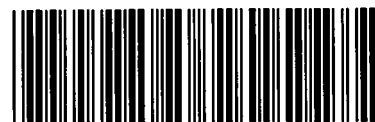


Company Registration No. 08388039 (England and Wales)

**PERWINE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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# **PERWINE LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	AP Eager N Fallows
<b>Secretary</b>	AP Eager
<b>Company number</b>	08388039
<b>Registered office</b>	8 Hanover Square London, England W1S 1HQ
<b>Auditors</b>	Deloitte LLP Statutory Auditor 2 New Street Square London United Kingdom EC4A 3BZ

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# **PERWINE LIMITED**

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# **PERWINE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the year ended 31 December 2017. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption; accordingly no separate strategic report has been presented.

#### **Principal activities**

The principal activity of Perwine Limited is to make financial investments. The directors anticipate that this will continue and that there will be no change going forward.

#### **Results and dividends**

The results for the year are set out on page 7.

No dividend has been proposed for the year ending 31 December 2017 (2016: £nil).

#### **Directors**

The directors who held office during the period, and to the date of this report, were as follows:

AP Eager  
N Fallows

#### **Post reporting date events**

There are no significant subsequent events that have occurred after 31 December 2017.

#### **Going concern**

The Company has made a profit in the year and is in a net asset position as at 31 December 2017.

On this basis the directors have a reasonable expectation that the Company will be profitable and that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Statement of disclosure to auditors**

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **Auditors**

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 auditors in the absence of an Annual General Meeting.

**PERWINE LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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Approved by the Board of Directors and signed on behalf of the Board:

A handwritten signature in black ink, consisting of a vertical line followed by a series of loops and a horizontal stroke.

N Fallows  
Director  
28 September 2018

## **PERWINE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

# **PERWINE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERWINE LIMITED**

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### **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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Perwine Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **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 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.

### **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.

## **PERWINE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PERWINE LIMITED**

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#### **Respective responsibilities of directors and auditors**

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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report. This description forms part of our auditor's report.

#### **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.

#### **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.

## **PERWINE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PERWINE LIMITED**

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

##### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with the 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 Director's 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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report and in preparing the Directors' Report.

We have nothing to report in respect of these matters.

*J Hodges*

**Jessica Hodges**  
for and on behalf of Deloitte LLP

Statutory Auditor  
London, UK

28 September 2018

## PERWINE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

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	Notes	2017 £'000	2016 £'000
Revenue	5	105	1,366
<b>Gross profit</b>		<u>105</u>	<u>1,366</u>
Administrative expenses		(45)	(28)
<b>Operating profit</b>		<u>60</u>	<u>1,338</u>
Other gains and losses	7	172	(764)
<b>Profit before taxation</b>		<u>232</u>	<u>574</u>
Income tax expense	9	(9)	-
<b>Profit for the year</b>		<u><u>223</u></u>	<u><u>574</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

There were no income or expenses in the period presented other than those disclosed above.

The notes on pages 11 - 22 form an integral part of these financial statements.

# PERWINE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
<b>Non-current assets</b>			
Investments	10	6,006	3,931
<b>Current assets</b>			
Cash and cash equivalents		117	226
<b>Total assets</b>		<u>6,123</u>	<u>4,157</u>
<b>Current liabilities</b>			
Trade and other payables	11	3,906	2,172
Current tax liabilities		9	-
		<u>3,915</u>	<u>2,172</u>
<b>Net current assets</b>		<u>(3,798)</u>	<u>(1,946)</u>
<b>Total liabilities</b>		<u>3,915</u>	<u>2,172</u>
<b>Net assets</b>		<u>2,208</u>	<u>1,985</u>
<b>Equity</b>			
Called up share capital	19	9	9
Retained earnings		2,199	1,976
<b>Total equity</b>		<u>2,208</u>	<u>1,985</u>

The notes on pages 11 - 22 form an integral part of these financial statements.

