

Registration number: 08413587

# ARM IP Limited

Annual Report and Financial Statements

for the Period from 1 January 2016 to 31 March 2017

TUESDAY



\*L6K4IM22\*

LD2

28/11/2017

#6

COMPANIES HOUSE

## **ARM IP 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 13

## ARM IP 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 patent administration.

The Company did not generate any operating revenues or costs during the period 1 January 2016 to 31 March 2017. The Company incurred professional fees amounting to £6,629 during the year ended 31 December 2015.

At 31 March 2017 the Company had called-up share capital not paid of £100,000 (31 December 2015: £100,000) and balances owed to group undertakings of £185,247 (31 December 2015: £185,247). At 31 March 2017 the Company had total net liabilities of £85,247 (31 December 2015: £85,247).

#### **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 IP 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 21/11/17 and signed on its behalf by:



M Muller  
Director

## **ARM IP 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:

M Muller

P Hutton (resigned 31 December 2016)

A Smith (appointed 31 December 2016)

C Kennedy (resigned 31 March 2017)

#### **Principal activity**

The principal activity of the Company is patent administration. 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 Holdings plc group (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 period 1 January 2016 to 31 March 2017 (year ended 31 December 2015: £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 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 period and also up to the date of approval of the financial statements.

## ARM IP 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 21/11/17 and signed on its behalf by:

  
M Müller  
Director

## **ARM IP Limited**

### **Independent Auditor's Report to the Members of ARM IP Limited**

We have audited the financial statements of ARM IP 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 12. 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 Statement of Directors' Responsibilities, 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 result 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.

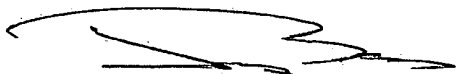
## ARM IP Limited

### Independent Auditor's Report to the Members of ARM IP 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

21 November 2017.

## ARM IP Limited

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

		1 January 2016 to 31 March 2017 £	Year ended 31 December 2015 £
	Note		
Administrative expenses		-	(6,629)
Operating result/(loss)		-	(6,629)
Result/(Loss) before tax	3	-	(6,629)
Tax on result/(loss)	6	-	-
Result/(Loss) for the financial period		-	(6,629)

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 IP Limited**

**(Registration number: 08413587)**  
**Balance Sheet as at 31 March 2017**

	Note	31 March 2017 £	31 December 2015 £
<b>Current assets</b>			
Trade and other receivables	7	100,000	100,000
Creditors: Amounts falling due within one year	9	<u>(185,247)</u>	<u>(185,247)</u>
<b>Net liabilities</b>		<u>(85,247)</u>	<u>(85,247)</u>
<b>Capital and reserves</b>			
Called up share capital	8	100,000	100,000
Profit and loss account	8	<u>(185,247)</u>	<u>(185,247)</u>
<b>Total shareholders' deficit</b>		<u>(85,247)</u>	<u>(85,247)</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors on 21/11/17

  
M Muller  
Director

ARM IP Limited

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

	Called up share capital £	Profit and loss account £	Total shareholders' deficit £
At 1 January 2015	100,000	(178,618)	(78,618)
Loss for the financial year	-	(6,629)	(6,629)
Total comprehensive expense	-	(6,629)	(6,629)
At 31 December 2015	100,000	(185,247)	(85,247)
At 1 January 2016	100,000	(185,247)	(85,247)
Result for the financial period	-	-	-
Total comprehensive expense	-	-	-
At 31 March 2017	100,000	(185,247)	(85,247)

The notes on pages 9 to 13 form an integral part of these financial statements.  
Page 8

## **ARM IP 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 periods 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); 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.

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

The individual financial statements of ARM IP 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.

##### **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.

## **ARM IP Limited**

### **Notes to the Financial Statements for the Period from 1 January 2016 to 31 March 2017 (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 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 result.

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

##### **Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets are recognised only to the extent that this is probable that future taxable profit will be available against which timing differences can be utilised.

##### **Financial instruments**

The Company does not have any financial instruments, other than cash, unpaid share capital 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/(loss) 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 IP 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 Tax on result/(loss) on ordinary activities

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

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

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (year ended 31 December 2015: higher than the standard rate of corporation tax in the UK) of 20% (year ended 31 December 2015 : 20.25%).

The differences are reconciled below:

	1 January 2016 to 31 March 2017 £	Year ended 31 December 2015 £
Loss on ordinary activities before tax	-	(6,629)
Corporation tax at standard rate	-	(1,342)
Other permanent differences	-	1,342
Total tax charge	-	-

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 Trade and other receivables

	31 March 2017 £	31 December 2015 £
Called-up share capital not paid	100,000	100,000

## ARM IP Limited

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

#### 8 Called up share capital and reserves

##### Allotted and called up shares

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

On incorporation 100,000 ordinary shares were issued and remain unpaid as at 31 March 2017.

##### 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.

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

	31 March 2017	31 December 2015
	£	£
Amounts owed to group undertakings	<u>185,247</u>	<u>185,247</u>

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

#### 10 Commitments

##### Capital commitments

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

#### 11 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.

## **ARM IP Limited**

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

#### **12 Parent and ultimate parent undertaking**

The Company's immediate parent is ARM Holdings plc, a company registered in England and Wales.

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 IP 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.