

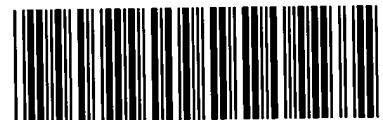
Registration number: 05376033

# Arm UK Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2018

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# **Arm UK Holdings Limited**

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## Arm UK Holdings Limited

### Strategic Report for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

#### **Fair review of the business**

The principal operation and activity of Arm UK Holdings Limited (the "Company") is to act as an intermediate holding company within the Arm Limited Group (the "Arm Group"). The Company did not generate revenues nor incur operating costs during the year.

At 31 March 2018 the Company had total investments of £20.5m (2017: £20.5m) and total net assets of £20.5m (2017: £20.5m).

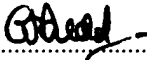
#### ***Principal risks and uncertainties***

The directors of Arm Limited 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 the Company's business. The principal risks and uncertainties and the financial risk management policies of the Group, which include those of the Company, are discussed in the Strategic Report of the Arm Limited 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 19/12/18 and signed on its behalf by:

  
.....  
G Budd  
Director

## **Arm UK Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2018**

The directors present their report and the audited financial statements for the year ended 31 March 2018.

#### **Directors of the Company**

The directors who held office during the year and up to the date of signing the financial statements were as follows:

G Budd

A Smith

#### **Principal activity**

The principal activity of the Company is to act as an intermediate holding company within the Arm Limited 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 dividend in respect of the year ended 31 March 2018 (period 1 January 2016 to 31 March 2017: £nil).

#### **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 Limited 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 UK Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2018 (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 year.

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**

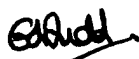
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 have expressed their willingness to continue in office as auditor and 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 19/12/18 and signed on its behalf by:



.....  
G Budd  
Director

## **Arm UK Holdings Limited**

### **Independent Auditor's Report to the Members of Arm UK Holdings Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Arm UK Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **Arm UK Holdings Limited**

### **Independent Auditor's Report to the Members of Arm UK Holdings Limited (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Arm UK Holdings Limited**

### **Independent Auditor's Report to the Members of Arm UK Holdings Limited (continued)**

#### **Report on other legal and regulatory requirements**

##### **Opinions 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 year 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.

##### **Matters on which we are required to report by exception**

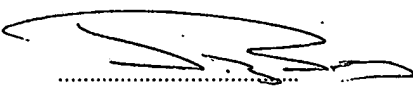
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

##### **Use of our report**

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.



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

19 December 2018

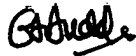


# Arm UK Holdings Limited

(Registration number: 05376033)  
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	7	<u>20,502,818</u>	<u>20,502,818</u>
<b>Current assets</b>			
Cash at bank and in hand		92	92
Creditors: Amounts falling due within one year	8	<u>(500)</u>	<u>(500)</u>
<b>Net current liabilities</b>		<u>(408)</u>	<u>(408)</u>
Total assets less current liabilities		<u>20,502,410</u>	<u>20,502,410</u>
<b>Net assets</b>		<u>20,502,410</u>	<u>20,502,410</u>
<b>Capital and reserves</b>			
Called up share capital	9	38,000,100	38,000,100
Profit and loss account	9	<u>(17,497,690)</u>	<u>(17,497,690)</u>
Total shareholders' funds		<u>20,502,410</u>	<u>20,502,410</u>

The financial statements on pages 7 to 13 were approved by the Board of Directors on 19/12/18 and signed on its behalf by:

  
.....  
G Budd  
Director

## Arm UK Holdings Limited

### Statement of Changes in Equity for the Year Ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2016	38,000,100	(17,497,690)	20,502,410
At 31 March 2017	38,000,100	(17,497,690)	20,502,410
At 1 April 2017	38,000,100	(17,497,690)	20,502,410
At 31 March 2018	38,000,100	(17,497,690)	20,502,410

The notes on pages 9 to 13 form an integral part of these financial statements.  
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## **Arm UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018**

#### **1 General information**

The Company is a private company limited by share capital incorporated and registered 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.

##### **Statement of compliance**

The individual financial statements of Arm UK Holdings 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, with the exception of investments that are held at fair value, 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. There are no areas involving critical estimates that are significant to these financial statements other than the fair value of investments. The fair value of investments approximates to cost less estimated accumulated impairment losses, except where independent valuation information is available. Please refer to note 7 for details on fair value of investments.

The preparation of financial statements also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving significant degree of judgement that are significant to these financial statements.

##### **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); 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.

(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.

##### **Disclosure of long period**

Last year, 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. The comparative figures were prepared for 15 months from 1 January 2016 to 31 March 2017. 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.

## **Arm UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **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 Limited 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**

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

##### **Investments**

Equity investments that are not publicly traded are initially recorded at fair value plus transaction costs. Given that the market for these assets is not active, the Company establishes fair value by using valuation techniques. The estimated fair value of these investments approximates to cost less any accumulated impairment losses (based on estimates determined by management), except where independent valuation information is available. Unrealised holding gains or losses on such securities are recognised, net of related taxes, through other comprehensive income via a revaluation reserve, except where there is evidence of a permanent impairment (in which case the loss is recognised in the profit and loss account). On sale, the accumulated fair value adjustments recognised through other comprehensive income are recycled through the profit and loss account.

##### **Financial instruments**

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

#### **3 Result before tax**

Fees amounting to £3,200 (period 1 January 2016 to 31 March 2017: £3,000) 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, the parent 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 year (period 1 January 2016 to 31 March 2017: no employees).

#### **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, the parent company.

# **Arm UK Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

### **6 Income tax**

Tax charged in the profit and loss account:

	Year ended 31 March 2018 £	1 January 2016 to 31 March 2017 £
Tax charge in the profit and loss account	<u>-</u>	<u>-</u>

There is no tax payable as the Company has not generated any profit/(loss) chargeable to tax for the year.

### **7 Investments**

	2018 £	2017 £
Shares in group undertakings	<u>20,502,818</u>	<u>20,502,818</u>

#### **Shares in group undertakings**

##### **Cost**

At 1 April 2017 and at 31 March 2018	<u>38,000,000</u>
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##### **Provision for impairment**

At 1 April 2017 and at 31 March 2018	<u>17,497,182</u>
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##### **Net book value**

At 1 April 2017 and at 31 March 2018	<u>20,502,818</u>
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# Arm UK Holdings Limited

## Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

### 7 Investments (continued)

Details of the investments as at 31 March 2018 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 Inc.	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Marketing, research and development of RISC-based microprocessors and physical IP	7.7%
Arm PIPD Holdings Two, LLC *	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Holding company	7.7%
Keil Software, Inc	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Dormant	7.7%
Sunrise Micro Devices, Inc	150 Rose Orchard Way, San Jose, CA 95134-1358, US	Dormant	7.7%

\* Investment owned directly by the Company.

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

### 8 Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>500</u>	<u>500</u>

The amounts owed to group undertakings are interest-free and are repayable on demand.

### 9 Called up share capital and reserves

#### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>38,000,100</u>	<u>38,000,100</u>	<u>38,000,100</u>	<u>38,000,100</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.

## **Arm UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **10 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.

#### **11 Parent and ultimate parent undertaking**

The Company's immediate parent is Arm Holdings US, Inc, a company registered in the United States of America. Arm Holdings US, Inc is under the control of Arm Limited.

The Arm Group is a subsidiary of SoftBank Group Corp., a company registered in Japan. SoftBank Group Corp. is considered to be the Company's ultimate parent company and controlling party 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.