

IH Holdings International Limited

Unaudited Report and Financial Statements

Period Ended

31 December 2015

Company Number 09553031



IH Holdings International Limited

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IH Holdings International Limited

**Directors' report
For the Period Ended 31 December 2015**

IH Holdings International Limited ('the Company') was incorporated on 21 April 2015.

The directors present their report and the financial statements for the period ended 31 December 2015.

Principal activity

The principal activity of the Company in the period is that of an investment holding company.

Results and dividends

The loss for the period, after taxation, amounted to \$17,255 thousand.

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the period were:

T F Darden II (appointed 21 April 2015)
J A Mazzarino (appointed 13 May 2015)

Going Concern

The directors regard the going concern basis as remaining appropriate as the Company has adequate resources to continue in operational existence for the foreseeable future based upon current forecasts and the possibility of obtaining continuing funding.

Future developments

The Company intends to continue as an investment holding company.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies 2006.

This report was approved by the board on **25 October 2016** and signed on its behalf.



T F Darden II
Director

IH Holdings International Limited

Statement of comprehensive income
For the Period Ended 31 December 2015

		8 months ended 31 December 2015 \$000
Administrative expenses		(17,253)
Operating loss	4	<u>(17,253)</u>
Interest payable and expenses		(2)
Loss for the period		<u>(17,255)</u>
Other comprehensive income		-
Total comprehensive income for the period		<u><u>(17,255)</u></u>

The notes on pages 6 to 13 form part of these financial statements.

IH Holdings International Limited
Registered number:09553031

Statement of financial position
As at 31 December 2015

	Note	\$000	2015 \$000
Fixed assets			
Investments	6		27,796
Current assets			
Debtors: amounts falling due within one year	7	143	
Cash at bank and in hand	8	17,257	
		<u>17,400</u>	
Creditors: amounts falling due within one year	9	(3,720)	
Net current assets			<u>13,680</u>
Total assets less current liabilities			<u>41,476</u>
Net assets			<u><u>41,476</u></u>
Capital and reserves			
Share capital	11		259
Share premium			58,472
Profit and loss account			(17,255)
Shareholders' funds			<u><u>41,476</u></u>

IH Holdings International Limited
Registered number:09553031

Statement of financial position (continued)
As at 31 December 2015

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **25 October 2016**.



T F Darden II
Director

The notes on pages 6 to 13 form part of these financial statements.

IH Holdings International Limited

Statement of changes in equity
For the Period Ended 31 December 2015

	Share capital	Share premium	Profit and loss account	Total equity
	\$000	\$000	\$000	\$000
Comprehensive income for the period				
Loss for the period	-	-	(17,255)	(17,255)
Total comprehensive income for the period	-	-	(17,255)	(17,255)
Contributions by and distributions to owners				
Shares issued during the period	259	58,472	-	58,731
Total transactions with owners	259	58,472	-	58,731
At 31 December 2015	259	58,472	(17,255)	41,476

The notes on pages 6 to 13 form part of these financial statements.

IH Holdings International Limited

Notes to the financial statements For the Period Ended 31 December 2015

1. General information

IH Holdings International Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities is stated in the Directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the 'historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The functional and presentational currency is US Dollars.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

In preparing the financial statements of the Company, advantage has been taken of the following disclosure exemption available in FRS 102:

- A small entity that is a parent entity is not required to prepare financial statements.

The following principal accounting policies have been applied:

2.2 Going Concern

The directors have prepared the financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company is reliant on obtaining continuing funding to meet its liabilities as they fall due. There can be no assurance that the Company will be able to obtain additional debt or equity financing on terms acceptable to the Company. Management is exploring various financing opportunities which primarily include sales of additional equity securities of the Company.

As a result, there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, while recognising this uncertainty, on the basis of projections, the directors believe that they will be able to obtain sufficient funding and accordingly they consider the going concern basis of preparation to be appropriate.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

IH Holdings International Limited

Notes to the financial statements For the Period Ended 31 December 2015

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

IH Holdings International Limited

Notes to the financial statements For the Period Ended 31 December 2015

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project. The expenditure is treated as if it were all incurred in the research phase only.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- Investments (see note 6)
The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through the Statement of comprehensive income, the Company follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

IH Holdings International Limited

Notes to the financial statements
For the Period Ended 31 December 2015

4. **Operating loss**

The operating loss is stated after charging:

	8 months ended 31 December 2015 \$000
Impairment loss related to investments	<u><u>15,481</u></u>

5. **Employees**

The Company has no employees other than the directors, who did not receive any remuneration.

