

Registered number: 13942020

ARROW UK PROPERTY HOLDINGS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

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ARROW UK PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Lukas Gradischnig (appointed 25 February 2022)
Timothy Luke Trott (appointed 25 February 2022)
Alexandra Maria Four (appointed 10 August 2022)
Alastair Patrick McDonnell (appointed 23 September 2022)
Matthew Leonard Molton (appointed 25 February 2022, resigned 10 August 2022)
William Gowanloch Westbrook (appointed 25 February 2022, resigned 23 September 2022)

Company secretary

Alter Domus (UK) Limited

Registered number

13942020

Registered office

C/O Alter Domus (UK) Limited
10th Floor
30 St Mary Axe
London
EC3A 8BF

ARROW UK PROPERTY HOLDINGS LIMITED

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ARROW UK PROPERTY HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the period ended 31 December 2022.

Results and dividends

The profit for the period, after taxation, amounted to £1,387,957.

The Company has proposed or paid £1,403,868 dividends for the period ended 31 December 2022.

Directors

The directors who served during the period were:

Lukas Gradischnig (appointed 25 February 2022)
Timothy Luke Trott (appointed 25 February 2022)
Alexandra Maria Four (appointed 10 August 2022)
Alastair Patrick McDonnell (appointed 23 September 2022)
Matthew Leonard Molton (appointed 25 February 2022, resigned 10 August 2022)
William Gowanloch Westbrook (appointed 25 February 2022, resigned 23 September 2022)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

ARROW UK PROPERTY HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Going concern

The directors have considered the consequences of any trading events and conditions it can predict now and, in the future, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. For that reason, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and so it considers it appropriate for the 2022 financial accounts to be prepared on a going concern basis.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 June 2023 and signed on its behalf.



.....
Timothy Luke Trott
Director

ARROW UK PROPERTY HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Period from 25 February 2022 to 31 December 2022 £
Note	
Administrative expenses	(21,140)
Operating loss	(21,140)
Dividend income from subsidiaries	1,448,228
Interest receivable and similar income	1,184,097
Interest payable and similar expenses	(1,223,228)
Loss before tax	1,387,957
Loss for the financial period	1,387,957
Other comprehensive income for the period	
Total comprehensive loss for the period	1,387,957

There were no recognised gains and losses for 2022 other than those included in the statement of comprehensive income.

The notes on pages 6 to 10 form part of these financial statements.

ARROW UK PROPERTY HOLDINGS LIMITED
REGISTERED NUMBER: 13942020

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2022 £
Fixed assets			
Investments	4		105,612,560
			<u>105,612,560</u>
Current assets			
Debtors: amounts falling due after more than one year	5	44,443,067	
Debtors: amounts falling due within one year	5	310,382	
Cash at bank and in hand		81	
		<u>44,753,530</u>	
Creditors: amounts falling due within one year	6	(324,591)	
Net current assets			<u>44,428,939</u>
Total assets less current liabilities			<u>150,041,499</u>
Creditors: amounts falling due after more than one year	7		(44,444,849)
Net assets			<u><u>105,596,650</u></u>
Capital and reserves			
Called up share capital	8		73,969,843
Share premium account			31,642,718
Profit and loss account			(15,911)
			<u><u>105,596,650</u></u>

ARROW UK PROPERTY HOLDINGS LIMITED
REGISTERED NUMBER: 13942020


STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Timothy Luke Trott
Director

Date: 22 June 2023

The notes on pages 6 to 10 form part of these financial statements.

ARROW UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

1. General information

Arrow UK Property Holdings Limited was incorporated on 22 May 2022. The Company is a private company limited by shares and registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

Principal activity

The principal activity of the Company is that of an investment holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the consequences of any trading events and conditions it can predict now and, in the future, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. For that reason, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future and so it considers it appropriate for the 2022 financial accounts to be prepared on a going concern basis.

2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ARROW UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

ARROW UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.9 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

4. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 25 February 2022	105,612,560
At 31 December 2022	105,612,560

ARROW UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

5. Debtors

	2022
	£
Due after more than one year	
Amounts owed by group undertakings	44,443,067
	<u>44,443,067</u>
	2022
	£
Due within one year	
Amounts owed by group undertakings	310,382
	<u>310,382</u>

6. Creditors: Amounts falling due within one year

	2022
	£
Amounts owed to group undertakings	303,471
Accruals and deferred income	21,120
	<u>324,591</u>

7. Creditors: Amounts falling due after more than one year

	2022
	£
Amounts owed to group undertakings	44,444,849
	<u>44,444,849</u>

ARROW UK PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

8. Share capital

	2022 £
Allotted, called up and fully paid	
73,969,843 Ordinary shares of £1.00 each	<u>73,969,843</u>

1 Ordinary share of £1.00 each issued on 25 February 2022. On 10 May 2022 there was a share capital increase of 100 Ordinary shares of £1.00 each. On 5 July 2022, there was a further share capital increase of 100 Ordinary shares of £1.00 each. On 27 July 2022, there was a further share capital increase of 73,969,642 Ordinary shares of £1.00 each.

9. Related party transactions

On 27 July 2022 the Company entered into an interest-bearing credit facility agreement with Arrow I Limited lending a total of £47,701,400 repayable in 10 years. During the year, the Company received £19,636,931. The total interest receivable at the end of the year was £110,720.

On 27 July 2022 the Company entered into an interest-bearing credit facility agreement with Arrow II Limited lending a total of £8,411,088 repayable in 10 years. During the year, the Company received £5,680,935. The total interest receivable at the end of the year was £10,771.

On 27 July 2022 the Company entered into an interest-bearing credit facility agreement with Arrow IV Limited lending a total of £9,389,053 repayable in 10 years. The total interest receivable at the end of the year was £172,087.

On 27 July 2022 the Company entered into an interest-bearing credit facility agreement with Arrow V Limited lending a total of £9,565,368 repayable in 10 years. During the year, the Company received £5,305,977. The total interest receivable at the end of the year was £16,804.

On 27 July 2022 the Company entered into an interest-bearing credit facility agreement with Arrow Master Sarl borrowing £75,731,741 payable in 10 years. During the year, the Company made repayments of £31,286,892. The total interest payable at the end of the year was £303,471.

10. Parent and ultimate parent undertaking

The Company's immediate parent is Arrow Investment S.a.r.l.

The ultimate parents are Ares European Property Enhancement Partners III SCSp and Ares European Property Enhancement Parallel Partners III SCSp.