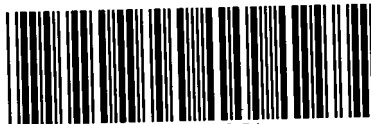


FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES
LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Sir Charles Dunstone Mr R Taylor Mr A J Harrison Mr T Morris Mr J Eckbert Mr R Clarkson Lady Celia Dunstone Mr J Gildersleeve
Limited liability partnership number	OC359360
Registered office	146 Freston Road London W10 6TR
Auditor	Alliott Wingham Limited Kintyre House 70 High Street Fareham Hants PO16 7BB
Business address	146 Freston Road London W10 6TR

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

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FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The members present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the Group continues to be that of investing activities. There were no significant changes to these activities during the year.

Fair review of the business

The members report turnover of £41,613,093 (2015 - £41,791,878), cash inflow of £12,845,821 (2015 - £3,418,263) and profit before tax of £17,563,787 (2015 - £7,433,250).

Continuing operations provided turnover of £41,613,093 (2015 - £41,791,878) and an operating profit of £15,709,789 (2015 - £6,011,524). Turnover and cost of sales remained relatively constant during the year due to continual sales within the residential property company.

Principal risks and uncertainties

The group considers its main risks and uncertainties to be the underlying performance of its investments and to the extent that they do not continue to perform at a level expected.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Sir Charles Dunstone
Mr R Taylor
Mr A J Harrison
Mr T Morris
Mr J Eckbert
Mr R Clarkson
Lady Celia Dunstone
Mr J Gildersleeve

Auditor

Alliott Wingham Limited were appointed as auditor to the limited liability partnership and in accordance with section 485 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), a resolution proposing that they be re-appointed will be put at a General Meeting.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Statement of members' responsibilities

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

On behalf of the members



Mr R Clarkson

Designated Member

21/12/2016

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

We have audited the financial statements of Freston Ventures Investments LLP and its subsidiaries for the year ended 31 March 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Reconciliation of Members' Interests, the Statement of Cash Flows and the related notes. 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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; 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 limited liability partnership's affairs as at 31 March 2016 and of its profit for the year 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

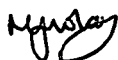
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.



Mark Nolan FCA (Senior Statutory Auditor)
for and on behalf of Alliot Wingham Limited

21/12/2016

Chartered Accountants
Statutory Auditor

Kintyre House
70 High Street
Fareham
Hants
PO16 7BB

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	3	41,613,093	41,791,878
Cost of sales		(25,140,811)	(34,705,073)
Gross profit		16,472,282	7,086,805
Administrative expenses		(924,756)	(1,075,281)
Other operating income		162,263	-
Operating profit	4	15,709,789	6,011,524
Interest receivable and similar income	7	5,779,767	3,299,157
Interest payable and similar charges	8	(440,193)	(1,058,510)
Amounts written off investments	9	960,740	-
Minority interest		(4,446,316)	(818,921)
Profit for the financial year before taxation		17,563,787	7,433,250
Tax expense in corporate subsidiaries		(2,808,574)	(193,225)
Profit for the financial year before members' remuneration and profit shares		14,755,213	7,240,025
Profit for the financial year before members' remuneration and profit shares		14,755,213	7,240,025
Members' remuneration charged as an expense	6	(6,533,227)	(5,829,186)
Profit for the financial year available for discretionary division among members		8,221,986	1,410,839

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Profit for the financial year available for discretionary division among members	8,221,986	1,410,839
Other comprehensive income	-	-
Total comprehensive income for the year	<u>8,221,986</u>	<u>1,410,839</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	12,668,302	2,229,760
- Non-controlling interests	<u>(4,446,316)</u>	<u>(818,921)</u>
	<u>8,221,986</u>	<u>1,410,839</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

