

Limited Liability Partnership Registration No. OC359360 (England and Wales)

FRESTON VENTURES INVESTMENTS LLP

ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

# **FRESTON VENTURES INVESTMENTS LLP**

## **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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<b>Designated members</b>	Sir Charles Dunstone Lady C Dunstone Mr R Clarkson Mr J Eckbert Mr J Gildersleeve Mr A Harrison Mr T Morris Mr R Taylor
<b>LLP registration 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**

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# FRESTON VENTURES INVESTMENTS LLP

## MEMBERS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The members present their annual report and financial statements for the year ended 31 March 2022.

#### Principal activities

The principal activity of the limited liability partnership continued 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 £21,367,377 (2021 - £19,350,730) and profit before members remuneration of £23,630,719 (2021 - £7,973,536).

Total turnover is derived from continuing operations and this has generated operating profit of £21,046,699 (2021 - £5,866,133). The increase in operating profit during the year was primarily due to a reduction in bad debt and investment write offs.

#### Principal risks and uncertainties

The members 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, especially given the economic impact of COVID-19.

#### 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  
Lady C Dunstone  
Mr R Clarkson  
Mr J Eckbert  
Mr J Gildersleeve  
Mr A Harrison  
Mr T Morris  
Mr R Taylor

#### Auditor

In accordance with the limited liability partnerships' membership agreement, a notice proposing that Elliott 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 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**

## **MEMBERS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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Approved by the members on 21 December 2022 and signed on behalf by:

Mr R Clarkson  
**Designated Member**

# **FRESTON VENTURES INVESTMENTS LLP**

## **MEMBERS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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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;
- 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

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP

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#### Opinion

We have audited the financial statements of Freston Ventures Investments LLP (the 'limited liability partnership') for the year ended 31 March 2022 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 notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2022 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **FRESTON VENTURES INVESTMENTS LLP**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP**

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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 in relation to which 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.

#### **Responsibilities of members**

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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the LLP and the industry in which it operates, and considered the risk of acts by the LLP that were contrary to applicable laws and regulations, including fraud. Our audit procedures were designed at LLP and significant component levels to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, financial reporting legislation, the Limited Liability Partnerships Act 2000 and UK tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, review of board meeting minutes, enquiries with management, enquiries of external legal advisors and review of correspondence with external legal advisors.

There are inherent limitations in the audit procedures described above and, the further removed non compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates. We addressed the risk of management override of internal controls through testing journals, in particular any entries posted with unusual account combinations or posted by senior management. We evaluated whether there was evidence of bias by the Members in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



## **FRESTON VENTURES INVESTMENTS LLP**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP**

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##### **Use of our report**

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.

**Mark Nolan FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Elliott Wingham Limited**

21 December 2022

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

Kintyre House  
70 High Street  
Fareham  
Hants  
PO16 7BB

## FRESTON VENTURES INVESTMENTS LLP

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Turnover	3	21,367,377	19,350,730
Administrative expenses		(320,678)	(13,484,597)
<b>Operating profit</b>	<b>4</b>	<b>21,046,699</b>	<b>5,866,133</b>
Other interest receivable and similar income	7	2,881,108	3,186,642
Interest payable and similar expenses	8	(1,178,562)	(1,079,239)
Amounts written off investments	9	881,474	-
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>23,630,719</b>	<b>7,973,536</b>
Profit for the financial year before members' remuneration and profit shares		23,630,719	7,973,536
Members' remuneration charged as an expense	6	(23,630,719)	(7,973,536)
<b>Result for the financial year available for discretionary division among members</b>		<b>-</b>	<b>-</b>

## **FRESTON VENTURES INVESTMENTS LLP**

### **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2022***

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	2022 £	2021 £
Profit for the financial year available for discretionary division among members	-	-
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	-	-
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# FRESTON VENTURES INVESTMENTS LLP

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		78		1,016
Investments	11		317,101,182		292,400,492
			<u>317,101,260</u>		<u>292,401,508</u>
<b>Current assets</b>					
Cash at bank and in hand		26,922		64,693	
<b>Creditors: amounts falling due within one year</b>	15	(10,000)		(10,000)	
<b>Net current assets</b>			<u>16,922</u>		<u>54,693</u>
<b>Total assets less current liabilities</b>			<u>317,118,182</u>		<u>292,456,201</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(13,334,350)		(12,672,588)
<b>Net assets attributable to members</b>			<u><u>303,783,832</u></u>		<u><u>279,783,613</u></u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Members' capital classified as a liability			221,159,421		220,489,921
Amounts due in respect of profits			23,630,719		7,973,536
Other amounts			<u>58,827,075</u>		<u>50,853,539</u>
			<u>303,617,215</u>		<u>279,316,996</u>
<b>Members' other interests</b>					
Members' capital classified as equity			<u>166,617</u>		<u>466,617</u>
			<u><u>303,783,832</u></u>		<u><u>279,783,613</u></u>

The financial statements were approved by the members and authorised for issue on 21 December 2022 and are signed on their behalf by:

Mr R Clarkson  
Designated member

Limited Liability Partnership Registration No. OC359360

# FRESTON VENTURES INVESTMENTS LLP

## RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year	EQUITY		DEBT		TOTAL
	Members' other	Loans and other debts due to members less any amounts	due from members in debtors		MEMBERS'
	interests				INTERESTS
	Members' capital £	Members' capital £	Other amounts £	Total £	Total 2022 £
Members' interests at 1 April 2021	466,617	220,489,921	58,827,075	279,316,996	279,783,613
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	23,630,719	23,630,719	23,630,719
Result for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after loss and remuneration for the year	466,617	220,489,921	82,457,794	302,947,715	303,414,332
Introduced by members	-	669,500	-	669,500	669,500
Repayments of capital	(300,000)	-	-	-	(300,000)
Members' interests at 31 March 2022	166,617	221,159,421	82,457,794	303,617,215	303,783,832

# FRESTON VENTURES INVESTMENTS LLP

## RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

<i>Prior financial year</i>	EQUITY		DEBT		TOTAL
	Members' other	Loans and other debts due to members less any amounts	due from members in debtors		MEMBERS'
	interests				INTERESTS
	Members' capital	Members' capital	Other amounts	Total	Total
	£	£	£	£	2021 £
Members' interests at 1 April 2020	466,617	191,424,894	50,762,699	242,187,593	242,654,210
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	7,973,536	7,973,536	7,973,536
Result for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after loss and remuneration for the year	466,617	191,424,894	58,736,235	250,161,129	250,627,746
Introduced by members	-	29,065,027	90,840	29,155,867	29,155,867
Members' interests at 31 March 2021	466,617	220,489,921	58,827,075	279,316,996	279,783,613

# FRESTON VENTURES INVESTMENTS LLP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	21,329,612	19,306,072
Income received from investments		(882,844)	-
Interest paid		(1,178,562)	(1,079,239)
<b>Net cash inflow from operating activities</b>		<b>19,268,206</b>	<b>18,226,833</b>
<b>Investing activities</b>			
Purchase of subsidiaries		(6,538,931)	(12,750,127)
Proceeds from disposal of associates		-	375
Purchase of investments		-	(71,942)
Proceeds from disposal of investments		2,343,085	-
Increase in investment loans		(28,645,991)	(36,784,903)
Receipts arising from investment loans		12,504,598	1,100,000
<b>Net cash used in investing activities</b>		<b>(20,337,239)</b>	<b>(48,506,597)</b>
<b>Financing activities</b>			
Capital introduced by members (classified as debt or equity)		669,500	29,155,867
Repayment of capital or debt to members		(300,000)	-
Increase in other loans		661,762	1,079,239
<b>Net cash generated from financing activities</b>		<b>1,031,262</b>	<b>30,235,106</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(37,771)</b>	<b>(44,658)</b>
Cash and cash equivalents at beginning of year		64,693	109,351
<b>Cash and cash equivalents at end of year</b>		<b>26,922</b>	<b>64,693</b>

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Limited liability partnership information**

Freston Ventures Investments LLP 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 December 2018, 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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The limited liability partnership has not prepared consolidated accounts. All of the parent's subsidiaries are excluded from consolidation by paragraph 9.9 of FRS 102.

The financial statements therefore present information about the limited liability partnership as an individual entity.

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has 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.

#### **1.2 Turnover**

Turnover primarily represents Interest received on loans to investments. Where interest has not been recorded at the year end due to timing differences, a provision is made to ensure correct.

#### **1.3 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.



# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

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.

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.

#### 1.4 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:

Fixtures and fittings	3 years straight line
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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.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the limited liability partnership. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible 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.

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

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.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.8 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.

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **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 profit or loss.

#### **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.

#### **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.

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.9 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.

#### **1.10 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 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.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Investments**

Investments are carried at either cost or fair value. Judgements have to be made as to whether any of the investments are considered to be impaired at the balance sheet date, to assess if the value of the investment is at its correct level.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Valuation of investments**

Investments are carried at either cost or fair value. Fair value is considered by the members having reviewed latest management information and other data to assess if the value of the investment is at its correct level. Where impairments are identified, an estimate as to the amounts to be written down are provided for based on available evidence.

