

COMPANY REGISTRATION NUMBER: 03054972

# **HOME HOUSE LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2016**

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COMPANIES HOUSE

**HOME HOUSE LIMITED**  
**FINANCIAL STATEMENTS**  
**Year ended 31 December 2016**

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# **HOME HOUSE LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **The board of directors**

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

### **Company secretary**

Mr C W Tuke

### **Registered office**

Cedar House  
Hazell Drive  
Newport  
South Wales  
NP10 8FY

### **Auditor**

Kilsby & Williams LLP  
Chartered accountant & 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

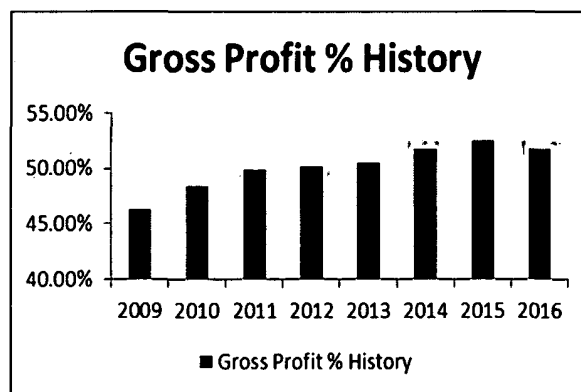
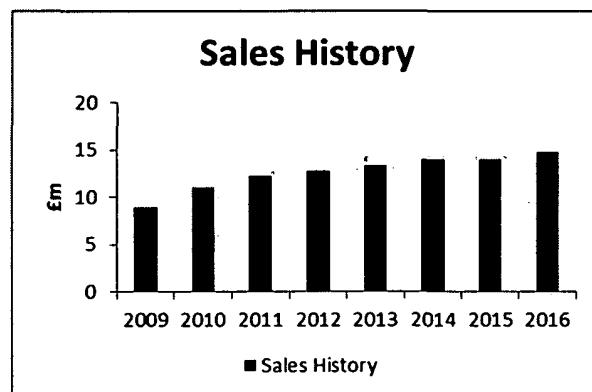
# HOME HOUSE LIMITED

## STRATEGIC REPORT

Year ended 31 December 2016

### REVIEW OF THE BUSINESS

The principal activity of the company for the year was that of the operation of an exclusive private members club providing quality accommodation and associated facilities.



During the year total revenue grew by 5.3% to £14.8m. Of the three principal revenue channels both membership subscriptions and food and beverage grew while bedrooms showed a marginal decline compared to 2015.

The total number of members continued to increase and subscription revenue grew by 6.2%.

Bedroom revenue fell marginally. Occupancy grew by 6.5% however the average room rate achieved was lower than in the previous year.

Total sales of food & beverage grew by 4.7%. This was driven by the increased membership and an increase in the average spend.

Gross profit as a percentage of turnover declined to 51.8% from 52.6%. Distribution and Administration costs increased during the year as a result of investment in the company's systems and processes.

The result of the increased revenue and costs is a marginal reduction in EBITDA of 1.6% to £1.6m.

The business continues to be cash generative with £1.8m generated from operating activities in 2016. The company invested £0.4m on capital expenditure projects and repaid intercompany loans of £0.7m. As a result overall the cash increased by £0.7m during 2016. All areas of the club continue to benefit from the investment in capital projects.

Home House is well positioned to grow the business during 2017. The range of offering to members continues to be refined to ensure that member always receives an experience that meets the core values of Home House. The membership of Home House continues to grow, reflecting the desirability of joining the club.

The desire of the business is to grow through the addition of new sites. The management team are focused upon finding new opportunities that will complement the Home House brand.

### PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of risks that could harm the profitability of the business and the management team take active measures to ensure these risks are understood and minimised. A business continuity plan is in place and documented. The management team do not believe the risk profile of the company has changed.

Operational risks focus around the ability to ensure that the alcohol license is not encumbered with restrictions. The quality of food is paramount to the success of the business and great effort is made to ensure that food hygiene is maintained at the appropriate level.