BALANCE SHEET

AS AT 31 MARCH 2016

GROUP	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	10	155,553		243,807	
Tangible assets	11	9,295,286		14,320	
Investments	12	74,377,256		43,438,806	
		<u>83,828,095</u>		<u>43,696,933</u>	
Current assets					
Stocks	15	4,008,650	29,204,188		
Debtors	16	1,683,871	1,030,187		
Cash at bank and in hand		16,535,401	3,689,581		
		<u>22,227,922</u>	<u>33,923,956</u>		
Creditors: amounts falling due within one year	17	<u>(4,486,329)</u>	<u>(1,384,078)</u>		
Net current assets		<u>17,741,593</u>		<u>32,539,878</u>	
Total assets less current liabilities		<u>101,569,688</u>		<u>76,236,811</u>	
Creditors: amounts falling due after more than one year	18	<u>(5,356,916)</u>		<u>(9,405,522)</u>	
Net assets attributable to members		<u>96,212,772</u>		<u>66,831,289</u>	
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability		74,526,651	56,564,640		
Amounts due in respect of profits		6,533,227	5,829,186		
Other amounts		3,193,256	3,496,368		
		<u>84,253,134</u>	<u>65,890,194</u>		
Members' other interests					
Members' capital classified as equity		319,273	309,272		
Other reserves classified as equity		7,601,615	1,039,389		
Minority Interest		4,038,750	(407,566)		
		<u>96,212,772</u>	<u>66,831,289</u>		

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

BALANCE SHEET

AS AT 31 MARCH 2016

Notes	2016		2015	
	£	£	£	£
Total members' interests				
Loans and other debts due to members	84,253,134		65,890,194	
Members' other interests	7,920,888		1,348,661	
Minority interest	4,038,750		(407,566)	
	<u>96,212,772</u>		<u>66,831,289</u>	

The financial statements were approved by the members and authorised for issue on 21/12/2016 and are signed on their behalf by:



Mr R Clarkson

Designated member

Limited Liability Partnership Registration No. OC359360

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

BALANCE SHEET

AS AT 31 MARCH 2016

COMPANY	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Investments	8		80,280,070		68,512,729
Current assets					
Debtors	10	73,050		-	
Cash at bank and in hand		9,610,203		553,464	
		9,683,253		553,464	
Creditors: amounts falling due within one year	11				
		(34,000)		(10,000)	
Net current assets			9,649,253		543,464
Total assets less current liabilities			89,929,323		69,056,193
Creditors: amounts falling due after more than one year	12				
			(5,356,916)		(2,856,727)
Net assets attributable to members			84,572,407		66,199,466
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			74,526,651		56,564,640
Amounts due in respect of profits			6,533,227		5,829,186
Other amounts			3,193,256		3,496,368
			84,253,134		65,890,194
Members' other interests					
Members' capital classified as equity			319,273		309,272
			84,572,407		66,199,466
Total members' interests					
Loans and other debts due to members			84,253,134		65,890,194
Members' other interests			319,273		309,272
			84,572,407		66,199,466

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2016

Current financial year	EQUITY			DEBT			TOTAL
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors			MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	Total 2016
	£	£	£		£	£	£
Amount due to members					9,325,554		
Members' interests at 1 April 2015	309,272	(620,371)	(311,099)	56,564,640	9,325,554	65,890,194	65,579,095
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	-	6,533,227	6,533,227	6,533,227
Profit for the financial year available for discretionary division among members	-	8,221,986	8,221,986	-	-	-	8,221,986
Members' interests after profit and remuneration for the year	309,272	7,601,615	7,910,887	56,564,640	15,858,781	72,423,421	80,334,308
Introduced by members	10,001	-	10,001	52,651,980	-	52,651,980	52,661,981
Repayment of debt (including members' capital classified as a liability)	-	-	-	(34,689,969)	(6,132,298)	(40,822,267)	(40,822,267)
Members' interests at 31 March 2016	319,273	7,601,615	7,920,888	74,526,651	9,726,483	84,253,134	92,174,022
Amounts due to members					9,726,483		
					9,726,483		

