Company Registration No. 01671921 (England and Wales)

# ARAB INVESTMENTS LIMITED

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 MARCH 2017

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# ARAB INVESTMENTS LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | K.M. Affara<br>T. Affara |
| **Company number** | 01671921 |
| **Registered office** | 11 Berkeley Street<br>London<br>W1J 8DS |
| **Auditor** | Higgisons<br>Higgison House<br>381-383 City Road<br>London<br>EC1V 1NW |
| **Business address** | 11 Berkeley Street<br>London<br>W1J 8DS |

# ARAB INVESTMENTS LIMITED

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# ARAB INVESTMENTS LIMITED

## STATEMENT OF FINANCIAL POSITION

### *AS AT 31 MARCH 2017*

| | Notes | 2017 £ | 2017 £ | 2016 £ | 2016 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 3 | | 120,507 | | 152,611 |
| Investments | 4 | | 110,000 | | 74,990 |
| | | | 230,507 | | 227,601 |
| **Current assets** | | | | | |
| Debtors | 5 | 367,443 | | 377,599 | |
| Cash at bank and in hand | | 1,105,936 | | 617,993 | |
| | | 1,473,379 | | 995,592 | |
| **Creditors: amounts falling due within one year** | 6 | (209,452) | | (122,402) | |
| **Net current assets** | | | 1,263,927 | | 873,190 |
| **Total assets less current liabilities** | | | 1,494,434 | | 1,100,791 |
| **Capital and reserves** | | | | | |
| Called up share capital | 7 | | 2 | | 2 |
| Profit and loss reserves | | | 1,494,432 | | 1,100,789 |
| **Total equity** | | | 1,494,434 | | 1,100,791 |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 14/12/2017 and are signed on its behalf by:

K.M. Affara
**Director**

**Company Registration No. 01671921**

### 1 Accounting policies

**Company information**

Arab Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 11 Berkeley Street, London, W1J 8DS.

### 1.1 Accounting convention

These financial statements have been prepared in accordance 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

These financial statements for the year ended 31 March 2017 are the first financial statements of Arab Investments Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

### 1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

### 1.3 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---|---|
| Fixtures, fittings & equipment | 20% per annum on cost and 25% reducing balance method |
| Motor vehicles | 20% per annum on cost and 25% reducing balance method |

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 credited or charged to profit or loss.

### 1.4 Impairment of fixed assets

At each reporting period end date, the company 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**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.

**1.5 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.

**1.6 Financial instruments**

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

***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 company after deducting all of its liabilities.

**1 Accounting policies** **(Continued)**

***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.

**1.7 Equity instruments**

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

**1.8 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

**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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.11 Leases**

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

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2016 - 11).

### 3 Tangible fixed assets

| | Fixtures, fittings & equipment | Motor vehicles | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 April 2016 | 304,517 | 345,544 | 650,061 |
| Additions | 8,943 | - | 8,943 |
| Disposals | (3,272) | - | (3,272) |
| At 31 March 2017 | 310,188 | 345,544 | 655,732 |
| **Depreciation and impairment** | | | |
| At 1 April 2016 | 261,850 | 235,600 | 497,450 |
| Depreciation charged in the year | 12,683 | 27,485 | 40,168 |
| Eliminated in respect of disposals | (2,393) | - | (2,393) |
| At 31 March 2017 | 272,140 | 263,085 | 535,225 |
| **Carrying amount** | | | |
| At 31 March 2017 | 38,048 | 82,459 | 120,507 |
| At 31 March 2016 | 42,667 | 109,944 | 152,611 |

### 4 Fixed asset investments

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Investments | 110,000 | 74,990 |

**4 Fixed asset investments** **(Continued)**

**Movements in fixed asset investments**

| | Investments other than loans £ |
|---|---|
| **Cost or valuation** | |
| At 1 April 2016 | 74,990 |
| Valuation changes | 35,010 |
| At 31 March 2017 | 110,000 |
| **Carrying amount** | |
| At 31 March 2017 | 110,000 |
| At 31 March 2016 | 74,990 |

**5 Debtors**

| | 2017 £ | 2016 £ |
|---|---|---|
| **Amounts falling due within one year:** | | |
| Trade debtors | 121,460 | 205,729 |
| Corporation tax recoverable | 7,256 | - |
| Other debtors | 238,727 | 171,870 |
| | 367,443 | 377,599 |

**6 Creditors: amounts falling due within one year**

| | 2017 £ | 2016 £ |
|---|---|---|
| Trade creditors | 89,556 | 30,626 |
| Corporation tax | 71,064 | - |
| Other taxation and social security | 11,238 | 10,008 |
| Other creditors | 37,594 | 81,768 |
| | 209,452 | 122,402 |

**7 Called up share capital**

| | 2017 £ | 2016 £ |
|---|---|---|
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 2 Ordinary shares of £1 each | 2 | 2 |

## 8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Ian Shillinglaw.
The auditor was Higgisons.

## 9 Operating lease commitments

**Lessee**
Operating lease rentals relate to the occupation of the business premises.Total outstanding commitments until the expiry of the lease are £714,328.