# HOME HOUSE LIMITED

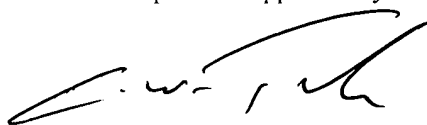
## STRATEGIC REPORT *(continued)*

**Year ended 31 December 2016**

### **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 11/03/17 and signed on behalf of the board by:



Mr C W Tuke  
Company Secretary

# **HOME HOUSE LIMITED**

## **DIRECTORS' REPORT**

### **Year ended 31 December 2016**

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

#### **DIRECTORS**

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

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

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

#### **FINANCIAL INSTRUMENTS**

The company's principal instruments comprise bank balances, trade creditors, trade debtors, and other loans due to the company. The main purpose of these instruments is to raise funds and to finance the company's operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise loans to and from group companies. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **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 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.

# HOME HOUSE LIMITED

## DIRECTORS' REPORT *(continued)*

**Year ended 31 December 2016**

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.

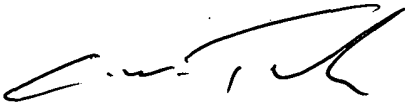
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 11/03/17 and signed on behalf of the board by:



Mr C W Tuke  
Company Secretary



**KILSBY  
WILLIAMS**  
Chartered Accountants

## **HOME HOUSE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME HOUSE LIMITED**

#### **Year ended 31 December 2016**

We have audited the financial statements of Home House Limited for the year ended 31 December 2016 which comprise the profit and loss account, balance sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

#### **OPINION ON FINANCIAL STATEMENTS**

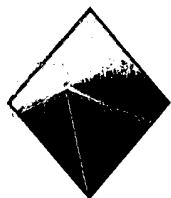
*In our opinion the financial statements:*

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

*In our opinion 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.*





**KILSBY  
WILLIAMS**  
Chartered Accountants

## **HOME HOUSE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOME HOUSE LIMITED** *(continued)*

**Year ended 31 December 2016**

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Simon Tee 20<sup>th</sup> March 2017*

Simon Tee (Senior Statutory Auditor)

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

**HOME HOUSE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2016**

		<b>2016</b>	<b>2015</b> <i>(restated)</i>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>4</b>	14,800,340	14,053,205
Cost of sales		(7,135,027)	(6,666,036)
<b>GROSS PROFIT</b>		<u>7,665,313</u>	<u>7,387,169</u>
Distribution costs		(475,530)	(486,555)
Administrative expenses		(6,181,952)	(5,963,384)
<b>OPERATING PROFIT</b>	<b>5</b>	<u>1,007,831</u>	<u>937,230</u>
Other interest receivable and similar income		3,682	1,153
Interest payable and similar expenses	<b>9</b>	(268)	—
<b>PROFIT BEFORE TAXATION</b>		<u>1,011,245</u>	<u>938,383</u>
Tax on profit	<b>10</b>	(207,836)	(204,893)
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<u>803,409</u>	<u>733,490</u>
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		<u>1,681,567</u>	<u>948,077</u>
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<u>2,484,976</u>	<u>1,681,567</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

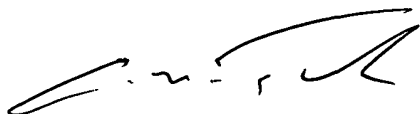
# HOME HOUSE LIMITED

## BALANCE SHEET

31 December 2016

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	11	1,453,850	1,593,459
<b>CURRENT ASSETS</b>			
Stock	12	193,294	171,773
Debtors	13	3,704,821	2,809,655
Cash at bank and in hand		2,357,402	1,660,245
		<u>6,255,517</u>	<u>4,641,673</u>
<b>CREDITORS: amounts falling due within one year</b>	14	(3,149,389)	(2,478,563)
<b>NET CURRENT ASSETS</b>		<u>3,106,128</u>	<u>2,163,110</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,559,978</u>	<u>3,756,569</u>
<b>NET ASSETS</b>		<u>4,559,978</u>	<u>3,756,569</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	2,075,002	2,075,002
Profit and loss account	20	2,484,976	1,681,567
<b>SHAREHOLDERS FUNDS</b>		<u>4,559,978</u>	<u>3,756,569</u>

These financial statements were approved by the board of directors and authorised for issue on 11/03/17, and are signed on behalf of the board by:



Mr C W Tuke  
Director

Company registration number: 03054972

The notes on pages 11 to 20 form part of these financial statements.

