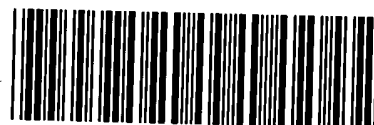


COMPANY REGISTRATION NUMBER: 03054967

BERKELEY ADAM LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2017

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BERKELEY ADAM LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2017

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BERKELEY ADAM LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr S M Al-Hajaj
Mr C W Tuke
Mr F Fawaz
Mr S N Osseiran
Mr B A Dahl
Mr O M S Jaroudi

Company secretary

Mr C W Tuke

Registered office

Cedar House
Hazell Drive
Newport
South Wales
NP10 8FY

Auditor

Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

Barclays Bank plc
36 - 38 Milsom Street
Bath
BA1 1DW

Solicitors

K&L Gates
One New Change
London
EC4M 9AF

Principal place of business

20 Portman Square
London
W1H 6LW

BERKELEY ADAM LIMITED

STRATEGIC REPORT

Year ended 31 December 2017

REVIEW OF THE BUSINESS

The company has continued its business of a holding company during the year. The company saw turnover increase by 5.3%. Administrative expenses have however also increased during the year resulting in operating profit reducing to £291,652 (2016: £576,617).

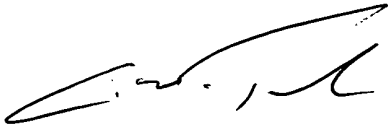
PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business surrounds the lease retention for 19 - 21 Portman Square. This lease expires in March 2049.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AND PROCEDURES

Fairford Group and its subsidiaries aim to be long term contributors to a sustainable society and during 2015 and 2016 a comprehensive CSR project has been carried out throughout the group. The project included formulating an overarching CSR policy which has been customised by local management teams where needed and adopted by the board in the portfolio companies. Educational workshops have been carried out to ensure that the management teams are fully informed, aligned and dedicated to spread the policy and procedures in their respective organisations. The efforts invested and measures taken in the CSR project also ensures that each company and the group as a whole are well positioned to match the current and upcoming legislation related to sustainability and CSR.

This report was approved by the board of directors on *9 March 2018* and signed on behalf of the board by:



Mr C W Tuke
Director

BERKELEY ADAM LIMITED

DIRECTORS' REPORT

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

DIRECTORS

The directors who served the company during the year were as follows:

Mr S M Al-Hajaj
Mr C W Tuke
Mr F Fawaz
Mr S N Osseiran
Mr B A Dahl
Mr O M S Jaroudi

DIVIDENDS

The directors do not recommend the payment of a dividend.

FINANCIAL INSTRUMENTS

The company's principal instruments comprise loans to the company from group undertakings. The main purpose of the instrument is to raise funds for the company's operations and to finance the company's operations.

The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we have set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 year. Under that 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 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 judgments 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 company will continue in business.

BERKELEY ADAM LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 December 2017

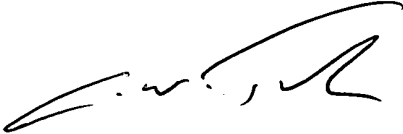
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 9 March 2018 and signed on behalf of the board by:



Mr C W Tuke
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKELEY ADAM LIMITED

Year ended 31 December 2017

OPINION

We have audited the financial statements of Berkeley Adam Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKELEY ADAM LIMITED (continued)

Year ended 31 December 2017

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKELEY ADAM
LIMITED** *(continued)*

Year ended 31 December 2017

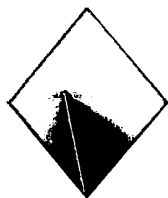
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**KILSBY
WILLIAMS**
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKELEY ADAM
LIMITED** *(continued)*

Year ended 31 December 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Simon Tee 28th March 2018

Simon Tee (Senior Statutory Auditor)

For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & statutory auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

BERKELEY ADAM LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2017

	Note	2017 £	2016 £
TURNOVER	4	2,181,771	2,072,244
GROSS PROFIT		<u>2,181,771</u>	<u>2,072,244</u>
Administrative expenses		(1,890,119)	(1,495,627)
OPERATING PROFIT	5	<u>291,652</u>	<u>576,617</u>
PROFIT BEFORE TAXATION		<u>291,652</u>	<u>576,617</u>
Taxation on ordinary activities	9	91,676	65,822
PROFIT FOR THE FINANCIAL YEAR		<u><u>383,328</u></u>	<u><u>642,439</u></u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 24 form part of these financial statements.

