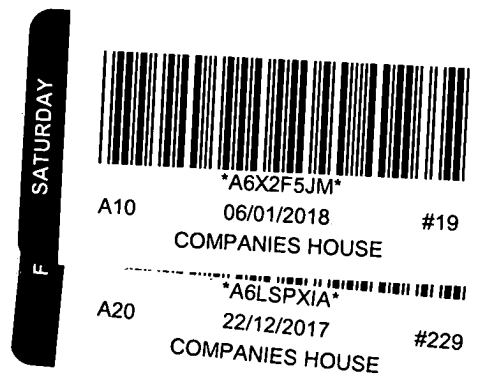


**FRESTON VENTURES INVESTMENTS LLP AND  
ITS SUBSIDIARIES**

**ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2017**



# **FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

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# **FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

## **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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<b>Designated members</b>	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
<b>Limited liability partnership number</b>	OC359360
<b>Registered office</b>	146 Freston Road London W10 6TR
<b>Auditor</b>	Alliott Wingham Limited Kintyre House 70 High Street Fareham Hants PO16 7BB
<b>Business address</b>	146 Freston Road London W10 6TR

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# **FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

## **MEMBERS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2017**

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The members present their annual report and financial statements for the year ended 31 March 2017.

#### **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 £8,014,862 (2016 - £41,613,093), cash outflow of £5,192,356 (2016 - cash inflow of £12,845,821) and profit before tax of £10,121,438 (2016 - £17,563,787).

Continuing operations provided turnover of £8,014,862 (2016 - £41,613,093) and an operating profit of £1,821,766 (2016 - £15,709,789). Turnover and cost of sales dropped considerable due to the completion of the property development activity.

#### **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**

In accordance with the limited liability partnerships's membership agreement, a notice proposing that Alliot Wingham Limited be reappointed as auditor of the limited liability partnership will be put at a Members' Meeting.

#### **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.

**FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

**MEMBERS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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Approved by the members on 21 Dec 2017 and signed on behalf by:



.....  
Mr R Clarkson  
Designated Member

# **FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

## **MEMBERS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2017***

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# **FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

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We have audited the financial statements of Freston Ventures Investments LLP (the 'parent') and its subsidiaries (the 'group') for the year ended 31 March 2017 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 group's and parent limited liability partnership's affairs as at 31 March 2017 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)**

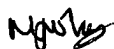
### **TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

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#### **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

15/12/17.....

**Chartered Accountants**  
**Statutory Auditor**

Kintyre House  
70 High Street  
Fareham  
Hants  
PO16 7BB



# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	8,014,862	41,613,093
Cost of sales		(5,424,091)	(25,140,811)
<b>Gross profit</b>		<b>2,590,771</b>	<b>16,472,282</b>
Administrative expenses		(769,005)	(924,756)
Other operating income		-	162,263
<b>Operating profit</b>	4	<b>1,821,766</b>	<b>15,709,789</b>
Interest receivable and similar income	7	8,751,336	5,779,767
Interest payable and similar expenses	8	(547,428)	(440,193)
Amounts written off investments	9	546,390	960,740
Minority interest		(450,626)	(4,446,316)
<b>Profit for the financial year before taxation</b>		<b>10,121,438</b>	<b>17,563,787</b>
Tax expense in corporate subsidiaries		(269,165)	(2,808,574)
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>9,852,273</b>	<b>14,755,213</b>
Profit for the financial year before members' remuneration and profit shares		9,852,273	14,755,213
Members' remuneration charged as an expense	6	(9,145,752)	(6,533,227)
<b>Profit for the financial year available for discretionary division among members</b>		<b>706,521</b>	<b>8,221,986</b>

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 2017**

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	2017 £	2016 £
Profit for the financial year available for discretionary division among members	706,521	8,221,986
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>706,521</u>	<u>8,221,986</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	1,157,147	12,668,302
- Non-controlling interests	<u>(450,626)</u>	<u>(4,446,316)</u>
	<u>706,521</u>	<u>8,221,986</u>

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

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## GROUP BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Goodwill	10	67,298		155,553	
Tangible assets	11	10,307,014		9,295,286	
Investments	12	129,059,880		74,377,256	
		<u>139,434,192</u>		<u>83,828,095</u>	
<b>Current assets</b>					
Stocks	15	-	4,008,650		
Debtors	16	3,246,081	1,683,871		
Cash at bank and in hand		11,343,045	16,535,401		
		<u>14,589,126</u>	<u>22,227,922</u>		
<b>Creditors: amounts falling due within one year</b>	17	<u>(8,004,111)</u>	<u>(4,486,329)</u>		
<b>Net current assets</b>		<u>6,585,015</u>		<u>17,741,593</u>	
<b>Total assets less current liabilities</b>		<u>146,019,207</u>		<u>101,569,688</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(8,594,290)</u>		<u>(5,356,916)</u>	
<b>Net assets attributable to members</b>		<u>137,424,917</u>		<u>96,212,772</u>	
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Members' capital classified as a liability		114,369,260	74,526,651		
Amounts due in respect of profits		17,206,811	6,533,227		
Other amounts		<u>(7,268,145)</u>	<u>3,193,256</u>		
		<u>124,307,926</u>	<u>84,253,134</u>		
<b>Members' other interests</b>					
Members' capital classified as equity		319,478	319,273		
Other reserves classified as equity		8,308,136	7,601,615		
Minority interest		<u>4,489,377</u>	<u>4,038,750</u>		
		<u>137,424,917</u>	<u>96,212,772</u>		