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

<i>Prior financial year</i>	EQUITY			DEBT			TOTAL
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors]			MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Members' capital (classified as debt)	Other amounts	Total	Total 2015
	£	£	£		£	£	£
Members' interests at 1 April 2014	9,060	(371,450)	(362,390)	38,449,722	3,496,368	41,946,090	41,583,700
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	-	5,829,186	5,829,186	5,829,186
Profit for the financial year available for discretionary division among members	-	1,410,839	1,410,839	-	-	-	1,410,839
Members' interests after profit and remuneration for the year	9,060	1,039,389	1,048,449	38,449,722	9,325,554	47,775,276	48,823,725
Introduced by members	300,212	-	300,212	31,259,427	-	31,259,427	31,559,639
Repayment of debt (including members' capital classified as a liability)	-	-	-	(13,144,509)	-	(13,144,509)	(13,144,509)
Members' interests at 31 March 2015	309,272	1,039,389	1,348,661	56,564,640	9,325,554	65,890,194	67,238,855
Amounts due to members					9,325,554		
					9,325,554		

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations		39,925,115		21,209,143	
Interest paid		(637,730)		(805,827)	
Income taxes paid		(360)		-	
Net cash inflow from operating activities		39,287,025		20,403,316	
Investing activities					
Purchase of investments	(11,837,576)		(3,280,436)		
Purchase of tangible fixed assets	(8,326,116)		(2,411)		
Issue of new shares	-		34		
Increase of investment loans and receivables	(18,323,546)		(31,707,873)		
Interest received	6,377,094		3,297,349		
Net cash used in investing activities		(32,110,144)		(31,693,337)	
Financing activities					
Capital introduced by members (classified as debt or equity)	11,439,925		20,092,891		
Repayment of bank loans	(8,271,174)		(5,384,607)		
Increase of other loans	2,500,189		-		
Net cash generated from financing activities		5,668,940		14,708,284	
Net increase in cash and cash equivalents		12,845,821		3,418,263	
Cash and cash equivalents at beginning of year		3,418,263		-	
Cash and cash equivalents at end of year		16,264,084		3,418,263	

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Limited liability partnership information

Freston Ventures Investments LLP and its subsidiaries is a limited liability partnership incorporated in England and Wales. The registered office is 146 Freston Road, London, W10 6TR.

The limited liability partnerships's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in July 2014, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Freston Ventures Investments LLP and its subsidiaries prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, Mikella Limited, a subsidiary has entered into a solvent liquidation. This was always planned for and apart from this the members have a reasonable expectation that the limited liability partnership and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

If, at the Balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the Balance sheet date are carried forward as work in progress.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment. [Amounts payable to members under employment contracts and unavoidable interest on members capital are charged to "members remuneration charged as an expense" in the relevant year].

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years and 10 years straight line.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold	0%
Plant and equipment	10% and 20% straight line
Fixtures and fittings	10% and 20% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in or .

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

1.12 Taxation

The taxation payable on the partnership profits is solely the personal liability of the individual members consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2016 £	2015 £
Turnover		
United Kingdom	41,613,093	41,791,878

Other significant revenue

Interest income	5,779,767	3,299,157
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Turnover analysed by geographical market

	2016 £	2015 £
	41,613,093	41,791,878

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	5,890	9,600
Amortisation of intangible assets	88,254	88,254
Cost of stocks recognised as an expense	24,867,915	34,293,528
Operating lease charges	58,480	165,468

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

5 Employees

Staff costs for the above persons:

	2016 £	2015 £
Wages and salaries	198,984	300,612

6 Members' remuneration

	2016 Number	2015 Number
The average number of members during the year was	8	8

	2016 £	2015 £
Remuneration to members charged as a expense	6,533,227	5,829,186

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Other interest income	5,779,767	3,299,157

8 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Other interest	440,193	1,058,510

9 Amounts written off investments

	2016 £	2015 £
Changes in the fair value of investment properties	960,740	-

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

10 Intangible fixed assets

Group

Goodwill

£

Cost

At 1 April 2015 and 31 March 2016

489,342

Amortisation and impairment

At 1 April 2015

245,535

Amortisation charged for the year

88,254

At 31 March 2016

333,789

Carrying amount

At 31 March 2016

155,553

At 31 March 2015

243,807

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

11 Tangible fixed assets Group

	Leasehold	Assets under construction	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2015	-	-	139,945	15,819	29,410	185,174
Additions	3,801,116	4,525,000	-	-	-	8,326,116
Revaluation	960,740	-	-	-	-	960,740
At 31 March 2016	4,761,856	4,525,000	139,945	15,819	29,410	9,472,030
Depreciation and impairment						
At 1 April 2015	-	-	129,480	13,532	27,842	170,854
Depreciation charged in the year	-	-	5,014	484	392	5,890
At 31 March 2016	-	-	134,494	14,016	28,234	176,744
Carrying amount						
At 31 March 2016	4,761,856	4,525,000	5,451	1,803	1,176	9,295,286
At 31 March 2015	-	-	10,465	2,287	1,568	14,320

