Fullbrook Thorpe Investments LLP

Financial statements

Registered number OC397903

31 March 2017

Contents

Balance sheet
at 31 March 2017

	Note	2017		2016	
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	*2*		**-**		1
Investments	*3*		**36,252**		16,338
			36,252		16,339
Current assets					
Debtors	*4*	**871**		150	
Cash at bank and in hand	*5*	**1,623**		1,206	
		2,494		1,356	
Creditors: amounts falling due within one year	*6*	**(131)**		(149)	
			2,363		1,207
Net assets attributable to members			**38,615**		17,546
Represented by:					
Loans and other debts due to members					
Members' capital classified as a liability			**150**		150
Other amounts			**34,843**		17,424
			34,993		17,574
Equity					
Members' other interests			**3,622**		(28)
Total members' interests			**38,615**		17,546

The accounts have been prepared and delivered in accordance with the special provisions of Part 15 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008 relating to small LLPs.

For the year ending 31 March 2017 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small LLPs.

Directors' responsibilities:

- the members have not required the LLP to obtain an audit of its accounts for the year in question in accordance with section 476.
- the members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the members on ..3.. ~~June~~ July 2017 and were signed on behalf of the members by:

A T Borkowski
Designated Member

Registered number: OC397903

Statement of members' interests

	Members' other interests			Loans and other debts due to members			
	Other reserves £000	**Profits/ (losses) to be allocated £000**	**Total £000**	**Members' capital classed as a liability £000**	**Other amounts £000**	**Total £000**	**Total members' interests £000**
Members' interests at 4 February 2015	-	-	-	-	-	-	-
Members' capital introduced	-	-	-	150	-	150	150
Loss for financial period	-	(28)	(28)	-	-	-	(28)
Receipts from members	-	-	-	-	17,428	17,428	17,428
Drawings	-	-	-	-	(4)	(4)	(4)
Members' interests at 31 March 2016	-	**(28)**	**(28)**	**150**	**17,424**	**17,574**	**17,546**

	Members' other interests			Loans and other debts due to members			
	Other reserves £000	**Profits/ (losses) to be allocated £000**	**Total £000**	**Members' capital classed as a liability £000**	**Other amounts £000**	**Total £000**	**Total members' interests £000**
Members' interests at 1 April 2016	-	(28)	(28)	150	17,424	17,574	17,546
Profit for financial year	-	3,650	3,650	-	-	-	3,650
Receipts from members	-	-	-	-	17,443	17,443	17,443
Drawings	-	-	-	-	(24)	(24)	(24)
Members' interests at 31 March 2017	-	**3,622**	**3,622**	**150**	**34,843**	**34,993**	**38,615**

Notes
(forming part of the financial statements)

1 Accounting policies

Fullbrook Thorpe Investments LLP (the "LLP") is a limited liability partnership incorporated and domiciled in England and Wales, with registered number OC397903. The registered office of the LLP is The Boardwalk, Mercia Marina, Findern Lane, Willington, Derbyshire, United Kingdom, DE65 6DW.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014, including the Statement of Recommended Practice, 'Accounting by Limited Liability Partnerships'. The amendments to FRS 102 issued in July 2015 have been applied.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the members, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis except investments in preference and ordinary shares are measured at fair value where this can be measured reliably.

1.2. Going concern

The financial statements have been prepared on the going concern basis which the members believe to be appropriate for the following reasons. The members have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and such forecasts have indicated that sufficient funds should be available to enable the LLP to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As a result, the members believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.3. Members' capital balances

Members' capital balances are repayable to the members after cessation of membership and hence are liabilities of the LLP. Accordingly under the provisions of FRS 102, members' capital balances are classified within 'Loan and other debts due to members' in the balance sheet.

Other amounts due to members are non-interest bearing, unsecured and repayable on demand.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss. Investments in equity instruments are disclosed as 'other investments other than loans' in note 3.

Investments in associates

These are separate financial statements of the LLP and therefore investments in associates are carried at cost less impairment. Investments in associates are disclosed as 'participating interests' in note 3.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

1.7. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The LLP assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- fixtures and fittings - 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the LLP expects to consume an asset's future economic benefits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8. Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the LLP would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the LLP's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.9. Turnover

Turnover represents arrangement, monitoring and administration fees in relation to investments and loans made by the LLP.

