


Amending

KAO CORPORATE LIMITED
Registration Number: 7842749
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015

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KAO CORPORATE LIMITED
Registration Number: 7842749

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FOR THE YEAR ENDED 31 OCTOBER 2015

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KAO CORPORATE LIMITED
Registration Number: 7842749

GENERAL INFORMATION

Directors

Richard Boleat
Martin Eberhard

Secretary

Elian Employee Benefit Services Limited
44 Esplanade
St Helier
Jersey JE4 9WG

Auditors

Alex Picot
95-97 Halkett Place
St Helier
Jersey
JE1 1BX

Registered Office

35 Great St Helen's
London
England
EC3A 6AP

KAO CORPORATE LIMITED
Registration Number: 7842749

STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015

The Directors present the strategic report, the directors' report and the audited financial statements for the year ended 31 October 2015 for KAO Corporate Limited ("the Company").

Principal Activity and Review of the Business

Throughout the year the principal activity of the Company was to be a corporate member of AKO Capital LLP. The loss for the financial year ended 31 October 2015, as detailed on page 6, was £(37,649,737), (2014 loss: £43,677,066). The Company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amount to £301,595 (2014: £37,966,332).

Principal Risks and Uncertainties

The Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's Directors are responsible to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company's principal risks and uncertainties are the fluctuation of profit appropriations from its investment and the impairment of the value of its investment.

Going Concern

The Company has adequate financial resources and as a consequence, the Directors believe that it is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company will continue to have adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and financial statements.

KAO CORPORATE LIMITED
Registration Number: 7842749

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015

Incorporation

The Company was incorporated on 10 November 2011.

Dividend

The Directors declared a dividend of £15,000 during the year ended 31 October 2015 (2014: Nil).

Directors

The following Directors were appointed and held office during the whole year, except where stated:

Richard Boilat
Martin Eberhard

Statement of Disclosure of Information to Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the auditor, each Director has taken all steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Alex Picot were appointed as independent auditors during the period and have indicated their willingness to continue in office. In accordance with S.485 of the Companies Act 2006, a resolution is to be proposed for the re-appointment of Alex Picot as auditor of the Company.

On behalf of the board


Director **RICHARD BOLEAT**
Date **01/09/2016**



Alex Picot
chartered accountants

95-97 Halkett Place
St. Helier, Jersey
Channel Islands JE1 1BX

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAO CORPORATE LIMITED

We have audited the financial statements of KAO Corporate Limited for the year ended 31 October 2015 on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit opinion

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read the financial and non-financial information issued with the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 October 2015 and of its loss 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Alex Picot
chartered accountants

95-97 Halkett Place
St. Helier, Jersey
Channel Islands JE1 1BX

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KAO CORPORATE LIMITED (CONTINUED)**

Matters on which we are required to report on by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stephen Phillips (Senior Statutory Auditor)
for and on behalf of
Alex Picot Chartered Accountants, Statutory Auditor

15 September 2016

KAO CORPORATE LIMITED
Registration Number: 7842749

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2015

	Notes	1 November 2014 to 31 October 2015 £	1 November 2013 to 31 October 2014 £
Turnover	2	-	20,854,340
Administrative expenses		(81,544)	(61,405)
Operating (loss) / profit		(81,544)	20,792,935
Interest receivable and similar income		69,570	201,468
Loss on reallocation of special capital	10	(37,527,405)	(60,055,525)
Loss on foreign exchange		-	(9)
Loss on ordinary activities before taxation		(37,539,379)	(39,061,131)
Tax on (loss) / profit on ordinary activities	3	(110,358)	(4,615,935)
Loss for the financial period		(37,649,737)	(43,677,066)

All amounts are in respect of continuing operations.

There are no recognised gains or losses in the current period other than those reported in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 9 to 14 form an integral part of these audited financial statements.

KAO CORPORATE LIMITED
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BALANCE SHEET
 AS AT 31 OCTOBER 2015

	Notes	31 October 2015 £	31 October 2014 £
Fixed Assets			
Investments	4	5,000	21,369,711
Current Assets			
Cash at bank		649,577	18,186,337
Debtors	5	671	621
		<hr/>	<hr/>
		650,248	18,186,958
Current Liabilities			
Creditors	6	(353,653)	(1,590,337)
		<hr/>	<hr/>
Net Current Assets		296,595	16,596,621
		<hr/>	<hr/>
Net Assets		301,595	37,966,332
		<hr/> <hr/>	<hr/> <hr/>
Capital and Reserves			
Called up share capital	7	100	100
Profit and loss account	8	301,495	37,966,232
		<hr/>	<hr/>
Total Shareholders' Funds	8	301,595	37,966,332
		<hr/> <hr/>	<hr/> <hr/>

The accounts on pages 6 to 14 were approved by the board of Directors on

and authorised for issue on behalf by:

Director



Date

RICHARD BOLEAT
 01/09/2016

The notes on pages 9 to 14 form an integral part of these audited financial statements.