6. **Fixed asset investments**

	Investments in subsidiary companies \$000
Cost or valuation	
Additions	43,277
Impairment	(15,481)
At 31 December 2015	<u><u>27,796</u></u>
 Net book value	
At 31 December 2015	<u><u>27,796</u></u>

IH Holdings International Limited

Notes to the financial statements
For the Period Ended 31 December 2015

7. Debtors

	2015 \$000
Amounts owed by group undertakings	77
Other debtors	66
	<u>143</u>

The impairment loss recognised in the Statement of comprehensive income for the period in respect of bad and doubtful trade debtors was £Nil.

8. Cash and cash equivalents

	2015 \$000
Cash at bank and in hand	<u>17,257</u>

9. Creditors: Amounts falling due within one year

	2015 \$000
Amounts owed to group undertakings	3,714
Other creditors	6
	<u>3,720</u>

IH Holdings International Limited

Notes to the financial statements
For the Period Ended 31 December 2015

10. Financial instruments

2015
\$000

Financial assets

Financial assets that are debt instruments measured at amortised cost 17,400

Financial liabilities

Financial liabilities measured at amortised cost (3,720)

Financial assets measured at amortised cost comprise cash and cash equivalents, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise other creditors and amounts owed to group undertakings.

11. Share capital

Number	Class	Nominal value	2015 \$'000
22,746,271	Ordinary	\$0.01	228
1,109,878	'A' Preference	\$0.01	11
2,019,965	'B' Ordinary	\$0.01	20
			<u>259</u>

IH Holdings International Limited

**Notes to the financial statements
For the Period Ended 31 December 2015**

Shares were issued during the year as follows:

22,746,271 Ordinary shares of \$0.01 each for a premium of \$8,819,430.
1,109,878 Series A Preference shares of \$0.01 each for a premium of \$49,988,901.
2,019,965 Series B shares of \$0.01 each for a premium of \$197,478.

Particulars of rights attached to each class of share are as follows:

Ordinary Shares

- Shares rank equally for voting purposes and for any dividend declared;
- The shares rank equally for any distribution made on a winding up; and
- The shares are non-redeemable.

Series A Preference Shares

- The Series A Preference shares confer on each holder the right to vote. Each member is entitled to one vote, and on a poll, each member shall have one vote per share held;
- The holders of Series A Preference shares have a right to dividends which is pari passu to holders of ordinary shares and Series B shares;
- In the instance of a winding up, the holders of Series A Preference shares shall be entitled to an amount per share in priority to the holders of Ordinary shares and Series B shares; and
- The Series A Preference shares are non-redeemable and do not have the right to a fixed cumulative dividend; as such they are classified as equity, not as a liability.

Series B Shares

- The holders of Series B shares are not entitled to receive notice of, to attend, to speak or to vote at any general meeting of the Company, nor to receive or vote on proposed written resolutions of the Company;
- The holders of Series B shares have a right to dividends which is pari passu to holders of ordinary and Series A Preference shares;
- In the instance of a winding up, in the event that there are surplus assets of the Company after payment of the Company's liabilities and payments of preferential distributions to the holders of Series A Preference shares and Ordinary shares, the holders of Series B shares shall be entitled to a distribution pro-rata with Ordinary shares provided that the surplus assets are in aggregate above a certain amount; and
- The shares are non-redeemable.

IH Holdings International Limited

Notes to the financial statements
For the Period Ended 31 December 2015

12. Capital and reserves

	Profit & Loss Account	Share premium	Totals
	\$'000	\$'000	\$'000
Loss for the period	(17,254)	-	(17,254)
Share issue	-	58,472	58,472
At 31 December 2015	(17,254)	58,472	41,218

Share capital

Share capital represents the nominal value of the shares issued.

Share premium

Share premium represents the premium paid on shares issued, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid and other adjustments.

13. Related party transactions

The group has taken advantage of the exemption conferred by Section 33.1A of FRS 102 not to disclose transactions and balances with wholly owned subsidiaries.

14. Controlling party

In the opinion of the directors there is no single controlling party.