

**QUONDAM ESTATES INVESTMENTS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**QUONDAM ESTATES INVESTMENTS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A A Dodd A E C Hare S A Tatford
<b>Company secretary</b>	F V Heazell
<b>Registered number</b>	02879299
<b>Registered office</b>	180 Great Portland Street London W1W 5QZ
<b>Independent auditor</b>	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL

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## QUONDAM ESTATES INVESTMENTS LIMITED

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**QUONDAM ESTATES INVESTMENTS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

**Directors**

The directors who served during the year and up until the date of signing were:

A A Dodd  
A E C Hare  
S A Tatford

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in the office.

**Small companies note**

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

This report was approved by the board and signed on its behalf.



**A E C Hare**  
Director

Date: 25/09/19

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## **QUONDAM ESTATES INVESTMENTS LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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## QUONDAM ESTATES INVESTMENTS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUONDAM ESTATES INVESTMENTS LIMITED

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#### Opinion

We have audited the financial statements of Quondam Estates Investments Limited for the year ended 31 December 2018 which comprise the Balance sheet, Statement of comprehensive income, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

#### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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## QUONDAM ESTATES INVESTMENTS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUONDAM ESTATES INVESTMENTS LIMITED

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#### Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to prepare the financial statements in accordance with small companies regime, take advantage of the small companies exemption in preparing director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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QUONDAM ESTATES INVESTMENTS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUONDAM ESTATES INVESTMENTS  
LIMITED

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**The purpose of our audit work and to whom we owe our responsibilities**

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.



Richard Long (Senior statutory auditor)  
for and on behalf of **KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date: 30/9/2019



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QUONDAM ESTATES INVESTMENTS LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018

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	Note	2018 £	2017 £
Administrative expenses		(1,406)	-
<b>Operating loss</b>	3	<b>(1,406)</b>	-
Tax on loss	5	-	-
<b>Loss for the financial year</b>		<b>(1,406)</b>	-
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,406)</b>	-

The notes on pages 10 to 14 form part of these financial statements.

**QUONDAM ESTATES INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 02879299**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	6	75,000	75,000
		<u>75,000</u>	<u>75,000</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	-	100
		<u>-</u>	<u>100</u>
Creditors: amounts falling due within one year	8	(76,306)	(75,000)
		<u>(76,306)</u>	<u>(75,000)</u>
<b>Net current liabilities</b>		<b>(76,306)</b>	<b>(74,900)</b>
<b>Total assets less current liabilities</b>		<b>(1,306)</b>	<b>100</b>
<b>Net (liabilities)/assets</b>		<b>(1,306)</b>	<b>100</b>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account		(1,406)	-
		<u>(1,406)</u>	<u>-</u>
<b>Shareholder's (deficit)/funds</b>		<b>(1,306)</b>	<b>100</b>
		<u>(1,306)</u>	<u>100</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**A E C Hare**  
Director

Date: 25/09/19

The notes on pages 10 to 14 form part of these financial statements.

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QUONDAM ESTATES INVESTMENTS LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	100	-	100
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(1,406)	(1,406)
<b>Total comprehensive loss for the year</b>	-	(1,406)	(1,406)
<b>At 31 December 2018</b>	100	(1,406)	(1,306)

The notes on pages 10 to 14 form part of these financial statements.

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**QUONDAM ESTATES INVESTMENTS LIMITED**

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

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	<b>Called up share capital</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
At 1 January 2017	<b>100</b>	<b>100</b>
<b>Other comprehensive income for the year</b>	-	-
<b>Total comprehensive income for the year</b>	-	-
<b>Total transactions with owners</b>	-	-
<b>At 31 December 2017</b>	<b>100</b>	<b>100</b>

The notes on pages 10 to 14 form part of these financial statements.

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## QUONDAM ESTATES INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounts policies (see note 2).

The financial statements have been prepared on the going concern basis, notwithstanding the Company's net liabilities and net current liabilities, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Bailey Acquisitions Limited, a parent undertaking. Bailey Acquisitions Limited has indicated its intention that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are required by the Company and in particular will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The Company's parent undertaking, Bailey Acquisitions Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Bailey Acquisitions Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available upon request. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1; and
- Cash Flow Statement and related notes.

##### 1.2 Investments

Investments in associates are measured at cost less accumulated impairment.

##### 1.3 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.

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## QUONDAM ESTATES INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. Accounting policies (continued)

##### 1.4 Taxation

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is also recognised directly in equity or other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

##### (i) Current tax

Current tax is the expected tax payable or receivable on taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

##### (ii) Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets and liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets or liabilities, using tax rates enacted or substantively enacted at the balance sheet. For investment property that is measured at fair value, deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilise

#### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements under FRS 102 requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements that are not readily apparent from other sources. However, the actual results may differ from these estimates. The key area where management has made significant judgement is around the estimates regarding valuation of investments which are based on the fair value of the underlying investment.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

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## QUONDAM ESTATES INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 3. Operating loss

Fees on £1,000 (2017: £1,000) paid to the Company's auditor, KPMG LLP, for the audit of the Company have been wholly borne by a parent entity, Quintain Limited.

Fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed since the consolidated accounts of the parent are required to disclose non-audit fees on a consolidated basis.

#### 4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

#### 5. Taxation

##### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - the same as) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Loss before tax	(1,406)	-
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(267)	-
<b>Effects of:</b>		
Expenses not deductible for tax purposes	267	-
<b>Total tax charge for the year</b>	-	-

##### Factors that may affect future tax charges

On 16 March 2016 the Chancellor announced a reduction in the Corporation Tax rate to 17%, effective from 1 April 2020. This was substantively enacted on 6 September 2016 and will reduce the Company's future tax liability accordingly.

The Group in which the company is a member of has adopted a policy from 1 January 2019 of paying appropriate consideration for the transfer of capital gains to fellow group companies to be offset by tax losses.

The Group in which the company is a member of has a policy of claiming/surrendering group relief for appropriate consideration where contractually bound and otherwise for nil.

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QUONDAM ESTATES INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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6. Investments

	Investments in associates £
<b>Cost</b>	
At 1 January 2018	75,000
At 31 December 2018	<u>75,000</u>
<b>Net book value</b>	
At 31 December 2018	<u>75,000</u>
At 31 December 2017	<u>75,000</u>

The Company holds a 50% associate interest in the Aqua Trust which entitles the Company to a reversionary interest in the investment properties within the Trust. The income stream due to the Company at 31 December 2018 was £Nil (2017: £Nil).



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QUONDAM ESTATES INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	-	100
	<u>-</u>	<u>100</u>

Amounts owed by group undertakings are interest free and repayable on demand.

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	76,306	75,000
	<u>76,306</u>	<u>75,000</u>

Amounts owed to group undertakings are interest free and repayable on demand.

9. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
100 Called up shares of £1 each	<u>100</u>	<u>100</u>

10. Controlling party

At 31 December 2018 the Company's immediate parent was QCC Holdings Limited, registered address 180 Great Portland Street, London W1W 5QZ, a subsidiary of Bailey Acquisitions Limited, registered address 44 Esplanade, St Helier, Jersey, JE4 9WG. The only groups in which results of the Company are consolidated are those headed by Bailey Acquisitions Limited and Quintain Finance Limited, both incorporated in Jersey, registered address 44 Esplanade, St Helier, Jersey, JE4 9WG. Group financial statements are available on request from 180 Great Portland Street, London W1W 5QZ. The ultimate controlling party is Lone Star Real Estate Fund IV, an entity incorporated in Bermuda.