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## BALANCE SHEET

AS AT 31 MARCH 2017

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Notes	2017		2016	
	£	£	£	£
<b>Total members' interests</b>				
Loans and other debts due to members	124,307,926		84,253,134	
Members' other interests	8,627,614		7,920,888	
Minority interest	4,489,377		4,038,750	
	<u>137,424,917</u>		<u>96,212,772</u>	

The financial statements were approved by the members and authorised for issue on 21 Dec 2017 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

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	12	133,331,189		80,280,070	
<b>Current assets</b>					
Debtors	16	73,050		73,050	
Cash at bank and in hand		29,103		9,610,203	
		102,153		9,683,253	
<b>Creditors: amounts falling due within one year</b>	17	(19,500)		(34,000)	
<b>Net current assets</b>		82,653		9,649,253	
<b>Total assets less current liabilities</b>		133,413,842		89,929,323	
<b>Creditors: amounts falling due after more than one year</b>	18	(8,594,290)		(5,356,916)	
<b>Net assets attributable to members</b>		124,819,552		84,572,407	
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Members' capital classified as a liability		114,369,260		74,526,651	
Other amounts		10,130,814		9,726,483	
		124,500,074		84,253,134	
<b>Members' other interests</b>					
Members' capital classified as equity		319,478		319,273	
		124,819,552		84,572,407	
<b>Total members' interests</b>					
Loans and other debts due to members		124,500,074		84,253,134	
Members' other interests		319,478		319,273	
		124,819,552		84,572,407	

## FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

### RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2017

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 2017
	£	£	£		£	£	£
Amounts due to members					9,726,483		
Members' interests at 1 April 2016	319,273	7,601,615	7,920,888	74,526,651	9,726,483	84,253,134	92,174,022
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	-	17,398,959	17,398,959	17,398,959
Profit for the financial year available for discretionary division among members	-	706,521	706,521	-	-	-	706,521
Members' interests after profit and remuneration for the year	319,273	8,308,136	8,627,409	74,526,651	27,125,442	101,652,093	110,279,502
Introduced by members	139	-	139	39,842,609	-	39,842,609	39,842,748
Repayments of capital	66	-	66	-	-	-	66
Repayment of debt (including members' capital classified as a liability)	-	-	-	-	(17,186,776)	(17,186,776)	(17,186,776)
Members' interests at 31 March 2017	319,478	8,308,136	8,627,614	114,369,260	9,938,666	124,397,926	132,935,540
Amounts due to members					9,938,666		
					9,938,666		

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Prior 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
	£	£	£		£	£	£
Amounts 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

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations		14,332,118		39,925,115	
Interest paid		(889,327)		(637,730)	
Income taxes paid		(1)		(360)	
<b>Net cash inflow from operating activities</b>		<b>13,442,790</b>		<b>39,287,025</b>	
<b>Investing activities</b>					
Purchase of investments	(53,051,119)		(11,837,576)		
Purchase of tangible fixed assets	(1,309,213)		(8,326,116)		
Increase of investment loans and receivables	-		(18,323,546)		
Interest received	9,639,626		6,377,094		
<b>Net cash used in investing activities</b>		<b>(44,720,706)</b>		<b>(32,110,144)</b>	
<b>Financing activities</b>					
Capital introduced by members (classified as debt or equity)	22,848,186		11,439,925		
Repayment of bank loans			(8,271,174)		
Increase of other loans	3,237,374		2,500,189		
<b>Net cash generated from financing activities</b>		<b>26,085,560</b>		<b>5,668,940</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,192,356)</b>		<b>12,845,821</b>	
Cash and cash equivalents at beginning of year		16,535,401		3,689,580	
<b>Cash and cash equivalents at end of year</b>		<b>11,343,045</b>		<b>16,535,401</b>	



# **FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **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 partnership'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 January 2017, 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.

#### **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 2017**

---

#### **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.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

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.

##### **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.

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

---

#### 1 Accounting policies

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 the lower of replacement cost and 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.

#### 1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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.

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### 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 publicly 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.

##### **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.

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### ***Basic financial 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 payments 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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.13 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.