BERKELEY ADAM LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	2017	2016
	£	£
Profit for the financial year	383,328	642,439
Tax relating to components of other comprehensive income	41,218	238,255
OTHER COMPREHENSIVE INCOME FOR THE YEAR	41,218	238,255
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	424,546	880,694

The notes on pages 14 to 24 form part of these financial statements.

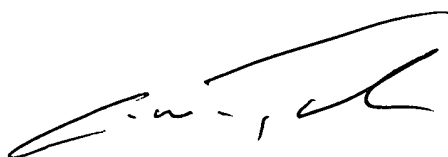
BERKELEY ADAM LIMITED

BALANCE SHEET

31 December 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	19,794,573	20,527,835
Investments	11	2,075,002	2,075,002
		<u>21,869,575</u>	<u>22,602,837</u>
CURRENT ASSETS			
Debtors	12	–	658,311
Cash at bank and in hand		–	61,311
		–	<u>719,622</u>
CREDITORS: amounts falling due within one year	13	(10,172,486)	(11,908,715)
NET CURRENT LIABILITIES		<u>(10,172,486)</u>	<u>(11,189,093)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,697,089	11,413,744
PROVISIONS			
Deferred taxation	14	(1,148,291)	(1,289,492)
NET ASSETS		<u>10,548,798</u>	<u>10,124,252</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,186	1,186
Revaluation reserve	18	9,316,962	9,275,744
Profit and loss account	18	1,230,650	847,322
SHAREHOLDERS FUNDS		<u>10,548,798</u>	<u>10,124,252</u>

These financial statements were approved by the board of directors and authorised for issue on 9 March 2018, and are signed on behalf of the board by:



C W Tuke
Director

Company registration number: 03054967

The notes on pages 14 to 24 form part of these financial statements.

BERKELEY ADAM LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

		Called up share capital £	Revaluation reserve £	Profit and loss account £	Total £
AT 1 JANUARY 2016		1,186	9,037,489	204,883	9,243,558
Profit for the year				642,439	642,439
Other comprehensive income for the year:					
Tax relating to components of other comprehensive income	9	–	238,255	–	238,255
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	238,255	642,439	880,694
AT 31 DECEMBER 2016		1,186	9,275,744	847,322	10,124,252
Profit for the year				383,328	383,328
Other comprehensive income for the year:					
Tax relating to components of other comprehensive income	9	–	41,218	–	41,218
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	41,218	383,328	424,546
AT 31 DECEMBER 2017		1,186	9,316,962	1,230,650	10,548,798

The notes on pages 14 to 24 form part of these financial statements.

BERKELEY ADAM LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2017

	2017	2016
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	383,328	642,439
<i>Adjustments for:</i>		
Depreciation of tangible assets	733,262	733,262
Taxation on ordinary activities	(91,676)	(65,822)
Accrued (income)/expenses	(263,324)	263,324
<i>Changes in:</i>		
Trade and other debtors	658,311	(658,311)
Cash generated from operations	<u>1,419,901</u>	<u>914,892</u>
Net cash from operating activities	<u>1,419,901</u>	<u>914,892</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of loans from group undertakings	(1,481,212)	(914,922)
Net cash used in financing activities	<u>(1,481,212)</u>	<u>(914,922)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(61,311)	(30)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>61,311</u>	<u>61,341</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>—</u>	<u>61,311</u>

The notes on pages 14 to 24 form part of these financial statements.

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The principal place of business is 20 Portman Square, London, W1H 6LW.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through the profit or loss account.

The accounts are prepared in sterling, which is the functional currency of the entity.