# HOME HOUSE LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2016

	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	803,409	733,490
<i>Adjustments for:</i>		
Depreciation of tangible assets	553,488	531,538
Other interest receivable and similar income	(3,682)	(1,153)
Interest payable and similar expenses	268	—
Loss on disposal of tangible assets	—	823
Tax on profit	207,836	204,893
Accrued expenses/(income)	221,657	(65,660)
<i>Changes in:</i>		
Stock	(21,521)	11,560
Trade and other debtors	(102,589)	(99,117)
Trade and other creditors	307,750	77,793
Cash generated from operations	1,966,616	1,394,167
Interest paid	(268)	—
Interest received	3,682	1,153
Tax paid	(148,901)	(202,076)
Net cash from operating activities	<u>1,821,129</u>	<u>1,193,244</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(417,722)	(766,027)
Net cash used in investing activities	<u>(417,722)</u>	<u>(766,027)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans to group undertakings	(706,250)	(1,669,246)
Net cash used in financing activities	<u>(706,250)</u>	<u>(1,669,246)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	697,157	(1,242,029)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	1,660,245	2,902,274
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>2,357,402</u>	<u>1,660,245</u>

The notes on pages 11 to 20 form part of these financial statements.

# **HOME HOUSE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2016**

### **1. GENERAL INFORMATION**

The company is a private company limited by shares and is incorporated and domiciled 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 financial statements 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 and loss account.

#### **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.

#### **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.

#### **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:

##### **Useful economic life of tangible fixed assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

### 3. ACCOUNTING POLICIES *(continued)*

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Turnover from the sale of goods such as bar and restaurant takings are recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually at the point of sale. At this point the amount of turnover can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Turnover 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 the outcome can be reliably measured. The significant service turnover income streams are discussed below.

Membership subscription revenue is recognised on a straight-line basis over the life of the membership. Joining fees in relation to memberships are recognised in the month in which they are received.

Room hire revenue is recognised at the end of the financial day.

#### 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.

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

**Year ended 31 December 2016**

### **3. ACCOUNTING POLICIES *(continued)***

#### **Tangible assets**

Tangible assets are initially recorded at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **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:

Fixtures and fittings	- 10% to 25% straight line
Office equipment	- 33% straight line

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **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.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

### 3. ACCOUNTING POLICIES *(continued)*

#### Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. TURNOVER

Turnover arises from:

	2016 £	2015 £
Sale of goods	8,375,232	7,966,904
Rendering of services	6,425,108	6,086,301
	<u>14,800,340</u>	<u>14,053,205</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:

	2016 £	2015 £
Depreciation of tangible assets	553,488	531,538
Loss on disposal of tangible assets	—	823
Cost of stock recognised as an expense	2,130,948	2,049,149
Impairment of trade debtors	24,714	24,599
	<u>2,709,150</u>	<u>2,606,089</u>

### 6. AUDITOR'S REMUNERATION

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>6,750</u>	<u>6,750</u>



# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### Year ended 31 December 2016

#### 7. STAFF COSTS

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

	2016 No.	2015 No.
Number of staff	204	209
Number of directors	—	5
	<u>204</u>	<u>214</u>

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

	2016 £	2015 £
Wages and salaries	4,771,669	4,478,638
Social security costs	392,744	359,192
Other pension costs	85,474	91,534
	<u>5,249,887</u>	<u>4,929,364</u>

#### 8. DIRECTOR FEES

The directors aggregate fees in respect of qualifying services was:

	2016 £	2015 £
Fees	—	40,000

#### 9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Other interest payable and similar charges	<u>268</u>	<u>—</u>

#### 10. TAX ON PROFIT

##### Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	208,436	127,048
Adjustments in respect of prior periods	(7,252)	—
Total current tax	<u>201,184</u>	<u>127,048</u>

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

### 10. TAX ON PROFIT *(continued)*

	2016 £	2015 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	6,652	77,845
Tax on profit	<u>207,836</u>	<u>204,893</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>1,011,245</u>	<u>938,383</u>
Profit on ordinary activities by rate of tax	202,249	187,677
Adjustment to tax charge in respect of prior periods	(7,435)	–
Effect of expenses not deductible for tax purposes	2,336	8,351
Effect of capital allowances and depreciation	9,790	7,318
Effect of different UK tax rates on some earnings	896	1,547
Tax on profit	<u>207,836</u>	<u>204,893</u>