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 3 Turnover

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

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Interest from investments	21,367,377	19,350,730
	<u>21,367,377</u>	<u>19,350,730</u>
	2022 £	2021 £
<b>Other significant revenue</b>		
Other interest income and fair value adjustments	2,881,108	3,186,642
	<u>2,881,108</u>	<u>3,186,642</u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	21,367,377	19,350,730
	<u>21,367,377</u>	<u>19,350,730</u>

### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	3,750	3,750
Depreciation of owned tangible fixed assets	938	937
	<u>4,688</u>	<u>4,687</u>

### 5 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2022 Number	2021 Number
Total	-	-
	<u>-</u>	<u>-</u>

### 6 Members' remuneration

	2022 Number	2021 Number
Average number of members during the year	9	9
	<u>9</u>	<u>9</u>

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Fair value adjustment	2,881,108	3,186,642

Investment income includes the following:

Fair value gains on financial assets measured at fair value through profit or loss	2,881,108	3,186,642
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### 8 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest	1,178,562	1,079,239

### 9 Amounts written off investments

	2022	2021
	£	£
Gain on disposal of fixed asset investments	881,474	-

### 10 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	2,812
<b>Depreciation and impairment</b>	
At 1 April 2021	1,796
Depreciation charged in the year	938
At 31 March 2022	2,734
<b>Carrying amount</b>	
At 31 March 2022	78
At 31 March 2021	1,016

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 11 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	12	19,297,786	12,758,855
Unlisted investments		19,895,018	20,104,333
Loans		277,908,378	259,537,304
		<u>317,101,182</u>	<u>292,400,492</u>

#### Fixed asset investments revalued

Fixed asset investments whose fair value can be established with reference to market value are carried at valuation.

#### Movements in fixed asset investments

	Shares in subsidiaries £	Other investments £	Loans £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	12,758,855	20,104,333	259,537,304	292,400,492
Additions	6,538,931	-	28,364,016	34,902,947
Valuation changes	-	369,454	2,511,656	2,881,110
Loan write off / disposals	-	(578,769)	(12,504,598)	(13,083,367)
At 31 March 2022	<u>19,297,786</u>	<u>19,895,018</u>	<u>277,908,378</u>	<u>317,101,182</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>19,297,786</u>	<u>19,895,018</u>	<u>277,908,378</u>	<u>317,101,182</u>
At 31 March 2021	<u>12,758,855</u>	<u>20,104,333</u>	<u>259,537,304</u>	<u>292,400,492</u>

### 12 Subsidiaries

Details of the limited liability partnership's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
5GFR LLP	United Kingdom	N/A	92.78
AQ Restaurant Limited	United Kingdom	Ordinary	66.00
Freston Shipping Limited	United Kingdom	Ordinary	100.00
Yacht Tec Limited	United Kingdom	Ordinary	80.00

# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 13 Associates

Details of the limited liability partnership's associates at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Active Capital Partners II LP	United Kingdom	N/A	40.70	-
Five Guys JV Limited	United Kingdom	Ordinary	-	46.39
Five Guys Europe Holdings Limited	United Kingdom	Ordinary	-	46.39
Five Guys European Holdings Limited	United Kingdom	Ordinary	-	46.39
Five Guys Europe Limited	United Kingdom	Ordinary	-	46.39
Five Guys France SAS	France	Ordinary	-	46.39
Five Guys Spain SLU	Spain	Ordinary	-	46.39
Five Guys Germany GmbH	Germany	Ordinary	-	46.39
Active Partners III LP	United Kingdom	N/A	25.00	-

### 14 Loans and overdrafts

	2022 £	2021 £
Other loans	13,334,350	12,672,588
Payable after one year	13,334,350	12,672,588

### 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	10,000	10,000

### 16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Other loans	14	13,334,350	12,672,588

### 17 Loans and other debts due to members

	2022 £	2021 £
<b>Analysis of loans</b>		
Amounts falling due within one year	303,617,215	279,316,996

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



# FRESTON VENTURES INVESTMENTS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 18 Control

The ultimate controlling party of the Limited Liability Partnership is Sir Charles Dunstone.

19	Cash generated from operations	2022 £	2021 £
	Profit for the year	23,630,719	7,973,536
	<b>Adjustments for:</b>		
	Finance costs recognised in profit or loss	1,178,562	1,079,239
	Fair value gains on investments	(2,881,108)	(3,186,642)
	Depreciation and impairment of tangible fixed assets	938	937
	Gain on sale of investments	(881,474)	-
	Increase in provisions or impairments	281,975	13,445,002
	<b>Movements in working capital:</b>		
	Decrease in creditors	-	(6,000)
	<b>Cash generated from operations</b>	<b>21,329,612</b>	<b>19,306,072</b>

### 20 Analysis of changes in net debt

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	64,693	(37,771)	26,922
Borrowings excluding overdrafts	(12,672,588)	(661,762)	(13,334,350)
Balances before members' debt	(12,607,895)	(699,533)	(13,307,428)
Loans and other debts due to members:			
- Members' capital	(220,489,921)	(669,500)	(221,159,421)
- Other amounts due to members	(58,827,075)	(23,630,719)	(82,457,794)
Balances including members' debt	(291,924,891)	(24,999,752)	(316,924,643)

## FRESTON VENTURES INVESTMENTS LLP

### SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 MARCH 2022*

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	2022	2021
	£	£
<b>Administrative expenses</b>		
Legal and professional fees	30,500	30,787
Accountancy	6,540	5,805
Bank charges	725	1,010
Bad debts and impairments	281,975	13,445,002
Insurances	-	1,056
Depreciation	938	937
	<hr/>	<hr/>
	320,678	13,484,597
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