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a significant degree of judgement or critical estimates that are significant to these financial statements.

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (continued)

2 Accounting policies (continued)

Disclosure of long period

The financial year end of the Company was changed from 31 December to 31 March so as to be coterminous with the year end of the ultimate parent undertaking, SoftBank Group Corp. Accordingly, the current financial statements have been prepared for 15 months from 1 January 2016 to 31 March 2017 and as a result, the comparative figures stated in the profit and loss account, statement of changes in equity and the related notes are not comparable.

Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have received confirmation that ARM Holdings plc intends to support the Company for at least one year after these financial statements are signed. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Foreign currency transactions and balances

Transactions denominated in foreign currencies have been translated into sterling at actual rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at rates ruling at the balance sheet date. Exchange differences have been included in operating profit.

The Company's functional and presentation currency is the pound sterling.

Investments

Investments are initially recorded at cost. There is a regular review of the carrying value of investments, with reference to quoted market values (for listed investments only), relevant financial information and industry conditions; impairment charges are recorded if there is evidence of impairment in value to reduce the carrying value of the investments to the market value of the shares held.

Financial instruments

The Company does not have any financial instruments, other than cash and intercompany receivables. Due to the short-term nature of these balances, the Company considers the fair value of these items to equal the carrying value. Intercompany receivables are measured at amortised cost.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are approved.

3 Profit before tax

Fees amounting to £3,000 (year ended 31 December 2015: £2,000) have been attributed to the audit of the Company from the Group audit fee. All fees payable to the auditor are accounted for within, and paid by, ARM Limited, a fellow Group company. No fee is recharged to the Company, and therefore this amount is not reflected in the Company's profit and loss account.

4 Staff costs

The Company had no employees (other than directors) throughout the period (year ended 31 December 2015: no employees).

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (continued)

5 Directors' remuneration

The directors did not receive any remuneration in respect of their duties as directors of the Company. All remuneration was paid by ARM Limited, a fellow Group company.

6 Taxation on profit

Tax charged/(credited) in the profit and loss account

	1 January 2016 to 31 March 2017 £ 000	Year ended 31 December 2015 £ 000
Tax charge/(credit) in the profit and loss account	<u>-</u>	<u>-</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2015: lower than the standard rate of corporation tax in the UK) of 20% (2015: 20.25%).

The differences are reconciled below:

	1 January 2016 to 31 March 2017 £ 000	Year ended 31 December 2015 £ 000
Profit before tax	<u>6</u>	<u>49,250</u>
Corporation tax at standard rate	1	9,973
Tax decrease arising from group relief	(1)	-
Tax decrease from effect of dividends from UK companies	<u>-</u>	<u>(9,973)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

At the balance sheet date the UK Government had enacted a 1% reduction in the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and a reduction to 17% from 1 April 2020.

7 Investments

	31 March 2017 £ 000	31 December 2015 £ 000
Shares in group undertakings	<u>224,439</u>	<u>224,439</u>

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (continued)

7 Investments (continued)

Shares in group undertakings	£ 000
Cost	
At 1 January 2016 and at 31 March 2017	<u>317,764</u>
Provision for impairment	
At 1 January 2016 and at 31 March 2017	<u>(93,325)</u>
Net book value	
At 1 January 2016 and at 31 March 2017	<u><u>224,439</u></u>

Details of the investments as at 31 March 2017 are shown below. All investments are indirectly held unless otherwise shown.

Name of investment	Address of the registered office	Nature of business	Proportion of ordinary shares held
ARM Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Marketing, research and development of RISC-based microprocessors and graphics IP	9.85%
ARM Belgium Services BVBA	Mechelsesteenweg 277, 1800 Vilvoorde, Belgium	Administration	9.85%
ARM Electronic Technology (Shanghai) Co. Limited	Unit 402-103, 4th Floor, Building 1, No. 65 Guijing Road, Xuhui District, Shanghai, China	Marketing, research and development of RISC-based microprocessors and graphics IP	9.85%
ARM Embedded Technologies Pvt. Limited	Bagmane WTC-SEZ, Citrine Block, 4th Floor (Level 5), Marathahalli Outer Ring Road, Mahadevpura, Bangalore, 560048, India	Marketing, research and development of RISC-based microprocessors and physical IP	9.85%
ARM Finance UK Three Limited *	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Holding company	100%
ARM Finland Oy	Torikatu 18, 90100 Oulu, Finland	Development of IoT technology	9.85%
ARM France SAS	12 Avenue des Prés, BL 204 Montigny le Bretonneux, 78059 Saint Quentin en Yvelines, Cedex, France	Marketing, research and development of RISC-based microprocessors and physical IP	9.85%
ARM Germany GmbH	Bretonischer Ring 16, D-85630 Grasbrunn, Germany	Marketing of RISC-based microprocessor IP. Marketing, and research and development of microcontroller tools	9.85%

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (continued)