Finance costs

Finance costs relating to assets in course of construction are capitalised.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Quintillion UK limited which can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) Disclosures in respect of financial instruments have not been presented.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Revaluation of short leasehold property

The company carries its leasehold property at fair value. The directors of the company have valued the leasehold property in December 2016 using methodology consistent with an independent valuation carried out by a specialist in 2014. They used a technique based on a discounted cash flow model.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable benefits.

Turnover

The turnover shown in the profit and loss account is derived from ordinary activities and represents invoiced sales exclusive of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

3. ACCOUNTING POLICIES *(continued)*

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Where fixed assets comprise components with different useful lives, each such significant component is depreciated separately.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in the profit or loss account. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in the profit or loss account.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

Leasehold Property - nil depreciation on the structure of the building and 10% straight line method for other improvements.

The company has a policy of regular maintenance and repair on the leasehold buildings. The directors believe that the residual value of the leasehold buildings at the end of their useful economic life to the entity will not be materially different from the carrying value of the asset. The directors annually review the carrying value and the expected useful economic life and accordingly the directors believe that the depreciation charge for the structure element of the leasehold buildings is immaterial.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. TURNOVER

Turnover arises from:

	2017 £	2016 £
Rendering of services	<u>2,181,771</u>	<u>2,072,244</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible assets	733,262	733,262
Operating lease rentals: land and buildings	<u>1,044,632</u>	<u>1,044,749</u>

6. AUDITOR'S REMUNERATION

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>1,550</u>	<u>1,500</u>

7. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Number of directors	<u>6</u>	<u>6</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017 £	2016 £
Wages and salaries	<u>50,000</u>	<u>50,000</u>

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

7. PARTICULARS OF EMPLOYEES *(continued)*

Wages are recharged from a subsidiary company to cover the costs incurred with the running of the company.

8. EXCEPTIONAL ITEMS

	2017 £	2016 £
Rates rebate	–	(658,311)
Fees and commissions payable in relation to rates rebate	–	263,324
	<u>–</u>	<u>(394,987)</u>

In 2016 the company successfully claimed a rebate on its rates assessed on its leasehold property.

9. TAXATION ON ORDINARY ACTIVITIES

Major components of tax income

	2017 £	2016 £
Current tax:		
UK current tax expense	8,307	–
Deferred tax:		
Origination and reversal of timing differences	(99,983)	(65,822)
Taxation on ordinary activities	<u>(91,676)</u>	<u>(65,822)</u>

Tax recognised as other comprehensive income or equity

The aggregate deferred tax relating to items recognised as other comprehensive income or equity for the year was £(41,218) (2016: £(238,255)).

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>291,652</u>	<u>576,617</u>
Profit on ordinary activities by rate of tax	55,414	115,323
Effect of different UK tax rates on some earnings	–	(56,490)
Utilisation of tax losses	(19,533)	–
Effect of capital allowances and depreciation	<u>(127,557)</u>	<u>(124,655)</u>
Tax on profit	<u>(91,676)</u>	<u>(65,822)</u>

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

10. TANGIBLE ASSETS

	Short leasehold property £
Cost	
At 1 January 2017 and 31 December 2017	<u>23,460,883</u>
Depreciation	
At 1 January 2017	2,933,048
Charge for the year	<u>733,262</u>
At 31 December 2017	<u>3,666,310</u>
Carrying amount	
At 31 December 2017	<u>19,794,573</u>
At 31 December 2016	<u>20,527,835</u>

The net book value of leasehold property includes an amount of £51,052 (2016 - £76,577) in respect of finance costs associated with the development of the property.

Leasehold property with a carrying value of £19,794,573 (2016 - £20,527,835) is pledged as security for an intercompany guarantee.

Tangible assets held at valuation

The company carries its leasehold property at fair value. The property has been valued on an open market basis as a fully-equipped operational entity having regard to its trading potential. The directors of the company have valued the leasehold property in December 2016 using methodology consistent with an independent valuation carried out by a specialist in 2014. They used a technique based on a discounted cash flow model. The directors are satisfied there has been no material change in the value at 31 December 2017.

