

Limited Liability Partnership Registration No. OC311413 (England and Wales)

ARCOFINA LLP

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

132414-A-2017



ARCOFINA LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members

M. Rahim
J. Joliat

Limited liability partnership number OC311413

Registered office

Suite 105
Viglen House
Alperton Lane
Wembley
London
United Kingdom
HA0 1HD

Accountants

SMP Accounting & Tax Limited
5th Floor
86 Jermyn Street
London
SW1Y 6AW

ARCOFINA LLP

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MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The members present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the limited liability partnership continued to be that of an investment company.

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:

M. Rahim

J. Joliat

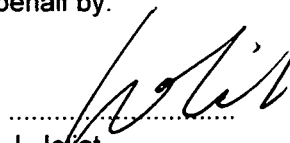
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the members on 06/09/18 and signed on behalf by:



M. Rahim

Designated Member



J. Joliat

Designated Member

ARCOFINA LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

ARCOFINA LLP

ACCOUNTANTS' REPORT TO THE MEMBERS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ARCOFINA LLP FOR THE YEAR ENDED 31 DECEMBER 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Arcofina LLP for the year ended 31 December 2017 set out on pages 4 to 10 from the limited liability partnership's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the limited liability partnership's members of Arcofina LLP, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Arcofina LLP and state those matters that we have agreed to state to the limited liability partnership's members of Arcofina LLP, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Arcofina LLP and its members as a body, for our work or for this report.

It is your duty to ensure that Arcofina LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Arcofina LLP. You consider that Arcofina LLP is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Arcofina LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

SMP Accounting & Tax Limited

SMP Accounting & Tax Limited

06/09/18

SMP Accounting and Tax Limited

A member of the SMP Partners Group of Companies

5th Floor, 86 Jermyn Street, London, SW1Y 6AW

Telephone + 44 (0) 207 930 7111, Fax +44 (0) 207 930 7444

A member of the ICAEW Practice Assurance Scheme

Directors: I.F. Begley, A.J. Dowling, P. Duchars, J.J. Scott, S.J. Turner

ARCOFINA LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

| | Notes | Year ended 31 December 2017 US\$ | Year ended 31 December 2016 US\$ |
|---|--------------|---|---|
| Administrative expenses | | (5,507) | (4,447) |
| Loss for the financial year before taxation | | (5,507) | (4,447) |
| | | — | — |
| Loss for the financial year before members' remuneration and profit shares | | (5,507) | (4,447) |
| Loss for the financial year before members' remuneration and profit shares | | (5,507) | (4,447) |
| Member's remuneration waived | | 5,507 | 4,447 |
| Profit for the financial year available for discretionary division among members | | - | - |

BALANCE SHEET**AS AT 31 DECEMBER 2017**

| | Notes | 2017 US\$ | US\$ | 2016 US\$ | US\$ |
|---|-------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Investments | 2 | | 32,026,624 | | 32,026,624 |
| Creditors: amounts falling due within one year | 3 | (32,046,099) | | (32,040,592) | |
| Net current liabilities | | | (32,046,099) | | (32,040,592) |
| Total assets less current liabilities | | | (19,475) | | (13,968) |
| Represented by: | | | | | |
| Loans and other debts due to members within one year | 4 | | | | |
| Amounts due in respect of profits | | | (19,575) | | (14,068) |
| Members' other interests | 4 | | | | |
| Members' capital classified as equity | | | 100 | | 100 |
| | | | (19,475) | | (13,968) |
| Total members' interests | 4 | | | | |
| Loans and other debts due to members | | | (19,575) | | (14,068) |
| Members' other interests | | | 100 | | 100 |
| | | | (19,475) | | (13,968) |

For the financial year ended 31 December 2017 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members, authorised for issue and are signed on their behalf by:


 M. Rahim
 Designated member


 J. Jollat
 Designated Member

06/09/18

Limited Liability Partnership Registration No. OC311413

ARCOFINA LLP

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | Members' capital US\$ |
|--|--------------------------------------|
| Balance at 1 January 2016 | <u>100</u> |
| Loss and total comprehensive income for the period | <u>-</u> |
| Balance at 31 December 2016 | <u>100</u> |
| Loss and total comprehensive income for the period | <u>-</u> |
| Balance at 31 December 2017 | <u><u>100</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1 Accounting policies

Limited liability partnership information

Arcofina LLP is a limited liability partnership incorporated in England and Wales. The registered office is Suite 105, Viglen House, Alperton Lane, Wembley, London, United Kingdom, HA0 1HD.

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 January 2017, 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 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 dollar, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest US\$.

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.

1.2 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.

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.

1.3 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.4 Cash at bank and in hand

Cash at bank and in hand 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.

1.5 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.

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, other loans 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.

1.6 Equity instruments

Equity instruments issued by the limited liability partnership 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 limited liability partnership.

ARCOFINA LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.7 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.8 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into united states dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Fixed asset investments

| | 2017 | 2016 |
|-------------|-------------|-------------|
| | US\$ | US\$ |
| Investments | 32,026,624 | 32,026,624 |

The fixed asset investment represents a 34.08% holding (2016: 40.70% holding) in Dahli Spa, an Algerian company.

Movements in fixed asset investments

| | Shares in group undertakings and participating interests US\$ |
|--------------------------------------|--|
| Cost or valuation | |
| At 1 January 2017 & 31 December 2017 | 32,026,624 |
| Carrying amount | |
| At 31 December 2017 | 32,026,624 |
| At 31 December 2016 | 32,026,624 |

3 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|-----------------|-------------|-------------|
| | US\$ | US\$ |
| Other creditors | 32,046,099 | 32,040,592 |

ARCOFINA LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Reconciliation of Members' Interests

| | EQUITY Members' other interests | DEBT Loans and other debts due to members less any amounts due from members in debtors | | TOTAL MEMBERS' INTERESTS |
|--|--|--|---------------|--------------------------------|
| | Members' capital (classified as equity) US\$ | Other amounts US\$ | Total US\$ | Total 2017 US\$ |
| Amounts due to members | | (14,068) | | |
| Members' interests at 1 January 2017 | 100 | (14,068) | (14,068) | (13,968) |
| Members' remuneration charged as an expense, including employment costs and retirement benefit costs | - | (5,507) | (5,507) | (5,507) |
| Profit for the year available for discretionary division among members | - | - | - | - |
| Members' interests after loss and remuneration for the year | 100 | (19,575) | (19,575) | (19,475) |
| Members' interests at 31 December 2017 | 100 | (19,575) | (19,575) | (19,475) |
| Amounts due to members | | (19,575) | | |
| | | (19,575) | | |

5 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.