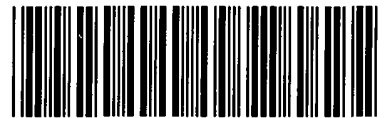


ARROWCROFT LIMITED

**Report and financial statements
for the year ended**

31 December 2015

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COMPANIES HOUSE

ARROWCROFT LIMITED

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ARROWCROFT LIMITED

DIRECTORS AND ADVISERS

Directors

N P Hai
M Rauf

Secretary

S N Eppel

Registered office

Brookfield House
44-48 Davies Street
London
W1K 5JA

Auditor

Nexia Smith & Williamson
Chartered Accountants
25 Moorgate
London
EC2R 6AY

Accountants and tax advisers

Smith & Williamson
Chartered Accountants
25 Moorgate
London
EC2R 6AY

Registered number

949614

ARROWCROFT LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continues to be property management and trading.

Directors

The directors of the company who served during the year are:

N P Hai
M Rauf
G Cook (Resigned on 31st March 2016)

Dividends

No dividends were paid or proposed during the financial year (2014: nil). Subsequent to the year end, on 7 March 2016, the company paid a final dividend of £1,500,000.

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

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

Auditor

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

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

Approved by the board of directors and signed on behalf of the board



M Rauf
Director

Registered number 949614, England and Wales

ARROWCROFT LIMITED

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 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". 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; and
- make judgments and accounting estimates that are reasonable and prudent; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARROWCROFT LIMITED

We have audited the financial statements of Arrowcroft Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, 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 set out on page 3, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 December 2015 and of its profit for the year 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARROWCROFT LIMITED (continued)**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement or prepare a strategic report or in preparing the directors' report.

Nexia Smith & Williamson

Sancho Simmonds
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

6 May 2016

ARROWCROFT LIMITED**STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2015**

	Note	2015 £	2014 £
Turnover	3	2,788,804	1,445,267
Gross profit		2,788,804	1,445,267
Exceptional item - intra group loan waiver		-	9,269,678
Administrative expenses		(887,192)	(531,265)
Profit before taxation		1,901,612	10,183,680
Taxation	5	-	-
Total comprehensive income for the financial year		1,901,612	10,183,680

Profit and total comprehensive income for the financial year is attributable to the owners of the company.

All the company's operations are classified as continuing.

The notes on pages 9 to 14 form part of these financial statements.

ARROWCROFT LIMITED**BALANCE SHEET as at 31 December 2015**

	Notes	2015 £	2014 £
Current assets			
Debtors	6	2,028,527	202,034
Cash at bank and in hand	7	19,278	11,968
		<hr/>	<hr/>
		2,047,805	214,002
		<hr/>	<hr/>
Creditors: amounts falling due in less than one year	8	-	(67,809)
		<hr/>	<hr/>
Net assets		2,047,805	146,193
		<hr/>	<hr/>
Capital and reserves			
Share capital	9	100	100
Retained earnings		2,047,705	146,093
		<hr/>	<hr/>
		2,047,805	146,193
		<hr/>	<hr/>

The financial statements were approved by the board of directors on06/5/16..... and were signed on its behalf by:



N P Hai
Director

Registered number: 949614

The notes on pages 9 to 14 form part of these financial statements.

ARROWCROFT LIMITED

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2014	100	(10,037,587)	(10,037,487)
Profit and total comprehensive income for the year	-	10,183,680	10,183,680
Balance at 31 December 2014	100	146,093	146,193
Profit and total comprehensive income for the year	-	1,901,612	1,901,612
Balance at 31 December 2015	100	2,047,705	2,047,805

The notes on pages 9 to 14 form part of these financial statements.

ARROWCROFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015

1 Accounting policies

The principal accounting policies are summarised below.

Basis of preparation

Arrowcroft Limited is a private limited company incorporated in England and Wales. The address of the registered office is Brookfield House, 44-48 Davies Street, London, W1K 5JA.

These financial statements are the first annual financial statements of the company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The first date at which FRS 102 was applied was 1 January 2014. In accordance with FRS 102 the company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

The transition from UK GAAP to FRS 102 has not affected the company's reported financial position or financial performance.

The financial statements have been prepared under the historical cost convention in accordance with the company's accounting policies.

Transition exemptions

In preparing the financial statements of the company, no transition exemptions in FRS 102 have been adopted.

The company's functional currency and reporting currency is Pounds Sterling.