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

10. TANGIBLE ASSETS *(continued)*

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Short leasehold property £
At 31 December 2017	
Aggregate cost	14,117,156
Aggregate depreciation	<u>(3,666,410)</u>
Carrying value	<u><u>10,450,746</u></u>
 At 31 December 2016	
Aggregate cost	14,117,156
Aggregate depreciation	<u>(2,933,148)</u>
Carrying value	<u><u>11,184,008</u></u>

11. INVESTMENTS

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 January 2017 and 31 December 2017	<u>2,075,002</u>	<u>50,000</u>	<u>2,125,002</u>
Impairment			
At 1 January 2017 and 31 December 2017	<u>–</u>	<u>50,000</u>	<u>50,000</u>
 Carrying amount			
At 31 December 2017	<u>2,075,002</u>	<u>–</u>	<u>2,075,002</u>
At 31 December 2016	<u>2,075,002</u>	<u>–</u>	<u>2,075,002</u>

Other investments are not listed and are held at cost less impairment as fair value cannot be reliably determined.

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Home House Limited	Ordinary	100

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

11. INVESTMENTS *(continued)*

The registered office of Home House Limited is Cedar House, Hazell Drive, Newport, NP10 8FY.

All subsidiaries listed above are included in the consolidated accounts of the immediate parent company Quintillion UK Limited.

12. DEBTORS

	2017	2016
	£	£
Other debtors	–	658,311

13. CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Amounts owed to group undertakings	10,164,179	11,645,391
Accruals and deferred income	–	263,324
Corporation tax	8,307	–
	<u>10,172,486</u>	<u>11,908,715</u>

14. PROVISIONS

	Deferred tax (note 15)
	£
At 1 January 2017	1,289,492
Additions	(141,201)
At 31 December 2017	<u>1,148,291</u>

BERKELEY ADAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2017

15. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2017 £	2016 £
Included in provisions (note 14)	<u>1,148,291</u>	<u>1,289,492</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017 £	2016 £
Accelerated capital allowances	344,782	339,798
Revaluation of tangible assets	803,509	969,382
Unused tax losses	—	(19,688)
	<u>1,148,291</u>	<u>1,289,492</u>

The net deferred tax liability expected to reverse in 2018 is £140,000. This primarily relates to the reversal of existing timing differences on tangible fixed assets and the reduction of the value of the short leaseholds.

16. FINANCIAL INSTRUMENTS

In accordance with FRS102 the company has taken advantage from disclosing the carrying amounts of financial instruments on the grounds that its parent publishes consolidated financial statements.

17. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>118,575</u>	<u>1,186</u>	<u>118,575</u>	<u>1,186</u>

18. RESERVES

Called up share capital - Represents the nominal value of shares that have been issued.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account - This reserve records retained earnings, capital contributions and accumulated profits/losses.

BERKELEY ADAM LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2017

19. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	1,044,632	1,044,632
Later than 1 year and not later than 5 years	4,178,528	4,178,528
Later than 5 years	28,466,222	29,510,854
	<u>33,689,382</u>	<u>34,734,014</u>

20. CONTINGENCIES

At 31 December 2017 a composite cross-guarantee was in existence between Home House Limited, Berkeley Adam Limited, Home Grown Club Limited and Quintillion UK Limited in respect of a bank loan amounting to £9,500,000. The directors do not expect any liability to arise from this.

21. RELATED PARTY TRANSACTIONS

In accordance with FRS102, transactions with wholly owned entities within the group are not disclosed.

22. CONTROLLING PARTY

The company is controlled by its ultimate controlling party which is The Salah Osseiran Trust.

In the opinion of the directors, the company's ultimate parent company is Osseiran Investment Limited, a company registered in Cyprus.

The parent undertaking of the largest group, which includes the company and for which group accounts are prepared, is Osseiran Investment Limited, a company registered in Cyprus.

The parent undertaking of the smallest group, which includes the company and for which group accounts are prepared, is Quintillion UK Limited. Copies of the group accounts can be obtained from Companies House, Crown Way, Cardiff, CF4 3UZ.