



Arcus ISH LLP

Partnership number OC343892

**Members' Report and Financial Statements for the year
ended 31 December 2019**

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Arcus ISH LLP

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Arcus ISH LLP

Members' report

Year ended 31 December 2019

The members present their report and audited financial statements of Arcus ISH LLP ("the LLP") for the year ended 31 December 2019.

Principal activities

The LLP was incorporated to hold partnership interests in Arcus Infrastructure Investments 2 LLP ("AI 2 LLP") and Arcus Infrastructure Services LLP ("AIS LLP").

Business review

The profit for the financial year and the financial position of the LLP are shown on pages 5 and 6, respectively. There are no plans which will significantly change the activities and risks of the business. The LLP is part of the Arcus Group comprising Arcus Infrastructure Partners LLP ("AIP LLP") and its subsidiary undertakings.

Members

The designated members (as defined in the Limited Liability Partnerships Act 2001) during the year were Simon Gray, Ian Harding and Stuart Gray.

Going concern

In preparing the financial statements the members have considered the financial position of the LLP, its current funding arrangements and its expected future cash flows. The LLP is not expected to incur significant expenditure in the future and the cash receipts from receivables are expected to be sufficient to enable the LLP to meet its existing obligations. On this basis, the members believe that the LLP will be able to continue as a going concern and, accordingly, have prepared the LLP's financial statements on a going concern basis.

Events occurring after the reporting date

Subsequent to the end of the year, the COVID-19 outbreak had led to lockdowns and restricted activity in several countries globally, which in turn has been impacting the European economy and market environment. The final impact to the investment of the Partnership is difficult to predict. The outbreak is assessed to be a non-adjusting subsequent event and therefore its effect is not reflected in the financial statements. Considering that COVID-19 is expected to be a one-off exogenous event, we do not believe that the impact on the business will be substantial.

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations. Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the LLP financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law as applied to limited liability partnerships, the members 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 LLP and of the profit or loss of the LLP for that year. In preparing these financial statements, the members 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 International Financial Reporting Standards as adopted by the European Union 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members' profit shares, drawings and the subscription and repayment of members' capital

Members' capital contributions are determined by the members' agreement, having regard to the working capital and regulatory capital requirements of the business. Individual member's contributions are set by reference to the members' agreement and may only be withdrawn with the consent of all members, where the withdrawal will not cause the LLP to breach any legal requirement or regulatory capital requirement and that the LLP will be able to meet its obligations as they fall due.

The amount of profits to be distributed to members is set out in the members' agreement which provides for all allocated profits to be distributed to the extent that the LLP has sufficient cash or readily realisable assets to enable it to make such distributions in full. Any resulting shortfall shall not be carried over into the subsequent period as members' entitlement, however shall be carried forward as unallocated profits. In compliance with IAS32, any distributions payable automatically to members under the terms of the members' agreement are shown as debts due to members' and reflected as an expense in the statement of comprehensive income as "members' remuneration charged as an expense".

Members are entitled to take drawings out of the LLP's cash funds because their profit share entitlement in respect of the current or future accounting periods, but only to the extent that the LLP has sufficient cash or readily realisable assets to enable it to make such drawings. To the extent that any member has received drawings because a profit share entitlement in an accounting period that are greater than the member's profit share entitlement, such excess shall be treated as a debt owed to the LLP by the member, which the member shall repay to the LLP at the latest upon ceasing to be a member.

Independent auditors

Deloitte LLP were the auditors during the year, have indicated their willingness to continue in office.

Financial risk management

Financial risk management is detailed in Note 12 to financial statements.

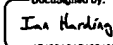
Arcus ISH LLP
Members' report

Year ended 31 December 2019

Disclosure of information to auditors

The members confirm that, to the best of their knowledge and belief, there is no information relevant to the preparation of the auditors' report of which the LLP's auditors are unaware and that each member has taken all reasonable steps as a member to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

This report was approved by the members on 9 June 2020.