The financial statements for Perwine Limited (Company registration no. 08388039) were approved by the Board of directors and authorised for issue on 28 September 2018

Signed on its behalf by:

  
N Fallows  
Director

## PERWINE LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

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	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2016	9	1,402	1,411
Total comprehensive income for the period	-	574	574
Balance at 31 December 2016	9	1,976	1,985
Total comprehensive income for the period	-	223	223
Balance at 31 December 2017	9	2,199	2,208

The notes on pages 11 - 22 form an integral part of these financial statements.

# PERWINE LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
Cash (used in)/generated from operations	18	(21)	492
Tax paid		-	(13)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(21)</b>	<b>479</b>
<b>Investing activities</b>			
Acquisition of investments		(2,000)	(2,073)
Proceeds on disposal of investments		-	3,112
Dividend received		-	137
<b>Net cash (used in)/generated from investing activities</b>		<b>(2,000)</b>	<b>1,176</b>
<b>Financing activities</b>			
Transfer from parent company		1,912	(1,781)
<b>Net cash generated from/(used in) financing activities</b>		<b>1,912</b>	<b>(1,781)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(109)</b>	<b>(126)</b>
Cash and cash equivalents at beginning of year		226	342
Effect of foreign exchange rates		-	10
<b>Cash and cash equivalents at end of year</b>		<b>117</b>	<b>226</b>

The notes on pages 11 - 22 form an integral part of these financial statements.

# PERWINE LIMITED

## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 General Information

Perwine Limited (the "Company") is a private company limited by shares incorporated in England and Wales in the United Kingdom under the Companies Act 2006. The address of the registered office is: 8 Hanover Square, London, W1S 1HQ. The nature of the Company's operations and its principal activities are set out in the Directors' Report. There is no ultimate controlling party.

### 2 Adoption of new and revised standards

In the current year, the following new and revised Standards and Interpretations have been adopted by the Company and have an effect on the current period or a prior period or may have an effect on future periods:

IAS 7 (amended)	Statement of Cash Flows
IAS 12 (amended)	Recognition of Deferred Tax Asset for Unrealised Losses
2014-2016 Cycle	Annual Improvements to IFRS

#### Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers (and related clarification)
IFRS 16 (Jan 2019)	Leases
IFRS 17 (Jan 2021)	Insurance Contracts
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions
IFRS 4 (amendments)	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRIC 22	Foreign Currency Transactions and Advanced Consideration
IFRIC 23 (Jan 2019)	Uncertainty over Income Tax Treatments

The directors do not expect that the adoption of the Standards or Interpretations listed above, which are all effective from 1 January 2018 (unless stated), will have a material impact on the financial statements of the Company in future periods.

# **PERWINE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **3 Accounting policies**

#### **3.1 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are prepared under the historical cost convention, except for the revaluation of certain financial instruments, and have been prepared under a going concern basis as set out in the Directors' Report. The accounting policies have been applied consistently in all years presented.

#### **3.2 Revenue**

Investment revenue comprises of dividend and interest received.

Investment revenue is recognised as the interest accrues using the effective interest method. As explained further in note 3.4, investment fair value gains and losses are recorded in the statement of comprehensive income.

Interest income is recognised as the interest accrues using the effective interest rate method (applying the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend income from investments is recognised when the shareholders receive payment.

#### **3.3 Fair value measurement**

The Company measures its investments in private companies at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For all financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

#### **3.4 Financial instruments**

Financial assets and liabilities are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets and liabilities are initially measured at fair value plus transaction costs.

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

---

### 3 Accounting policies

(Continued)

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### Financial assets

##### Cash and cash equivalents

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprises cash at bank

##### Investments carried at fair value through profit and loss

The Company holds investments in unlisted investment securities. These investments are accounted for at fair value with any gains or losses going to the statement of comprehensive income.

##### Loan receivables

Loan receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term loans when the recognition of interest would be immaterial.

##### Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### Financial liabilities

##### Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchase and ongoing costs. The carrying amounts of trade payables, which is their nominal value, approximates to their fair value.

##### Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 3 Accounting policies

(Continued)

##### 3.5 Taxation

The tax expense represents the sum of the charges and credits for current tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 reporting end date.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of 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.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

##### 3.6 Foreign exchange

The financial statements are presented in pounds sterling which is the functional currency of the company; the currency of the primary economic environment in which it operates.

Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling on the balance sheet date, with exchange differences being reflected in the statement of comprehensive income.

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 3 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### a) Fair value of securities not quoted in an active market

As described in Note 3.3, management uses its judgment in selecting an appropriate valuation technique for financial instruments that are not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of unlisted shares includes some assumptions not supported by observable market prices or rates.

### 5 Revenue

An analysis of the company's revenue is as follows:

	2017 £'000	2016 £'000
Net (loss) / gain on financial assets at fair value through profit and loss	(50)	1,229
Dividends received	-	137
Loan interest income	155	-
	<u>105</u>	<u>1,366</u>

### 6 Auditors' remuneration

The analysis of auditor's remuneration is as follows:

	2017 £'000	2016 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	<u>10</u>	<u>11</u>

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

<b>7 Other gains and losses</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Foreign exchange (gains) / losses	(172)	764

### 8 Staff costs

There are no staff directly employed by the company. Staff are contracted and paid by a third party and costs are recharged to the company. Total staff costs of £22,073 (2016: £15,883) were charged in the period and recognised in administrative expenses in the statement of comprehensive income.

The directors received no remuneration from the Company during the period.

### 9 Income tax expense

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Corporation tax</b>		
Current year	9	-

The charge for the year can be reconciled to the profit per the income statement as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation on continuing operations	232	574
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016 - 20.00%)	45	115
<b>Taxation impact of factors affecting tax charge:</b>		
Income not taxable	(36)	(150)
Deferred tax not recognised	-	35
<b>Total adjustments</b>	<b>(36)</b>	<b>(115)</b>
<b>Tax charge for the year</b>	<b>9</b>	<b>-</b>

During the year the UK corporation tax rate went from 20.0% to 19.0% (2016: 20.0%) resulting in an average tax rate of 19.25%.

Finance (No.2) Act 2015 enacted reductions in the UK corporation tax rate to 19% with effect from 1 April 2017. Finance Act 2016 further reduces the UK Corporation tax rate to 17% from 1 April 2020.

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Investments

	2017 £'000	2016 £'000
Trading investments carried at fair value	3,881	3,931
Loans and receivables carried at amortised cost	2,125	-
	<u>6,006</u>	<u>3,931</u>

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

#### Trading investments carried at fair value

	2017 £'000	2016 £'000
Realfund Investments LLC	1,097	1,500
Midocean Travelpro Group Holdings, L.P.	2,784	2,431
	<u>3,881</u>	<u>3,931</u>

The movements on these investments are details in the reconciliation of level 3 fair value measurements in note 17.

Name of Investment	Principal Activity	Valuation Method	Observable Inputs	Un-Place of Inc & Princ place of Business	Proportion of Ownership 2017	2016
Realfund Investments LLC	Investment fund	Property valuations	Exit yield	US - Florida	0.00%	0.00%
Midocean Travelpro Group Holdings, LP	Private equity	Cost	N/A	US - Delaware	4.80%	4.80%

The valuations of these investments are provided by third party managers in line with the international private equity and venture capital valuation guidelines.

#### Loans and receivables carried at amortised cost

On the 9 May 2017, a loan note instrument was issued to Huckletree Limited for a total of £2.0 million. The loan notes accrue interest at 12.0% a year and are due to be repaid 8 November 2018.

## PERWINE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

#### 11 Trade and other payables

	2017	2016
	£'000	£'000
Trade payables	8	10
Amount due to parent undertaking	3,869	2,147
Accruals	29	15
	<u>3,906</u>	<u>2,172</u>

Amounts due to parent undertaking are interest free and repayable on demand.

#### 12 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity.

The capital structure of the Company consists of the equity of the Company (comprising issued capital and retained earnings).