KAO CORPORATE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2015

	Notes	1 November 2014 to 31 October 2015 £	1 November 2013 to 31 October 2014 £
Net cash (outflow) / inflow from operating activities	9 (a)	(78,298)	25,240,100
Returns on investments and servicing of finance	9 (b)	53,915	201,468
Taxation	9 (b)	(1,350,338)	(8,235,360)
Net cash outflow for capital expenditure and financial investment	9 (b)	(16,147,039)	(12,282,278)
Financing	9 (b)	-	-
Equity dividend paid	9 (b)	(15,000)	-
Special Capital Contribution		-	(23,515,517)
Decrease in net cash during the year	9 (c)	<u>(17,536,760)</u>	<u>(18,591,587)</u>
Reconciliation of net cash flow to movement of net funds			
Decrease in cash during year		<u>(17,536,760)</u>	<u>(18,591,587)</u>
Movement in net funds during the year		<u>(17,536,760)</u>	<u>(18,591,587)</u>
Net funds as at 1 November 2014		18,186,337	36,777,924
Net funds as at 31 October 2015		<u>649,577</u>	<u>18,186,337</u>

The notes on pages 9 to 14 form an integral part of these audited financial statements.

KAO CORPORATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015

1. Principal Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with applicable United Kingdom accounting standards which have been applied consistently throughout the period.

As disclosed in the directors' report, the Directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for the foreseeable future. For this reason the financial statements are prepared on the going concern basis.

Investments

Investments are stated at cost unless in the opinion of the Directors, there has been a permanent diminution in the value of the investments, in which case they are written down to the net realisable value. Gains or losses arising on the disposal of investments are recognised within the revenue reserve. Unrealised gains or losses are recognised within the unrealised revenue reserve.

Income is included in the financial statements where declared and payable before the balance sheet date.

Taxation and deferred taxation

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the country where the Company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that they will result in an obligation to pay more, or a right to pay less or receive more, tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration and is measured at the fair value of the consideration received, excluding VAT.

Dividend

Dividends are recognised as a liability in the accounting period in which they are proposed and declared.

Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the net asset statement date and the gains and losses on translation are recognised within the profit and loss account.

2. Turnover

Turnover is attributable to profit appropriations from AKO Capital LLP and arose entirely within the United Kingdom. Turnover is recognised on an accruals basis.

	1 November 2014 to 31 October 2015 £	1 November 2013 to 31 October 2014 £
Appropriations receivable	-	<u>20,854,340</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015 (continued)

3. Tax on profit on ordinary activities	1 November 2014 to 31 October 2015 £	1 November 2013 to 31 October 2014 £
(a) Tax on profit on ordinary activities		
Current tax		
UK corporation tax on (loss) / profits of the period	110,358	2,921,233
Adjustments in respect of previous periods	-	560,230
	<u>110,358</u>	<u>3,481,463</u>
Deferred tax		
Origination and reversal of timing differences	-	1,134,472
Total deferred tax	-	1,134,472
	<u>-</u>	<u>1,134,472</u>
Tax on profit on ordinary activities	<u>110,358</u>	<u>4,615,935</u>
(b) Provision for deferred tax		
Movement in provision:		
Provision at the start of the year	-	(1,134,472)
Deferred tax charged in the Profit and Loss Account for the year	-	1,134,472
	<u>-</u>	<u>-</u>
Provision at the end of the year	<u>-</u>	<u>-</u>
(c) Factors affecting the tax charge for the year:		
Taxable profit on ordinary activities before taxation	<u>(37,539,379)</u>	<u>20,994,394</u>
Tax on profit on ordinary activities at standard corporation tax rate of 20.41% (2014: 21.83%)	(7,663,176)	4,582,530
Effects of:		
Expenses not deductible for tax purposes	7,660,732	-
Adjustment to tax charge in respect of previous periods	-	560,230
Other short term timing differences	-	(1,661,297)
Offshore fund income	70,438	-
Effects of chargeable gains	43,351	-
Effects of other tax rates/credits	(987)	-
	<u>110,358</u>	<u>3,481,463</u>
Current tax charge for the year	<u>110,358</u>	<u>3,481,463</u>

KAO CORPORATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015 (continued)

4. Investments

	31 October 2015 £	31 October 2014 £
<u>AKO Capital LLP</u>		
Capital Account	5,000	5,000
	<hr/>	<hr/>
As at 31 October	<u>5,000</u>	<u>5,000</u>

The Company became a member of AKO Capital LLP (the "LLP") effective 30 November 2011 and the investment represents an initial capital contribution of £5,000.