DocuSigned by:

Ian Harding

DocuSigned by:

Stuart Gray

Independent auditors' report to the members of Arcus ISH LLP

Report on the financial statements

Our opinion

In our opinion the financial statements of Arcus AISH LLP (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in net assets attributable to members;
- the statement of cash flows; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members 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 members are responsible for the other information. The other information comprises the information included in the Members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of members

As explained more fully in the Members' report, the members 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 members 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 members 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 members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members' report has 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

Independent auditors' report to the members of Arcus ISH LLP Report on the financial statements

audit, we have not identified any material misstatements in the members' 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

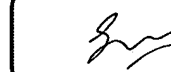
We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so

that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Garrath Marshall (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
9 June 2020

Arcus ISH LLP**Statement of comprehensive income****For the year ended 31 December 2019**

	2019	2018
	€	(restated) €
Revenue		
Profit share	-	-
Profit for the financial year attributable to the members	-	-
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-

The LLP did not have any discontinued operations during the year under review.


The notes on page 9 - 11 are an integral part of these financial statements.

Arcus ISH LLP**Statement of financial position****As at 31 December 2019**

	Note	2019 €	2018 (restated) €	2017 (restated) €
ASSETS				
<i>Non-current assets</i>				
Investments in joint ventures	5	201	201	200
Total non-current assets		201	201	200
<i>Current assets</i>				
Amounts due from members		1,200	1,300	1,300
Total current assets		1,200	1,300	1,300
Total assets		1,401	1,501	1,500
LIABILITIES				
<i>Current liabilities</i>				
Trade and other payables	7	201	201	200
Total liabilities		201	201	200
NET ASSETS ATTRIBUTABLE TO MEMBERS		1,200	1,300	1,300
REPRESENTED BY:				
<i>Members' other interests</i>				
Members' capital classified as equity		1,200	1,300	1,300
Retained earnings		-	-	-
TOTAL MEMBERS' INTERESTS		1,200	1,300	1,300

The notes on pages 9 to 11 are an integral part of these financial statements.

The financial statements of Arcus ISH LLP (Partnership number OC343892) on pages 5 to 11 were authorised for issue and signed by the members on 9 June 2020.

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 Ian Harding

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 Stuart Gray

Arcus ISH LLP**Statement of changes in net assets attributable to members****For the year ended 31 December 2019**

	Members' capital classified as equity €	Retained earnings €	Net assets attributable to Members €
At 1 January 2018 (as previously reported)	1,300	98,188	99,488
Change in accounting policy (see note 3)	-	(98,188)	(98,188)
At 1 January 2018 (restated)	1,300	-	1,300
Total comprehensive income for the year	-	-	-
At 31 December 2018	1,300	-	1,300
Capital repayments during the year	(100)	-	(100)
Total comprehensive income for the year	-	-	-
At 31 December 2019	1,200	-	1,200

The notes on pages 9 - 11 are an integral part of these financial statements.

Arcus ISH LLP**Statement of cash flows****For the year ended 31 December 2019**

	Note	2019 €	2018 (restated) €
Cash flows from operating activities		-	-
Decrease in cash and cash equivalents for the year		-	-
Cash and cash equivalents at the start of the year		-	-
Cash and cash equivalents at the end of the year		-	-

The notes on pages 9 - 11 are an integral part of these financial statements

Arcus'ISH LLP

Financial Statements for the year ended 31 December 2019

Notes to the financial statements

a) GENERAL INFORMATION

Arcus ISH LLP ("the LLP") is a limited liability partnership incorporated on 10 March 2009 in England and Wales. The address of its registered office and principal place of business is 6th Floor, 1 Aldermanbury Square, London, EC2V 7HR, United Kingdom.

b) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a. Basis of Preparation

The financial statements of the LLP have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRS IC") interpretations, as adopted by the European Union and issued and effective as at 31 December 2019, and with those parts of the Companies Act 2006 applicable to a limited liability partnership reporting under IFRS. Accounting policies have been applied consistently year on year. The financial statements have been prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the members to exercise their judgement in the process of applying the LLP's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

b. Adoption of new and revised International Financial Reporting Standards (IFRS)

a) *New standards, amendments and interpretations adopted by the LLP:*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019. None of them had an effect on the financial statements of the LLP.

