

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

FRESTON VENTURES INVESTMENTS LLP

ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

FRESTON VENTURES INVESTMENTS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

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

FRESTON VENTURES INVESTMENTS LLP

CONTENTS

	Page
Members' report	1 - 2
Members' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Reconciliation of members' interests	10 - 11
Statement of cash flows	12
Notes to the financial statements	13 - 23

FRESTON VENTURES INVESTMENTS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The members present their annual report and financial statements for the year ended 31 March 2021.

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 £19,350,730 (2020 - £16,576,776) and profit before members remuneration of £7,973,536 (2020 - £14,667,137).

Continuing operations provided turnover of £19,350,730 (2020 - £16,576,776) and an operating profit of £5,866,133 (2020 - £15,595,206). The decrease in operating profit was primarily down to a large write off of loan investments in the current year.

Principal risks and uncertainties

The members considers it 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 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 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 2021

Approved by the members on 21 December 2021 and signed on behalf by:

Mr R Clarkson
Designated Member

FRESTON VENTURES INVESTMENTS LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Opinion

We have audited the financial statements of Freston Ventures Investments LLP (the 'limited liability partnership') for the year ended 31 March 2021 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 FRS 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 2021 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

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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.

FRESTON VENTURES INVESTMENTS LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRESTON VENTURES INVESTMENTS LLP

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.

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 2021

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 2021

		2021	2020
	Notes	£	£
Turnover	3	19,350,730	16,576,776
Administrative expenses		(13,484,597)	(887,060)
Profit/(loss) on disposal of investments		-	(94,510)
Operating profit	4	5,866,133	15,595,206
Other interest receivable and similar income	7	3,186,642	93,284
Interest payable and similar expenses	8	(1,079,239)	(1,021,353)
Profit for the financial year before members' remuneration and profit shares		7,973,536	14,667,137
Profit for the financial year before members' remuneration and profit shares		7,973,536	14,667,137
Members' remuneration charged as an expense	6	(7,973,536)	(14,667,137)
Result for the financial year available for discretionary division among members		-	-

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

FRESTON VENTURES INVESTMENTS LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Profit for the financial year available for discretionary division among members	-	-
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

FRESTON VENTURES INVESTMENTS LLP

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		1,016		1,953
Investments	10		292,400,492		254,152,255
			<u>292,401,508</u>		<u>254,154,208</u>
Current assets					
Cash at bank and in hand		64,693		109,351	
Creditors: amounts falling due within one year	14	(10,000)		(16,000)	
Net current assets			54,693		93,351
Total assets less current liabilities			292,456,201		254,247,559
Creditors: amounts falling due after more than one year	15	(12,672,588)		(11,593,349)	
Net assets attributable to members			<u>279,783,613</u>		<u>242,654,210</u>
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			220,489,921		191,424,894
Amounts due in respect of profits			7,973,536		14,670,803
Other amounts			50,853,539		36,091,896
			<u>279,316,996</u>		<u>242,187,593</u>
Members' other interests					
Members' capital classified as equity			466,617		466,617
			<u>279,783,613</u>		<u>242,654,210</u>

The financial statements were approved by the members and authorised for issue on 21 December 2021 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 2021

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
	£		£	£	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

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

<i>Prior financial year</i>	EQUITY		DEBT		TOTAL
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors			MEMBERS' INTERESTS
	Members' capital	Members' capital	Other amounts	Total	Total
	£	£	£	£	2020 £
Members' interests at 1 April 2019	476,466	178,720,705	36,091,896	214,812,601	215,289,067
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	14,667,137	14,667,137	14,667,137
Result for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after loss and remuneration for the year	476,466	178,720,705	50,759,033	229,479,738	229,956,204
Other divisions of profits	-	(12,755)	12,755	-	-
Introduced by members	(9,849)	12,716,944	-	12,716,944	12,707,095
Drawings	-	-	(9,089)	(9,089)	(9,089)
Members' interests at 31 March 2020	466,617	191,424,894	50,762,699	242,187,593	242,654,210

FRESTON VENTURES INVESTMENTS LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	18	19,306,072	16,520,114
Interest paid		(1,079,239)	(1,021,353)
Net cash inflow from operating activities		18,226,833	15,498,761
Investing activities			
Purchase of tangible fixed assets		-	(2,812)
Purchase of subsidiaries	(12,750,000)		(1)
Purchase of joint ventures		-	(1)
Receipts from joint ventures			12,010,000
Purchase of investments	(71,942)		-
Increase in investment loans	(36,784,655)		(41,168,512)
Receipts arising from investment loans	1,100,000		-
Net cash used in investing activities		(48,506,597)	(29,161,326)
Financing activities			
Capital introduced by members (classified as debt or equity)	29,155,867		12,707,095
Payments to members that represent a return on amounts subscribed or otherwise contributed	-		(9,089)
Increase in other loans	1,079,239		1,021,353
Net cash generated from financing activities		30,235,106	13,719,359
Net (decrease)/increase in cash and cash equivalents		(44,658)	56,794
Cash and cash equivalents at beginning of year		109,351	52,557
Cash and cash equivalents at end of year		64,693	109,351

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 freehold properties and to include investment properties and 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.

