
Investcorp Europe Holdings Limited

**Annual Report and Financial Statements for the period from 30 August
2017 (date of incorporation) to 30 June 2018**

Company number: 10939065

SATURDAY



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20/10/2018
COMPANIES HOUSE

Registered number: 10939065

Directors

Hazem Ben-Gacem (Resigned on July 31, 2018)
Daniel Lopez-Cruz (Appointed on August 30, 2017)
Craig Sinfield-Hain (Appointed on August 30, 2017)
Andrea Davis (Appointed on August 1, 2018)

Secretary

Jonathan Lay

Registered Office

48 Grosvenor Street
Mayfair
London W1K 3HW

Bankers

Natwest Bank Plc
Piccadilly & New Bond St (A) Branch
London W1J 0AJ

Auditors

Ernst & Young LLP
25 Churchill Place
London E14 5EY

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Directors' report

The directors present their report and the audited financial statements for the 10-month period 30 June 2018.

Results and dividends

The loss for the period after taxation amounted to £ (3,500).

The directors do not recommend the payment of a dividend.

Principal activities and review of business

The principal activity of Investcorp Europe Holdings Limited ("IEHL" or the "Company") is to act as a holding company that provides financial services.

Investcorp Europe Holdings Limited has commenced its trade on 30 August 2017 and expects to continue this during the next year. The key financial and other performance indicators during the year were as follows:

	2018
	£
Turnover	-
Operating loss	(3,500)
Loss before tax	(3,500)

Principal risks and uncertainties

The Company's turnover is derived from its administrative service agreement with Investcorp Bank, and thus, the Company is not subject to any significant risk or uncertainty. The operational risk is mitigated by a series of controls that are administered by Investcorp Bank B.S.C.'s financial controls team.

The principal risks faced by IEHL relate to the fact that the entity earns a substantial portion of its income from providing services to the Investcorp Group's Banque Paris Bertrand, which is dependent upon the consummation of private equity acquisitions and dispositions and therefore is subject to market risk.

The Company also faces credit, interest rate, liquidity, foreign exchange, operational, capital and regulatory environment risks in the course of its normal business. The Company places reliance on Investcorp Group's Risk Management function to manage and monitor risks as well as other related matters, and receives regular reports on specific risks affecting the Company.

The Directors, in conjunction with the Investcorp Legal & Compliance team, have discussed internally the potential impacts of a hard Brexit at the end of March 2019 on the business of Investcorp Europe Holdings Limited in which the portfolio management is a London based activity. Furthermore, hard Brexit implications are expected to be addressed by the Investcorp Group's contingency plan to seek to set up a MiFID licensed entity within the EU 27.

Going concern

On the basis of current financial projections, and despite net liability, the directors have a reasonable expectation that the Company has adequate resources given the financial support obtained from its parent (Investcorp Group) to continue in operational existence for at least twelve months from the date of signing the statutory accounts and accordingly the going concern basis is adopted in the preparation of the financial statements.

Directors' report

Directors

The directors who served during the period were as follows:

Hazem Ben-Gacem (Resigned on July 31, 2018)
Daniel Lopez-Cruz (Appointed on August 30, 2017)
Craig Sinfield-Hain (Appointed on August 30, 2017)
Andrea Davis (Appointed on August 1, 2018)

Strategic Report

The Directors have taken advantage of the exemption under section 414B(b) of the Companies Act 2006 and have not prepared a Strategic Report for the period pursuant to Section 414A of the Companies Act 2006.

Disclosure of information to the auditors

So far as each person who is a director of the Company at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Appointment of auditors

In accordance with s. 487 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

Approved by the Board of Directors on 26 September 2018 and signed on its behalf by:



Director
Craig Sinfield-Hain

Statement of directors' responsibilities in respect of the financial statements

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable to the UK and the 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 judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland', 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 proper 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.



Director

Craig Sinfield-Hain

Independent auditor's report

to the members of Investcorp Europe Holdings Limited

We have audited the financial statements of Investcorp Europe Holdings Limited for the period from 30 August 2017 (date of incorporation) to 30 June 2018 which comprise Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2018 and of its loss for the 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.

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 below. 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Other information (Continued)

Independent auditor's report

to the members of Investcorp Europe Holdings Limited

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Independent auditor's report

to the members of Investcorp Europe Holdings Limited

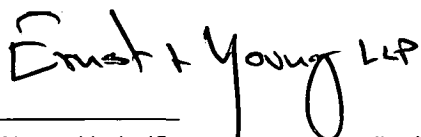
Auditor's responsibilities for the audit of the financial statements

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.