b) *New standards and interpretations not yet adopted by the LLP:*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020 and have not been applied in preparing these financial statements. None of them are expected to have an effect on the financial statements of the LLP.

c. Foreign currency translation

i. *Functional and presentational currency*

The LLP has been set up to hold non-controlling investments in the "Arcus Group" entities (comprising AIP LLP and its consolidated entities). It holds investments in Euro denominated entities and as such the members consider the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions affecting the LLP. The LLP's functional currency is Euros.

ii. *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

d. Financial instruments

Financial instruments are initially recognised at fair value unless otherwise stated. Fair value is the amount at which such an instrument could be exchanged in an arm's length transaction between informed and willing parties.

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

Trade receivables are initially carried at fair value, which is recognised as their invoiced value less any subsequent reductions through provisions for impairment. Trade receivables are subsequently measured on an amortised cost basis using the effective interest method. Provisions for impairment represent an allowance for doubtful debts that is estimated based upon current observable data and historic trends.

Members' capital contributions have been classified as equity because they are only repayable with the consent of all members and hence there is no obligation on the LLP to repay members' capital.

Arcus ISH LLP**Financial Statements for the year ended 31 December 2019****Notes to the financial statements (continued)****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****e. Taxation**

Income tax payable on the profits of the LLP is solely the personal liability of the individual members of the LLP and consequently is not dealt with in these financial statements.

f. Allocation of profit and drawings

The amount of profits to be distributed to members is set out in the members' agreement, which provides for all allocated profits to be distributed in accordance with each member's profit share to the extent that the LLP has sufficient cash or readily realisable assets to enable it to pay such distributions in full. Any resulting shortfall shall not be carried over into the subsequent period as members' entitlement and will be carried forward as unallocated profits. In compliance with IAS 32, any distributions payable automatically to members under the terms of the members' agreement are shown as debts due to members and reflected as an expense in the statement of comprehensive income as "members' remuneration charged as an expense".

Members are entitled to take drawings out of the LLP's cash funds because their profit share entitlement in respect of the current or future accounting periods, but only to the extent that the LLP has sufficient cash or readily realisable assets to enable it to pay such drawings. To the extent that any member has received drawings because a profit share entitlement in an accounting period that are greater than the member's profit share entitlement, such excess shall be treated as a debt owed to the LLP by the member, which the member shall repay to the LLP immediately upon ceasing to be a member. Any such amounts repayable to the LLP are recognised within trade and other receivables.

g. Investments in joint ventures

Investments in jointly controlled entities are stated at cost less provision for impairment. An impairment provision is made when the investment in a jointly controlled entity is no longer considered recoverable. Income from these investments is reflected in the statement of comprehensive income in accordance with the policy in note 2(e) above.

These separate financial statements contain information about the LLP as an individual entity and do not contain consolidated financial information as the parent of a group. The LLP has taken advantage of the exemption under IFRS10 from the requirement to prepare consolidated financial statements as the LLP and its jointly controlled entities are included by full consolidation in the consolidated financial statements of its ultimate parent, AIP LLP.

3. PRIOR YEAR ADJUSTMENT

IFRS 15 'Revenue from contracts with customers' establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. In the prior period, the LLP previously recognised a profit share from All2 LLP, that does not meet the criteria as revenue under IFRS 15. Detail of the impact on the performance and the position of the LLP is detailed below.

	01/01/2019	01/01/2018
	31/12/2019	31/12/2018
	€	€
Net income attributable to members before prior year	12,546	16,447
Profit share no longer recognised as revenue	(12,546)	(16,447)
Net income attributable to members	-	-

	2019	2018
	€	€
Net assets attributable to Members before prior year adjustments	128,381	115,935
De-recognised profit share receivable	(127,181)	(114,635)
Net assets attributable to Members	1,200	1,300

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

No significant accounting estimates or judgements were made during the year.