1.2 Going concern

At the time of approving the financial statements, the members have assessed the impact of COVID-19 and other risks on the activities of the limited liability partnership and with the measures put in place and the continued support of the members, they 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.

1.3 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.

1.4 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.

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

1.5 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.

1.6 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the limited liability partnership holds a long-term interest and where the limited liability partnership has significant influence. The limited liability partnership considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the limited liability partnership has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 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.

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 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.

1.9 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.

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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 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.

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

1.10 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.

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

3 Turnover

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

	2021 £	2020 £
Turnover analysed by class of business		
Interest from Investments	19,350,730	16,565,168
Guarantee fees received	-	11,608
	<u>19,350,730</u>	<u>16,576,776</u>

	2021 £	2020 £
Other significant revenue		
Other interest income and fair value adjustments	3,186,642	93,284
	<u>3,186,642</u>	<u>93,284</u>

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	19,350,730	16,576,776
	<u>19,350,730</u>	<u>16,576,776</u>

4 Operating profit

	2021 £	2020 £
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	937	859
	<u>4,687</u>	<u>4,609</u>

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Employees

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

	2021 Number	2020 Number
Total	-	-

6 Members' remuneration

	2021 Number	2020 Number
Average number of members during the year	9	9

Remuneration to members charged as an expense	7,973,536	14,667,137
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7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Fair value adjustment	3,186,642	93,284

Investment income includes the following:

Fair value gains on financial assets measured at fair value through profit or loss	3,186,642	93,284
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8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Other interest	1,079,239	1,021,353

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2020 and 31 March 2021	2,812
Depreciation and impairment	
At 1 April 2020	859
Depreciation charged in the year	937
At 31 March 2021	1,796
Carrying amount	
At 31 March 2021	1,016
At 31 March 2020	1,953

10 Fixed asset investments

	Notes	2021 £	2020 £
Shares in group undertakings and participating interests		12,758,855	8,855
Other investments other than loans		20,104,333	24,077,825
Loans		259,537,304	230,065,575
		292,400,492	254,152,255

Fixed asset investments revalued

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

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

(Continued)

10 Fixed asset investments

Movements in fixed asset investments

	Shares in subsidiaries, associates and joint ventures	Other investments	Loans	Total
	£	£	£	£
Cost or valuation				
At 1 April 2020	8,855	24,077,825	230,065,575	254,152,255
Additions	12,750,000	71,942	36,784,655	49,606,597
Valuation changes	(2)	3,954,568	(767,925)	3,186,641
Loan write off / disposals	-	(8,000,000)	(5,445,000)	(13,445,000)
Repayments	-	-	(1,100,001)	(1,100,001)
At 31 March 2021	12,758,853	20,104,335	259,537,304	292,400,492
Carrying amount				
At 31 March 2021	12,758,853	20,104,335	259,537,304	292,400,492
At 31 March 2020	8,855	24,077,825	230,065,575	254,152,255

11 Subsidiaries

Details of the limited liability partnership's subsidiaries at 31 March 2021 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

12 Associates

Details of the limited liability partnership's associates at 31 March 2021 are as follows:

FRESTON VENTURES INVESTMENTS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Associates (Continued)

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	-

13 Loans and overdrafts

	2021 £	2020 £
Other loans	12,672,588	11,593,349
	<u>12,672,588</u>	<u>11,593,349</u>
Payable after one year	12,672,588	11,593,349
	<u>12,672,588</u>	<u>11,593,349</u>

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	6,000
Accruals and deferred income	10,000	10,000
	<u>10,000</u>	<u>16,000</u>

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other loans	13	12,672,588	11,593,349
		<u>12,672,588</u>	<u>11,593,349</u>

16 Loans and other debts due to members

	2021 £	2020 £
Analysis of loans		
Amounts falling due within one year	279,316,996	242,187,593
	<u>279,316,996</u>	<u>242,187,593</u>

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 2021

17 Control

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

18 Cash generated from operations	2021 £	2020 £
Profit for the year	7,973,536	14,667,137
Adjustments for:		
Finance costs recognised in profit or loss	1,079,239	1,021,353
Fair value gains on investments	(3,186,642)	(93,284)
Depreciation and impairment of tangible fixed assets	937	859
Increase in provisions or impairments	13,445,002	849,999
Movements in working capital:		
Decrease in debtors	-	73,050
(Decrease)/increase in creditors	(6,000)	1,000
Cash generated from operations	19,306,072	16,520,114

19 Analysis of changes in net debt

	1 April 2020 £	Cash flows £	31 March 2021 £
Cash at bank and in hand	109,351	(44,658)	64,693
Borrowings excluding overdrafts	(11,593,349)	(1,079,239)	(12,672,588)
Balances before members' debt	(11,483,998)	(1,123,897)	(12,607,895)
Loans and other debts due to members:			
- Members' capital	(191,424,894)	(29,065,027)	(220,489,921)
- Other amounts due to members	(50,762,699)	(8,064,376)	(58,827,075)
Balances including members' debt	(253,671,591)	(38,253,300)	(291,924,891)

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