	31 October 2015 £	31 October 2014 £
<u>AKO Fund Limited</u>		
USD Management Class Share	8,976,922	20,293,733
Additions	-	5,614,867
Disposals	<u>(8,976,922)</u>	<u>(16,931,678)</u>
As at 31 October	<u>-</u>	<u>8,976,922</u>

	31 October 2015 £	31 October 2014 £
<u>AKO Fund Limited</u>		
EUR Management Class Share	11,149,245	23,904,163
Additions	-	6,853,411
Disposals	<u>(11,149,245)</u>	<u>(19,608,329)</u>
As at 31 October	<u>-</u>	<u>11,149,245</u>

	31 October 2015 £	31 October 2014 £
<u>AKO Global Fund Limited</u>		
Class Z Shares	1,238,544	-
Additions	15,655	1,238,544
Disposals	<u>(1,254,199)</u>	<u>-</u>
As at 31 October	<u>-</u>	<u>1,238,544</u>

5. Debtors

	31 October 2015 £	31 October 2014 £
Prepayments	671	621
	<hr/>	<hr/>
	<u>671</u>	<u>621</u>

KAO CORPORATE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015 (continued)

6. Creditors: Amounts falling due within one year	31 October 2015	31 October 2014	
	£	£	
Accruals	22,738	19,442	
Corporation tax payable	330,915	1,570,895	
	<u>353,653</u>	<u>1,590,337</u>	
7. Called up Share Capital	31 October 2015	31 October 2014	
	£	£	
Issued and fully paid:			
100 ordinary share of £1 each	<u>100</u>	<u>100</u>	
8. Reconciliation of movements in shareholders' funds and movement in reserves			
	Share capital	Profit and loss	Total shareholder's
	£	£	funds
			£
1 November 2014	100	37,966,232	37,966,332
Loss for the year	-	(37,649,737)	(37,649,737)
Dividend paid	-	(15,000)	(15,000)
At 31 October 2015	<u>100</u>	<u>301,495</u>	<u>301,595</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015 (continued)

9. Notes to the cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities:

	1 November 2014 to 31 October 2015 £	1 November 2014 to 31 October 2014 £
Operating (loss) / profit	(81,544)	20,792,935
(increase) / decrease in debtors	(50)	4,440,378
Increase in creditors	3,296	6,787
	<u>(78,298)</u>	<u>25,240,100</u>

(b) Analysis of cash flows for headings netted in the cash flow statement

Return on investments and servicing of finance

Interest received	<u>53,915</u>	<u>201,468</u>
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Taxation

Corporation tax paid	<u>(1,350,338)</u>	<u>(8,235,360)</u>
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Capital expenditure and financial investment

Purchase of investments	<u>(16,147,039)</u>	<u>(12,282,278)</u>
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Proceeds on disposal of investments	<u>-</u>	<u>-</u>
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Financing

Issued share capital	<u>-</u>	<u>-</u>
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Equity dividend paid

Dividend paid	<u>(15,000)</u>	<u>-</u>
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(c) Analysis of changes in net funds

At 1 November 2014 £	Cash Flow £	At 31 October 2015 £
18,186,337	(17,536,760)	649,577

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015 (continued)

10. Related parties

The Company is a corporate member of AKO Capital LLP (the "LLP"). Special Capital with a market value of £41,294,524 (2014: £57,702,470.54) was reallocated from the Company to the LLP for the purposes of the AKO Member Retention and Incentivisation plan which was subsequently withdrawn by the members. The book cost of the special capital shown in these financial statements was £37,527,405 (2014: £60,055,525).

The Directors total remuneration during the year ended 31 October 2015 was £15,000.

Auditor remuneration during the year amounted to £2,730 (2014: £2,678). No other auditor services were provided during the year.

11. Ultimate parent undertaking and controlling party

The Company is wholly owned and controlled by Elian Corporate Trustee (Jersey) Limited as Trustee of the AKO Business Purpose Trust, based in Jersey.