5. EMPLOYEE COSTS

The LLP had no employee costs as it did not have any employees during the year under review (2018: €nil).

6. INVESTMENTS IN JOINT VENTURES

	2019	2018
At cost	€	€
Acquisition of 0.1% AEIF 1 Scotland GP LLP	1	1
Acquisition of 0.1% All 2 LLP	100	100
Acquisition of 0.1% AIS LLP	100	100
	201	201

In 2009, the LLP acquired a 0.1% limited liability partner interest in All 2 LLP and AIS LLP. In 2018 the LLP acquired a 0.1% limited partner interest in AEIF 1 Scotland GP LLP

These entities have been classified as joint ventures because the majority of the decisions affecting their financial and operating policies require unanimous consent of all members.

7. TRADE AND OTHER PAYABLES

	2019	2018
	€	€
Amounts owing to Arcus Group entities (see note 10)	201	201

Amounts payable to Arcus Group entities are denominated in Euros, unsecured, interest free and are repayable in the short term.

Audit fees of €5,339 (2018: €4,791) in respect of the LLP's audit are borne and paid for by AIS LLP.

8. MEMBERS

During the year under review the average number of members was 13 (2018: 13).

Arcus ISH LLP**Financial Statements for the year ended 31 December 2019****Notes to the financial statements (continued)****9. RELATED PARTY TRANSACTIONS**

Amounts owing to Arcus Group entities	2019 €	2018 €
AII 2 LLP	100	100
AIS LLP	100	100
AEIF 1 Scotland GP LLP	1	1
	201	201

All related party entities are part of the Arcus Group and are controlled by the ultimate controlling entity, AIP LLP.

10. ULTIMATE CONTROLLING ENTITY

For accounting purposes, the LLP's balances and transactions are included in the consolidated financial statements of AIP LLP in accordance with the IFRS 10. AIP LLP is the parent undertaking of the largest and the smallest group for which consolidated financial statements are prepared and these are publicly available. AIP LLPs registered address is 6th Floor, 1 Aldermanbury Square, London, EC2V 7HR.

11. RISK**Financial risk factors**

The LLP's main business activity is to hold membership interest in two Arcus Group entities. The LLP's interest entitles it to a 0.1% share in the profits of each of these entities. These investments have been funded through members' capital contributions. The LLP holds minimal cash balances. The LLP's activities expose it to a limited number of financial risks.

Credit risk

The LLP do not consider this risk to be significant as the LLP has limited exposure to third parties for amounts receivable.

Cash balances, which are not significant, are deposited with investment grade financial institutions. The LLP assesses all external counterparties for credit risk before contracting with them.

The carrying value of the LLP's assets represent the maximum exposure to credit risk.

Liquidity risk

The LLP has minimal operational cash requirements and is therefore not exposed to significant liquidity risk. The LLP has trade creditors of €100 which are maturing in less than 12 months and amounts due from members of €1,200 which are maturing in less than 12 months.

Net fair values

All financial assets and liabilities held by the LLP have been recognised in the statement of financial position at values which are not materially different from their fair values.

Capital Risk Management

Members' capital contributions are determined by the members' agreement, having regard to the working capital and regulatory capital requirements of the business. Individual partner's contributions are set by reference to the members' agreement and can only be withdrawn with the consent of all members and provided the withdrawal will not cause the LLP to breach any legal requirement or regulatory capital requirement and that the LLP will be able to meet its obligations as they fall due.

12. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the end of the year, the COVID-19 outbreak had led to lockdowns and restricted activity in several countries globally, which in turn has been impacting the European economy and market environment. The final impact to the investment of the Partnership is difficult to predict. The outbreak is assessed to be a non-adjusting subsequent event and therefore its effect is not reflected in the financial statements. Considering that COVID-19 is expected to be a one-off exogenous event, we do not believe that the impact on the business will be substantial.