1.10. Expenses

Interest receivable

Other interest receivable and similar income include interest receivable on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the LLP's right to receive payments is established.

1.11. Taxation

The taxation payable on the profits of the LLP is the personal liability of the members during the year and accordingly, no provision is made in the accounts.

Notes *(continued)*

2 Tangible fixed assets

	Fixtures and fittings £000
Cost	
Balance at 1 April 2016 and 31 March 2017	1
Depreciation and impairment	
Balance at 1 April 2016	-
Depreciation charge for the year	1
Balance at 31 March 2017	1
Net book value	
At 31 March 2017	-
At 31 March 2016	1

3 Fixed asset investments

	Participating interests £000	Other investments other than loans £000	Other loans £000	Total £000
Cost and net book value				
At 1 April 2016	290	8,600	7,448	16,338
Additions	750	2,994	13,292	17,036
Repayments	(3)	-	-	(3)
Net gain from fair value adjustments	-	2,881	-	2,881
At 31 March 2017	**1,037**	**14,475**	**20,740**	**36,252**

Included in 'other investments other than loans' are listed investments amounting to £2,806,000 *(2016: £nil).*

4 Debtors

	2017 £000	2016 £000
Trade debtors	**27**	11
Interest receivable	**274**	96
Accrued income	**70**	43
Other debtors	**500**	-
Due within one year	**871**	150

5 Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	**1,623**	1,206

Notes *(continued)*

6 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	-	32
Accruals and deferred income	131	117
	131	149

7 Financial instruments

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2017 £000	2016 £000
Assets measured at fair value through profit and loss	7,801	2,800
Assets measured at amortised cost	22,545	8,805
Assets measured at cost less impairment	7,832	6,090
Liabilities measured at amortised cost	(35,125)	(17,607)

(b) Financial instruments measured at fair value

Investments in equity securities

Where the fair value of investments in equity securities can be measured reliably, the fair value is determined by reference to recent transaction prices at the balance sheet date.

Where fair value cannot be measured reliably, the investments are held at cost less impairment.

8 Related parties

The LLP has received preference share dividends of £15,000 *(2016: £23,000)* from Reuben Colley Fine Arts Limited during the year, of which £11,000 *(2016: £13,000)* is included within accrued income at 31 March 2017. The LLP has also received £nil *(2016: £73,000)* from this entity on the disposal of an investment to the entity. The LLP received income of £5,000 *(2016: £nil)* for professional fees during the period.

The LLP has received income of £44,000 *(2016: £nil)* for professional fees during the year from Brit Restaurants Limited.

During the year the LLP advanced £9,067,000 *(2016: £5,580,000)* to Bionical Limited through the subscription of loan notes in that entity. The loan notes accrue interest at the higher of Base Rate + 9.5% or 10%, and are repayable on the sale or listing of the business, with voluntary prepayments allowed from 6 months after the date of issue. The LLP has recognised interest income of £957,000 *(2016: £357,000)* (of which £241,000 *(2016: £96,000)* is receivable at 31 March 2017) and received professional fees of £72,000 *(2016: £33,000)* during the year from the entity.

During the year the LLP advanced a short term loan of £2,000,000 *(2016: £nil)* to Bionical Limited, which was repaid in full during the year. This short term loan accrued interest of £129,000 *(2016: £nil)* of which £30,000 *(2016: £nil)* is receivable at 31 March 2017.

Transactions with key management personnel

A management fee of £632,000 *(2016: £432,000)* was payable to ADL Healthcare Limited (a related party) for services provided during the year. An amount of £43,000 *(2016: £32,000)* is included in accruals as at 31 March 2017.

Notes *(continued)*

9 Ultimate controlling party

The members do not consider there to be an ultimate controlling party.

10 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of the financial statements requires the LLP to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Fair value of investments: Where an investment is unlisted, the members estimate fair value using a valuation technique, such as an earnings multiple valuation model. Key assumptions used in the model includes the price earnings multiple used.

Critical accounting judgements in applying the LLP's accounting policies

The LLP acquires investments in entities, and the classification of these investments is considered to be a critical accounting judgement. The members have considered the rights and obligations on the LLP that arise from the investments in each case to determine if the LLP has control, significant influence or no influence over the investee. Where the LLP is considered to have significant influence the investments are classified as associates, and where the LLP is considered to have no influence the investments are classified as other investments.