Ahmer Huda (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 27/9/18

Statement of Comprehensive Income

For the period from 30 August 2017 (date of incorporation) to 30 June 2018

		<i>30 August 2017 to 30 June 2018</i>
	<i>Notes</i>	<i>£</i>
Turnover		-
Administrative expenses	3	(3,500)
		<hr/>
Operating loss		(3,500)
Interest receivable		-
		<hr/>
Loss on ordinary activities before taxation		(3,500)
Total comprehensive loss for the period		(3,500)
		<hr/>

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

There are no components of other comprehensive income recognized as part of total comprehensive income.

The accompanying notes are an integral part of these financial statements.

Statement of Financial Position

As at 30 June 2018

	Notes	2018 £
Current assets		
Cash and cash equivalents	5	10
		<hr/>
		10
Creditors: amounts falling due within one year		(3,500)
		<hr/>
Net current liability		(3,490)
		<hr/>
Net liability		(3,490)
		<hr/>
Capital and reserves		
Called up share capital	6	10
Profit and loss account		(3,500)
		<hr/>
Total shareholders' equity		(3,490)
		<hr/>

The accompanying notes are an integral part of these financial statements. The financial statements of the Company were approved by the Board of Directors and authorised for issue and have been signed on its behalf by.



Director

26 September 2018

Craig Sinfield-Hain

Statement of Changes in Equity

For the period from 30 August 2017 (date of incorporation) to 30 June 2018

	Share capital £	Profit and loss account £	Total shareholder's funds £
Issuance of share capital (note 6)	10	-	10
Total comprehensive loss for the period	-	(3,500)	(3,500)
Shareholder's deficit at 30 June 2018	10	(3,500)	(3,490)

Notes to the financial statements

For the period ended 30 June 2018

1. Accounting policies

The principle accounting policies are summarised below. They have been applied consistently throughout the period.

Accounting Convention:

Investcorp Europe Holdings Limited is a limited liability company incorporated in England. The Registered Office is 48 Grosvenor Street, Mayfair, London, W1K 3HW. The Company's financial statements have been prepared in accordance with FRS102 as it applies to the financial statements of the Company for the period ended 30 June 2018. The financial statements of Investcorp Europe Holdings Limited were authorised for issue by the Board of Directors on 26 September 2018. The financial statements have been prepared in accordance with applicable accounting standards as defined in the Companies Act 2006. The financial statements are prepared in sterling which is the functional and presentation currency of the Company.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards as defined in the Companies Act 2006. The Company's accounting period has been shortened from 31 August to 30 June to align to the parent's year end date. Despite the net liability position as of June 2018, the financials statements are prepared on going concern basis given the financial support from the parent company.

Related party transactions

As per FRS102.33.1A, the Company has not disclosed transactions entered into with wholly owned members of the group.

Turnover

Revenue is recognised to the extent that economic benefits will flow to the Company and the revenue can be reliably measured. Rendering of services includes fees and commissions from services provided to the wider Investcorp Group through the transfer pricing policy or clients engaging directly with the Company.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

Administration expenses

Administration expenses include expenses which are directly attributable to the activity of generating revenue or charges from the wider Investcorp Group entities for providing central services.

Pension costs

The Company operates a defined contribution scheme. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

Notes to the financial statements

For the period ended 30 June 2018

1. Accounting policies (continued)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Taxation

United Kingdom corporation tax and value added tax are provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Trade receivables

Trade receivables are measured at fair value on initial recognition. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Under FRS 102, the Company is exempt from preparing a cash flow statement being a member of the Investcorp Group. The Investcorp Group prepares publicly available consolidated financial statements including a cash flow statement which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and the Company is included in the Investcorp Group's consolidated financial statements.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Directors' and employees' remuneration

The Company aims to offer directors and employees a competitive basic salary and, in addition, employs various incentive schemes which are designed to attract, motivate, retain and fairly remunerate staff by recognising their contribution to the Company as a whole whilst ensuring that their interests are fully aligned with those of shareholders and clients. The structure of a director's and an employee's remuneration should promote effective risk management and not encourage any level of risk-taking that

Notes to the financial statements

For the period ended 30 June 2018

1. Accounting policies (continued)

Directors' and employees' remuneration (continued)

exceeds the Company's tolerated and stated risk limits. The Company has formulated a remuneration policy that aims to avoid incentivising staff on a short-term basis, and which promotes the Company's business strategy, objectives, values and long-term interests.

In any given year, the total variable remuneration paid to directors and employees should not limit the Company's ability to strengthen its capital base. The Company's ability to award any level of discretionary remuneration is mostly driven by the financial performance of the Company in that year.

