

Company Registration No. 05281934 (England and Wales)

CHERRYDENE UK LIMITED

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

PAGES FOR FILING WITH REGISTRAR



CHERRYDENE UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

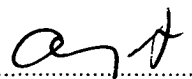
CHERRYDENE UK LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|-------------|-----------|-------------|-----------|
| Fixed assets | | | | | |
| Investments | 4 | 14,172,295 | | 14,152,292 | |
| Current assets | | | | | |
| Cash at bank and in hand | | 618,935 | | 563,364 | |
| Creditors: amounts falling due within one year | 5 | (1,238,582) | | (1,454,930) | |
| Net current liabilities | | | (619,647) | | (891,566) |
| Total assets less current liabilities | | 13,552,648 | | 13,260,726 | |
| Provisions for liabilities | 7 | (1,019,049) | | (1,067,337) | |
| Net assets | | 12,533,599 | | 12,193,389 | |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 2 | | 2 |
| Revaluation reserve | 9 | 8,045,261 | | 9,334,651 | |
| Profit and loss reserves | 9 | 4,488,336 | | 2,858,736 | |
| Total equity | | 12,533,599 | | 12,193,389 | |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 6/8/2018 and are signed on its behalf by:


 Sir H Angest
 Director

CHERRYDENE UK LIMITED

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

| | Share capital | Revaluation reserve | Profit and loss reserves | Total |
|--|---------------|---------------------|--------------------------|------------|
| | £ | £ | £ | £ |
| Balance at 1 January 2016 | 2 | 10,484,837 | (846,554) | 9,638,285 |
| Year ended 31 December 2016: | | | | |
| Profit and total comprehensive income for the year | - | - | 2,555,104 | 2,555,104 |
| Transfer of unrealised gains and losses | - | (1,150,186) | 1,150,186 | - |
| Balance at 31 December 2016 | 2 | 9,334,651 | 2,858,736 | 12,193,389 |
| Year ended 31 December 2017: | | | | |
| Profit and total comprehensive income for the year | - | - | 340,210 | 340,210 |
| Transfer of unrealised gains and losses | - | 20,003 | (20,003) | - |
| Transfer of deferred tax relating to unrealised gains and losses | - | (1,309,393) | 1,309,393 | - |
| Balance at 31 December 2017 | 2 | 8,045,261 | 4,488,336 | 12,533,599 |

Transfer between reserves relates to the transfer of current year fair value gains (2016: losses) to the revaluation reserve, and the related deferred tax charge.

CHERRYDENE UK LIMITED

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

1 Accounting policies

Company information

Cherrydene UK Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Arbuthnot House, 7 Wilson Street, London, EC2M 2SN.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Investment income

Investment income from trade investments and investments in subsidiaries, associates and jointly controlled entities is recognised when the Company's right to receive payment is established.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at transaction price, excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss. Transaction costs are expensed to profit or loss as incurred.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CHERRYDENE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing difference can be deducted.

CHERRYDENE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

2 Employees

The average monthly number of persons, including directors, employed by the company during the year was 2 (2016 - 2).

3 Taxation

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Deferred tax | | |
| Origination and reversal of timing differences | (48,288) | (328,279) |

4 Fixed asset investments

| | 2017 £ | 2016 £ |
|-------------|------------|------------|
| Investments | 14,172,295 | 14,152,292 |

Movements in fixed asset investments

| | Listed investments £ |
|------------------------|----------------------------|
| Valuation | |
| At 1 January 2017 | 14,152,292 |
| Valuation changes | 20,003 |
| At 31 December 2017 | 14,172,295 |
| Carrying amount | |
| At 31 December 2017 | 14,172,295 |
| At 31 December 2016 | 14,152,292 |

Fixed asset investments revalued

If the listed investments were stated on an historical cost basis rather than a fair value basis, the net book value would have been £4,817,641.

5 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|-----------------|-----------|-----------|
| Other creditors | 1,238,582 | 1,454,930 |

6 Provisions for liabilities

| | 2017 £ | 2016 £ |
|--------------------------|-------------|-----------|
| Deferred tax liabilities | 7 1,019,049 | 1,067,337 |

CHERRYDENE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

7 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

| | Liabilities 2017 £ | Liabilities 2016 £ |
|-------------------------------|-----------------------------------|-----------------------------------|
| Balances: | | |
| Tax losses | (290,344) | (282,161) |
| Chargeable gains | 1,309,393 | 1,349,498 |
| | <u>1,019,049</u> | <u>1,067,337</u> |
| | | 2017 £ |
| Movements in the year: | | |
| Liability at 1 January 2017 | | 1,067,337 |
| Credit to profit or loss | | (48,288) |
| | | <u>1,019,049</u> |

The deferred tax liability set out above is expected to reverse when the investments to which they relate are sold. The deferred tax asset is expected to reverse when the company has taxable profits to offset against its brought forward losses.

8 Called up share capital

| | 2017 £ | 2016 £ |
|-------------------------------|-------------------|-------------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 2 Ordinary shares of £1 each | 2 | 2 |
| | <u>2</u> | <u>2</u> |

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

9 Reserves

Fair value reserve

The directors have elected to retain the unrealised gains and losses on the revaluation of its investment portfolio in a fair value reserve.

Profit and loss reserves

This reserve represents the cumulative distributable profit and loss net of distributions to owners.

CHERRYDENE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Contingent liabilities

The company has provided cross guarantees in respect of bank loans of Flowidea Limited, a company related by virtue of common control. At the year end £3,000,000 (2016: £5,000,000) was outstanding.

11 Related party transactions

Included within other creditors is £1,227,945 (2016: £1,437,700) owed to a company related by virtue of common control. Interest of £37,245 (2016: £47,700) was charged on the loan during the year.

Included within administration expenses is £Nil (2016: £650) in respect of a personal guarantee, provided by a director on behalf of Cherrydene UK Limited to secure a previous bank loan. This has since been repaid. At the balance sheet, date £Nil (2016: £2,600) was accrued in respect of this guarantee and is included within other creditors.

During the year, the company received dividends of £320,052 (2016: £3,550,575) from a company related by virtue of common control.

12 Controlling party

The immediate and ultimate parent company is Flowgab Limited, a company incorporated in the Bahamas.

The ultimate controlling party is Sir H Angest, a director.

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Christopher Hurren FCA.
The auditor was RSM UK Audit LLP.