The Company does not have any outstanding debt at 31 December 2017.

#### 13 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts.

#### 14 Foreign exchange risk

The Company holds cash and cash equivalents in currencies other than the Pound Sterling. A reasonable possible change in foreign exchange rates of 10% is not deemed to have a significant impact on the Company's results or equity.

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 15 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 month £'000
<b>At 31 December 2016</b>	
Non-interest bearing	2,157
	<u>          </u>
<b>At 31 December 2017</b>	
Non-interest bearing	3,877
	<u>          </u>

The Company manages liquidity risk by matching its cash flows from its assets and liabilities to ensure all liabilities can be met as they fall due.

### 16 Investment risk

Investment risks are those in respect of specific asset investment decisions and the subsequent performance of an investment or exposure concentrations across business line portfolios. They could materially impact our ability to achieve our strategic objectives.

Our overarching objectives are to source attractive investment opportunities at the right price and execute their investment plans successfully.

The investment proposal presented at the outset includes the investment thesis. It will also include a view on the likely exit strategy and timing.

Finally, we recognise the need to plan and execute a successful exit at the optimum time for the portfolio company's development, taking consideration of market conditions. This risk is closely linked to the economic environment. Exit plans are refreshed where appropriate in the portfolio reviews and the divestment process is clearly defined and overseen by the Investment Committee.

The Investment Committee is involved in and approves every step of the investment and realisation process.

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 17 Financial instruments

The carrying amounts of financial assets presented in the statement of financial position relate to the following measurement categories as defined in IAS 39:

	2017 £'000	2016 £'000
<b>Financial assets</b>		
Investments at fair value through profit and loss	3,881	3,931
Loans at amortised cost	2,125	-
Cash and cash equivalents	117	226
	<u>6,123</u>	<u>4,157</u>

Trade and other receivables are payable on demand.

The carrying amounts of financial liabilities presented in the statement of financial position relate to the following measurement categories as defined in IAS 39:

	2017 £'000	2016 £'000
<b>Financial liabilities</b>		
Trade and other payables	3,877	2,157
	<u>3,877</u>	<u>2,157</u>

#### Fair value measurements:

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All investments held at fair value through profit and loss are carried at level 3 fair value measurement.

# PERWINE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 17 Financial instruments

(Continued)

#### Reconciliation of level 3 fair value measurements of financial assets:

	2017 £'000	2016 £'000
As at 1 January	3,931	4,249
Purchase	-	2,073
Redemption	-	3,112
Net gain on financial assets at fair value through profit and loss	(50)	721
As at 31 December	<u>3,881</u>	<u>3,931</u>

### 18 Cash generated from operations

	2017 £'000	2016 £'000
Profit for the year	223	574
Adjustments for:		
Income tax expense recognised in profit or loss	9	-
Income tax expense on discontinued activities	-	13
Loan interest received	(125)	-
Other gains and losses	(172)	764
Loss / (gain) from revaluation on investments	50	(721)
Dividend received	-	(137)
Movements in working capital:		
Decrease in trade and other payables	(6)	(1)
Cash (used in)/generated from operations	<u>(21)</u>	<u>492</u>

### 19 Share capital

	2017 £'000	2016 £'000
Ordinary share capital		
Authorised, issued and fully paid		
10,000 ordinary shares of 86.5p each	<u>9</u>	<u>9</u>

The Company has one class of ordinary shares which carry no right to fixed income.

Upon incorporation, the Company issued 10,000 shares at €1 each. This was translated at the exchange rate ruling at the date of transaction.

# **PERWINE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **20 Related party transactions**

#### **Parent Company**

The Company owed £3.9 million to its immediate parent company at 31 December 2017 (2015: £2.1 million).

No guarantees have been given or received.

### **21 Controlling party**

Pryvest Cyprus Limited, a company incorporated in Cyprus, is the immediate parent company of the Company, but does not prepare group financial statements.

The financial statements of this company are not available to the public.

There is no overall controlling party.