Financial Instrument Recognition

The Company determines the classification of its financial instruments at initial recognition depending on the purpose for which the financial instruments were acquired and their characteristics, in accordance with the categories outlined below. When financial instruments are recognised, they are initially measured at fair value. Financial instruments are recognised on a trade date basis.

i) Financial instruments at amortised cost

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These amounts are initially recognised at fair value and are subsequently measured at amortised cost when the time value of money is material, using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying value and the estimated future cash flows deriving from the continued use of that asset, and discounted if the effect is material.

Derecognition

A financial asset is considered for derecognition when the contractual rights from the financial asset expire, or when the contractual right to benefit from the future cash flow of that asset has been transferred. The Company derecognises a financial asset when it transfers substantially all the risks and rewards of ownership. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. In circumstances where a financial liability is replaced by the same lender yet the contractual terms are substantially different or modified, the original financial liability will be derecognised at the point of contractual exchange and the new financial liability recognised.

Impairment of financial assets not held at fair value through comprehensive income

The Company assesses, at each balance sheet date, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered impaired if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the Statement of Financial Position date. In addition, evidence of impairment requires a loss event to have had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Notes to the financial statements

For the period ended 30 June 2018

1. Accounting policies (continued)

Provision for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

2. Operating loss

This is stated after charging:

	2018
	£
Auditors' remuneration	3,500
	<hr/>

3. Directors' emoluments

	2018
	£
Emoluments	-
	<hr/>

For the period ended 30 June 2018, there were no directors' emoluments. The Company did not incur any expenses related to retirement benefits for its directors.

Notes to the financial statements

For the period ended 30 June 2018

4. Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follow:

	2018 £
<i>Current tax:</i>	
Corporation tax on the loss for the year	
Adjustment in respect of prior periods	-

Current tax for the year	-
<i>Deferred tax:</i>	
Deferred tax movements	-

Tax on profit on ordinary activities	-
	=====

(b) Factors affecting the current tax charge for the year

The tax assessed on the profit before tax for the year ended June 30, 2018 was 19%. The difference is reconciled below:

	2018 £
Loss on ordinary activities before tax	(3,500)
	=====
Loss on ordinary activities multiplied by standard rate	
UK corporation tax @ 19% (2017: 19.75%)	-
Movement in unrecognised deferred tax	-
Deferred tax movements	-
Group relief not paid for	-
Expenses not deductible for tax purposes	-
Adjustment in respect of prior periods	-

Total Tax	-
	=====

The headline rate of UK corporation tax reduced from 20% to 19% on 1 April 2017, and following the enactment of the 2016 Finance Act on 15th September 2016, this will reduce further to 17% from 1 April 2020. As these changes were enacted before the balance sheet date, relevant deferred tax balances have been calculated with reference to these rates

Notes to the financial statements

For the period ended 30 June 2018

5. Cash and cash equivalents

Of the amount of cash at bank and in hand at 30 June 2018 a total of £10 was held by Investcorp Bank B.S.C., the ultimate parent undertaking of the Company.

6. Called up share capital

	<i>2018</i>	<i>2018</i>
	<i>No.</i>	<i>£</i>
Authorised Ordinary shares of £1 each	6,000,000	6,000,000
Allotted, called up and fully paid Ordinary shares of £1 each	10	10

7. Qualifying entity

Investcorp Europe Holdings Limited is a qualifying entity as per FRS 102 as it is a member of a group where the parent of that group prepares publicly available consolidated financial statements. The group into which the Company is consolidated and the ultimate parent undertaking is Investcorp Bank B.S.C. Copies of the financial statements of Investcorp Bank B.S.C. can be obtained from www.investcorp.com/investor-relations.

As a qualifying entity, the Company has taken advantage of the exemption in section 7 of FRS 102 from the requirement to prepare a statement of cash flows and from the requirement of Section 33 Related Party Disclosures paragraph 33.7 to disclose key management personnel compensation.

8. Ultimate holding company

The directors regard Investcorp Bank B.S.C. incorporated in the Kingdom of Bahrain as the ultimate parent undertaking as it holds 100% of the economic interest in the Company and exercises ultimate managerial control.

Investcorp Bank B.S.C. is majority owned by CP Holdings Limited and Ownership Holdings Limited (each of which is incorporated in the Cayman Islands).

The largest group, of which the Company is a member, for which group financial statements are prepared is Investcorp Bank B.S.C. These financial statements are available from 48 Grosvenor Street, Mayfair, London W1K 3HW.

9. Subsequent events

On September 4, 2018 IEHL allotted 1 share to Investcorp S.A. for an aggregate subscription price of GBP 26.5m. On September 5, 2018, IEHL acquired 40% stake in Banque Paris Bertrand Sturdza, an independent, Swiss-regulated private bank based in Geneva and Luxembourg. Hazem Ben-Gacem resigned as a director on July 31, 2018 and Andrea Davis was appointed as a director on August 1, 2018.