7 Investments (continued)

Name of investment	Address of the registered office	Nature of business	Proportion of ordinary shares held
ARM Germany d.o.o.	Obrtna Cesta 18, SL-8310, Sentjernej, Slovenia	Marketing of RISC-based microprocessor IP. Marketing, and research and development of microcontroller tools	9.85%
ARM Holdings US, Inc	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Holding company	9.85%
ARM Hungary KFT	H-1082 Budapest, Futo u.45, Hungary	Development of system IP	9.85%
ARM Inc.	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Marketing, research and development of RISC-based microprocessors and physical IP	9.85%
ARM Ireland Limited	2nd Floor, Lyrr Building, Mervue Industrial Estate, Galway, Ireland	Development of system IP	9.85%
ARM Korea Limited	7th Floor Kyungdong Building, 4-4 Sunac-dong, Bundang-gu, Seongnam-si, Gyeonggi-do 463-020, South Korea	Marketing of RISC-based microprocessor IP	9.85%
ARM KK	Shinyokohama Square Bldg. 17F, 2-3-12 Shin-Yokohama, Kohoku-Ku, Yokohama-Shi, Kanagawa 222-0033, Japan	Marketing of RISC-based microprocessor IP	9.85%
ARM Norway AS	Olav Tryggevassons gt. 39-41, 7011 Trondheim, Norway	Research and development of graphics IP	9.85%
ARM PIPD Holdings One, LLC	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Holding company	9.85%
ARM PIPD Holdings Two, LLC	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Holding company	9.85%
ARM Sweden AB	Emdälavägen 6, SE-223 69 Lund, Sweden	Research and development of graphics IP	9.85%
ARM Sansa Holdings, Inc	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, US	Dormant	9.85%
ARM Taiwan Limited	8F, No. 36, Ruihu Street, Nei-Hu District, Taipei City 11494, Taiwan (R.O.C)	Marketing, research and development of RISC-based microprocessors and physical IP	9.85%

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (continued)

7 Investments (continued)

Name of investment	Address of the registered office	Nature of business	Proportion of ordinary shares held
ARM Technologies Israel Limited	Grand Netter Industrial Zone, Beit Intergma, Ha Alon St, Kfar Netter 40593, Israel	Development of IoT technology and system IP	9.85%
ARM UK Holdings Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Holding company	9.85%
Advanced RISC Machines Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Dormant	9.85%
Geomerics Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Research and development of graphics IP	9.85%
Keil Software, Inc	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Dormant	9.85%
Sunrise Micro Devices, Inc	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Dormant	9.85%
Allinea Software GmbH	c/o Grant Thornton GmbH, Ganghoferstrasse 31, 80339, Munchen, Germany	Software development	9.85%
Allinea Software, Inc	2033 Gateway Place, Suite 500, San Jose CA 95110-3712, US	Software sales	9.85%
Allinea Software KK	Hulic Gaenmae Building 2nd Floor, 2-7-26 Kita-Aoyama, Minato-ku, Tokyo, 107-0061, Japan	Software sales	9.85%
Allinea Software Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Software development	9.85%
Apical Imaging Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Dormant	9.85%
Apical Inc	Suite 745W, 2001 Gateway Place, San Jose CA 95110, United States	Engineering and sales support	9.85%
Apical Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Engineering and sales support	9.85%
ARM Electronics (Shenzhen) Co Limited	Room 3501, Tower 3, Kerry Plaza, No.1-1, 4th Central Road, Futian District, Shenzhen 518006, PR China	Marketing, research and development of RISC-based microprocessors and graphics IP	9.85%
Mistbase AB	Trollebergsvagen 79, 22731 Lund, Sweden	Development of IoT technology	9.85%

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (continued)

7 Investments (continued)

Name of investment	Address of the registered office	Nature of business	Proportion of ordinary shares held
NextG-Com India Private Limited	No. 249, Reliable Lifestyle Layout, Harlur Road, Sarjapura Road, Bangalore, Karnataka, 560102, India	Dormant	9.85%
NextG-Com Innovation Private Limited	No. 249, Reliable Lifestyle Layout, Harlur Road, Sarjapura Road, Bangalore, Karnataka, 560102, India	Development engineering	9.85%
Next-G-Com Limited	110 Fulbourn Road, Cambridge, CB1 9NJ, UK	Development engineering	9.85%

* Investment owned directly by the Company.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

8 Trade and other receivables

	31 March 2017 £ 000	31 December 2015 £ 000
Amounts owed by group undertakings	<u>705</u>	<u>705</u>

Amounts owed by group undertakings are interest-free and repayable on demand.

9 Called up share capital and reserves

Allotted, called up and fully paid shares

	31 March 2017 No. 000	£ 000	31 December 2015 No. 000	£ 000
Ordinary shares of \$1 each	<u>100,000</u>	<u>\$1,175</u>	<u>100,000</u>	<u>\$1,175</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Reserves

The Company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

ARM Finance UK Two Limited

Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (continued)

10 Dividends

	31 March 2017 £ 000	31 December 2015 £ 000
Interim dividend of £Nil per share (year ended 31 December 2015: £0.49)		49,249

The dividend paid during the year ended 31 December 2015, amounting to a total of £49.2 million, was in respect of the year ended 31 December 2014.

11 Commitments

Capital commitments

The Company had no capital or lease commitments at 31 March 2017 or 31 December 2015.

12 Related party transactions

The Company has taken advantage of the exemptions contained within FRS 102 paragraph 33.1A not to disclose transactions with wholly owned group undertakings.

13 Parent and ultimate parent undertaking

The Company's immediate parent is ARM Finance UK Limited, a company registered in England and Wales. ARM Finance UK Limited is under the control of ARM Holdings plc.

On 5 September 2016 ARM Holdings plc was acquired by SoftBank Group Corp., a company registered in Japan. SoftBank Group Corp. is considered to be the company's ultimate parent company and controlling party.

SoftBank Group Corp. heads the largest and smallest group of undertakings, including ARM Finance UK Two Limited, for which consolidated financial statements are prepared. Copies of the parent's consolidated financial statements are available from 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7303, Japan.