Exemptions

Arrowcroft Limited meets the definition of a qualifying entity under FRS 102 and has therefore, in preparing the financial statements of the company, taken advantage of the following disclosure exemptions available in FRS 102:

- Requirement to present a statement of cash flows

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue comprises management and performance fees

Management and performance fees receivable are recognised in the period to which they relate. Performance fees are recognised at the end of the performance period when the fee amount can be estimated reliably and it is virtually certain that the fee will be received.

1 Accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of an instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Debt instruments which meet the criteria set out within section 11 of FRS 102 for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria for a basic financial instrument, are measured at the undiscounted amount of cash or other consideration expected to be paid or received, net of impairment.

Financial assets are de-recognised when:

- the contractual rights to the cash flows from the financial asset expire or are settled; or
- the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the company, despite having retained some but not all significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

1 Accounting policies (continued)**Financial instruments (continued)**

Financial assets and liabilities are only offset and the net amount reported in the Statement of Financial Position 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 Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

Key sources of estimation uncertainty

There are not considered to be any areas of estimation uncertainty.

3 Turnover	2015 £	2014 £
An analysis of the company's turnover is as follows:		
Development income	-	1,386,589
Management income and performance fees	2,788,804	58,678
	<hr/>	<hr/>
	2,788,804	1,445,267
	<hr/>	<hr/>

Turnover arises solely within the United Kingdom.

4 Auditor's remuneration	2015 £	2014 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	3,450	3,450
	<hr/>	<hr/>

This fee has been charged to another group company.

ARROWCROFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015 (continued)

5	Taxation	2015 £	2014 £
	Current tax		
	In respect of the current year	-	-
	Adjustment in respect of prior years	-	-
		<hr/>	<hr/>
		-	-
	Deferred tax		
	In respect of the current year	-	-
	Change in tax rate	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
	Total tax expense for the year	-	-
		<hr/>	<hr/>

Tax has been calculated using an estimated annual effective tax rate of 20.25% (2014: 21.49%) on profit before tax.

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £	2014 £
Profit before taxation	1,901,612	10,183,680
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.49%)	385,012	2,188,794
Effects of:		
Utilisation and movements of tax losses	(385,012)	-
Income not taxable	-	(1,992,346)
Expenses not deductible	-	(202,953)
Unutilised tax losses	-	6,505
	<hr/>	<hr/>
Total tax expense for the year	-	-
	<hr/>	<hr/>

The company has an unprovided deferred tax asset amounting to £649,393 (2014: £951,866) in respect of losses carried forward of £3,607,741 (2014: £5,509,356).

ARROWCROFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015 (continued)

6	Debtors	2015 £	2014 £
	Trade debtors	5,600	9,995
	Amounts due from group undertakings	2,022,927	192,039
		<hr/>	<hr/>
		2,028,527	202,034
		<hr/>	<hr/>
7	Cash and cash equivalents	2015 £	2014 £
	Cash at bank	19,278	11,968
		<hr/>	<hr/>
8	Creditors: amounts falling due within one year	2015 £	2014 £
	Other creditors	-	67,809
		<hr/>	<hr/>
		-	67,809
		<hr/>	<hr/>
9	Called up share capital	Number	£
	At 31 December 2014 and 31 December 2015		
	Issued and fully paid	100	100
	Ordinary shares of £1 each	<hr/>	<hr/>

Ordinary shares carry one vote and have equal rights to dividends and other distributions (including on a winding up).

10 Reserves

A description of each reserve is set out below.

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

ARROWCROFT LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2015 (continued)

11 Financial instruments

The company's financial instruments comprise cash and cash equivalents, including items such as trade creditors and trade debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations.

	2015 £	2014 £
Financial assets measured at undiscounted amount receivable:		
Trade and other debtors	2,028,527	202,034
Cash and cash equivalents	19,278	11,968
	<hr/>	<hr/>
	2,047,805	214,002
	<hr/>	<hr/>
	2015 £	2014 £
Financial liabilities measured at undiscounted amount payable:		
Trade and other creditors (excluding income received in advance)	-	67,809
	<hr/>	<hr/>
	-	67,809
	<hr/>	<hr/>

12 Related party transactions

During the year the company received management fees of £500,000 (2014: £37,500) and incentive fees of £2,131,248 (2014: £nil) from a company controlled by one of the directors.

The directors, who are considered to be the key management personnel, received no remuneration from the company for their services during the year (2014: nil).

13 Control

The parent company is Arrowcroft Holdings Limited, a company incorporated in England and Wales.

Arrowcroft Holdings Limited prepares group financial statements and copies can be obtained from The Registrar of Companies, Crown Way, Cardiff.