The limited liability partnership had no tangible fixed assets at 31 March 2016 or 31 March 2015.

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

12 Fixed asset investments	Group	Company	
		2016	2015
		£	£
Unlisted investments	74,377,256	43,438,806	80,280,070
			68,512,729

Movements in fixed asset investments	Group	Company	
		Investments other than loans	Investments other than loans
		£	£
Cost or valuation			
At 1 April 2015	43,438,806	68,512,729	111,951,535
Additions	30,938,450	46,457,309	77,395,759
Disposals	-	(34,689,968)	(34,689,968)
At 31 March 2016	74,377,256	80,280,070	154,657,326
Carrying amount			
At 31 March 2016	74,377,256	80,280,070	154,657,326
At 31 March 2015	43,438,806	68,512,729	111,951,535

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

13 Subsidiaries

Details of the limited liability partnership's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
5GFR LLP	United Kingdom	Investment in joint venture	N/A	
			86.00	
Mikella Limited	United Kingdom	Property development	Ordinary	
			66.00	
AQ Restaurants Limited	United Kingdom	Restaurant operator	Ordinary	
			66.00	
Yacht Tec Limited	United Kingdom	Manufacturer of bespoke Superyacht components	Ordinary	
			80.00	
Freston Shipping Limited	United Kingdom	Boat builder	Ordinary	
			100.00	
Five Guys JV Limited	United Kingdom	Restaurant operator	Ordinary	
				43.00
Active Capital Partners II LLP	United Kingdom	Investment	N/A	
			41.00	-
MOD Pizza UK Limited	United Kingdom	Restaurant operator	Ordinary	
			50.00	-

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
5GFR LLP		10,000
Mikella Limited	12,413,626	11,629,305
AQ Restaurants Limited	412,021	722,396
Yacht Tec Limited	(99,658)	(276,671)
Freston Shipping Limited	(279,709)	(279,709)
Five Guys JV Limited	(8,378,769)	(19,042,900)
Active Capital Partners II LLP	3,443,919	9,145,836
MOD Pizza UK Limited	(1,300,000)	220,000

The 43% interest in Five Guys JV limited is an indirect holding through 5GFR LLP with owns a 50% stake.

14 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,071,862	215,633
Equity instruments measured at cost less impairment	74,377,256	43,438,806

FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

14 Financial instruments

Carrying amount of financial liabilities

Measured at amortised cost

6,656,959 10,381,583

15 Stocks

Group

Company

2016

2015

2016

2015

£

£

£

£

Work in progress

4,008,650

29,204,188

-

-

16 Debtors

Group

Company

2016

2015

2016

2015

£

£

£

£

Amounts falling due within one year:

Trade debtors

797,645

33,550

-

-

Other debtors

572,672

200,968

-

-

Prepayments and accrued income

313,554

795,669

73,050

-

17 Creditors: amounts falling due within one year

Group

Company

2016

2015

2016

2015

£

£

£

£

Trade creditors

180,633

125,811

-

-

Corporation tax

2,908,022

260

-

-

Other taxation and social security

8,450

-

-

-

Other creditors

1,119,410

850,250

-

-

Accruals and deferred income

269,814

407,757

34,000

10,000

18 Creditors: amounts falling due after more than one year

Group

Company

2016

2015

2016

2015

£

£

£

£

Other loans

5,356,916

9,405,522

5,356,916

9,405,522

19 Loans and other debts due to members

Group

Company

2016

2015

2016

2015

£

£

£

£

Analysis of loans

Amounts falling due within one year

84,253,134

65,890,194

84,253,134

65,890,194

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.