### 11. TANGIBLE ASSETS

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
At 1 January 2016 (as restated)	4,602,195	295,211	4,897,406
Additions	361,466	52,413	413,879
<b>At 31 December 2016</b>	<u>4,963,661</u>	<u>347,624</u>	<u>5,311,285</u>
<b>Depreciation</b>			
At 1 January 2016	3,143,137	160,810	3,303,947
Charge for the year	482,985	70,503	553,488
<b>At 31 December 2016</b>	<u>3,626,122</u>	<u>231,313</u>	<u>3,857,435</u>
<b>Carrying amount</b>			
<b>At 31 December 2016</b>	<u>1,337,539</u>	<u>116,311</u>	<u>1,453,850</u>
At 31 December 2015	<u>1,459,058</u>	<u>134,401</u>	<u>1,593,459</u>

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 December 2016

### 12. STOCK

	2016	2015
	£	£
Stock	<u>193,294</u>	<u>171,773</u>

### 13. DEBTORS

	2016	2015
	£	£
Trade debtors	292,042	329,478
Amounts owed by group undertakings	2,702,055	1,995,805
Deferred tax asset	5,076	11,728
Prepayments and accrued income	705,648	472,644
	<u>3,704,821</u>	<u>2,809,655</u>

### 14. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	687,633	554,284
Accruals and deferred income	1,325,915	1,015,122
Corporation tax	68,981	16,698
Social security and other taxes	807,177	605,837
Other creditors	259,683	286,622
	<u>3,149,389</u>	<u>2,478,563</u>

### 15. DEFERRED TAX

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

	2016	2015
	£	£
Included in debtors (note 13)	<u>5,076</u>	<u>11,728</u>

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

	2016	2015
	£	£
Accelerated capital allowances	3,762	9,844
Other timing differences	1,314	1,884
	<u>5,076</u>	<u>11,728</u>

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

**Year ended 31 December 2016**

### **15. DEFERRED TAX *(continued)***

The net deferred tax asset expected to reverse in 2017 is £10,354. This primarily relates to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on tangible fixed assets.

### **16. EMPLOYEE BENEFITS**

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £85,474 (2015: £91,534).

### **17. 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.

### **18. PRIOR PERIOD ERRORS**

The company has decided to restate the comparatives as the split of costs between distribution costs and costs of sales in the prior period was incorrect. Cost of sales have been reduced by £152,127 and distribution costs have increased by £152,127.

### **19. CALLED UP SHARE CAPITAL**

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2,075,002</u>	<u>2,075,002</u>	<u>2,075,002</u>	<u>2,075,002</u>

### **20. RESERVES**

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

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

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### Year ended 31 December 2016

#### 21. OPERATING LEASES

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

	2016	2015
	£	£
Not later than 1 year	20,925	19,984
Later than 1 year and not later than 5 years	16,278	18,261
	<u>37,203</u>	<u>38,245</u>

#### 22. CONTINGENCIES

At 31 December 2016 a composite cross-guarantee was in existence between Home House Limited, Berkeley Adam Limited, Quintillion Restaurants Limited and Quintillion UK Limited in respect of a bank loan amounting to £10,500,000. The directors do not expect any liability to arise from this.

#### 23. RELATED PARTY TRANSACTIONS

The company made the following sales and purchases from the following related parties during the year.

	Sales	2016 Purchases/ Management charges	Sales	2015 Purchases/ Management charges
	£	£	£	£
Fairford Holdings UK Limited	11,039	75,517	11,665	75,065
Mr O M S Jaroudi (director)	—	5,000	—	—
Mr S M Al-Hajaj (director)	—	5,000	—	—
Juvenis Merchant Partners AB	—	30,000	—	—
Mr F Fawaz (director)	—	5,000	—	—

The above companies are related due to common directors. In accordance with FRS102, transactions with wholly owned entities within the group are not disclosed.

# HOME HOUSE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

**Year ended 31 December 2016**

### **24. 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.