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

##### 1.14 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.

##### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 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:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
United Kingdom	<u>8,014,862</u>	<u>41,613,093</u>
	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	<u>8,751,336</u>	<u>5,779,767</u>
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
	<u>8,014,862</u>	<u>41,613,093</u>

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	297,485	5,890
Amortisation of intangible assets	88,255	88,254
Cost of stocks recognised as an expense	5,103,057	24,867,915
Operating lease charges	53,282	58,480

### 5 Employees

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	214,943	198,984

### 6 Members' remuneration

	2017	2016
	Number	Number
The average number of members during the year was	8	8

	2017	2016
	£	£
Remuneration to members charged as a expense	9,145,752	6,533,227

### 7 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Other interest income	8,751,336	5,779,767

### 8 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest	547,428	440,193

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 9 Amounts written off investments

	2017 £	2016 £
Changes in the fair value of investment properties	<u>546,390</u>	<u>960,740</u>

### 10 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	<u>489,342</u>
<b>Amortisation and impairment</b>	
At 1 April 2016	333,789
Amortisation charged for the year	<u>88,255</u>
At 31 March 2017	<u>422,044</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>67,298</u>
At 31 March 2016	<u>155,553</u>



## FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

#### 11 Tangible fixed assets

##### Group

	Leasehold	Assets under construction	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2016	4,761,856	4,525,000	5,974,158	15,819	29,410	15,306,243
Additions	-	1,309,213	-	-	-	1,309,213
Other changes	-	(5,834,213)	-	-	-	(5,834,213)
At 31 March 2017	4,761,856	-	5,974,158	15,819	29,410	10,781,243
<b>Depreciation and impairment</b>						
At 1 April 2016	-	-	134,494	14,016	28,234	176,744
Depreciation charged in the year	-	-	296,710	482	293	297,485
At 31 March 2017	-	-	431,204	14,498	28,527	474,229
<b>Carrying amount</b>						
At 31 March 2017	4,761,856	-	5,542,954	1,321	883	10,307,014
At 31 March 2016	4,761,856	4,525,000	5,451	1,803	1,176	9,295,286

The limited liability partnership had no tangible fixed assets at 31 March 2017 or 31 March 2016.

## FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12 Fixed asset investments	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Unlisted investments	129,059,880	74,377,256	133,331,189	80,280,070

#### Movements in fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Group Investments other than loans £	Company Investments other than loans £	Other £	Total £
<b>Cost or valuation</b>						
At 1 April 2016	-	-	74,377,256	80,280,070	-	154,657,326
Additions	-	-	66,529,021	64,897,516	-	131,426,537
Valuation changes	-	-	546,390	546,390	-	1,092,780
Disposals	-	-	(12,392,787)	(12,392,787)	-	(24,785,574)
At 31 March 2017	-	-	129,059,880	133,331,189	-	262,391,069
<b>Carrying amount</b>						
At 31 March 2017	-	-	129,059,880	133,331,189	-	262,391,069
At 31 March 2016	-	-	74,377,256	80,280,070	-	154,657,326

## FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

#### 13 Subsidiaries

Details of the limited liability partnership's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
5GFR LLP	United Kingdom	Investment in joint venture	N/A	86.60	
Active Capital Partners II LLP	United Kingdom	Investment	N/A	41.08	-
AQ Restaurants Limited	United Kingdom	Restaurant operator	Ordinary	66.00	
Five Guys JV Limited	United Kingdom	Restaurant operator	Ordinary		43.00
Freston Shipping Limited	United Kingdom	Boat builder	Ordinary	100.00	
Mikella Limited	United Kingdom	Property development	Ordinary	66.00	
MOD Pizza UK Limited	United Kingdom	Restaurant operator	Ordinary	50.00	-
Yacht Tec Limited	United Kingdom	Manufacturer of bespoke Superyacht components	Ordinary	80.00	

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 13 Subsidiaries

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
Active Capital Partners II LLP	(17,178)	14,632,280
AQ Restaurants Limited	64,997	284,870
Five Guys JV Limited	(13,743,914)	(32,786,814)
Freston Shipping Limited	(94,936)	(374,645)
Mikella Limited	1,238,013	12,867,418
MOD Pizza UK Limited	(5,020,000)	6,500,000
Yacht Tec Limited	38,014	(238,657)

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

#### 14 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,822,407	1,071,862
Equity instruments measured at cost less impairment	129,059,880	74,377,256
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	137,862,366	91,179,907

#### 15 Stocks

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Work in progress	-	4,008,650	-	-

#### 16 Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	814,066	797,645	-	-
Other debtors	1,008,341	572,672	-	-
Prepayments and accrued income	1,423,674	313,554	73,050	73,050

# FRESTON VENTURES INVESTMENTS LLP AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

17	Creditors: amounts falling due within one year	Group	Company			
		2017	2016	2017	2016	
		£	£	£	£	
	Trade creditors	102,323	180,633	-	-	
	Corporation tax	3,217,527	2,908,022	-	-	
	Other taxation and social security	18,582	8,450	-	-	
	Other creditors	4,494,920	1,119,410	-	-	
	Accruals and deferred income	170,759	269,814	19,500	34,000	
18	Creditors: amounts falling due after more than one year	Group	Company			
		2017	2016	2017	2016	
		£	£	£	£	
	Other loans	8,594,290	5,356,916	8,594,290	5,356,916	
19	Loans and other debts due to members	Group	Company			
		2017	2016	2017	2016	
		£	£	£	£	
	Analysis of loans					
	Amounts falling due within one year	124,500,074	84,253,134	124,500,074	84,253,134	

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