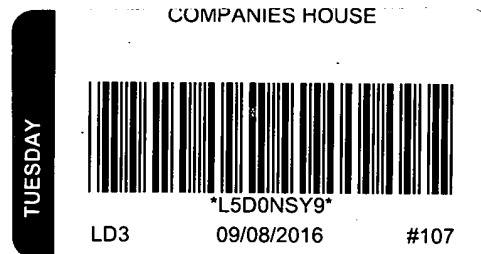


FAIRHOLD (HUDDERSFIELD) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



FAIRHOLD (HUDDERSFIELD) LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

W K Procter
C C McGill

SECRETARY

P A Hallam

REGISTERED OFFICE

Molteno House
302 Regents Park Road
London
N3 2JX

AUDITOR

RSM UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

FAIRHOLD (HUDDERSFIELD) LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the company during the year was that of property dealing.

Business review and future developments

The directors are satisfied with the financial position of the company at the year end subject to the matters discussed in the accounting policies on page 10 which may have an impact on the company's ability to continue as a going concern.

As discussed in the accounting policies on page 10, the company is party to a group cross collateralised funding structure along with a number of other companies under common control.

The group's bankers have advised that an element of the interest rate swap linked to the group's financing structure has been terminated giving rise to an obligation for the group to pay break costs totalling £6.1m. This has been provided for in the relevant related party entities' financial statements. In addition, further interest rate swaps remain in effect at the year end that the group has a potential exposure to if the lender decides to terminate these. The directors estimate that the value of these remaining swaps break liabilities amount to £36.8m, based on a valuation carried out at 14 July 2016 which, given the proximity of the valuation date to the accounts approval date, is considered by the directors to be the best estimate of the likely value of the contingent liability as the liability only crystallises in the event the swap is broken (see note 13).

Properties held for resale

The properties held for resale as stock and included in the financial statements at a cost of £3,046,362 (2014: £3,078,668) were valued on an actuarial basis by the directors at £7,169,694 (2014: £7,760,000) as at 31 December 2015.

Results and dividends

The profit for the year amounted to £342,359 (2014: £451,348). The directors do not recommend the payment of a final dividend.

Directors

The directors who have held office since 1 January 2015 were:

W K Procter
C C McGill

Statement of directors' responsibilities

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, RSM UK Audit LLP (Formerly Baker Tilly Audit LLP), Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors have also taken the available exemption from the requirement to prepare a strategic report.

By order of the Board:


W K Procter
Director

05 | 08 | 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIRHOLD (HUDDERSFIELD) LIMITED

We have audited the financial statements on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and 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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2015 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 10 to the financial statements which set out some possible events which could result from the company's United Kingdom group's cross collateralised borrowings from its principal lender not being refinanced which may have an impact on the company's ability to continue as a going concern. These events indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.



Colin Roberts FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, (formerly BAKER TILLY UK AUDIT LLP) Statutory Auditor
Chartered Accountants
Third Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

S Aug 27 2016

FAIRHOLD (HUDDERSFIELD) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	153,092	311,464
Cost of sales		(32,306)	(45,854)
Gross profit		<u>120,786</u>	<u>265,610</u>
Administrative expenses		(448,048)	(568,585)
Other operating income	3	673,660	767,257
Operating profit		<u>346,398</u>	<u>464,282</u>
Interest payable and similar charges	4	(4,039)	(12,934)
Profit on ordinary activities before taxation	5	<u>342,359</u>	<u>451,348</u>
Taxation	7	-	-
Profit on ordinary activities after taxation		<u>342,359</u>	<u>451,348</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>342,359</u></u>	<u><u>451,348</u></u>

FAIRHOLD (HUDDERSFIELD) LIMITED**STATEMENT OF FINANCIAL POSITION (Company Registration Number: 03037726)****AT 31 DECEMBER 2015**

	Notes	£	2015 £	£	2014 £
Fixed assets					
Investments	8		648,214		648,214
Current assets					
Stocks	9	3,046,362		3,078,668	
Debtors due within one year	10	207,072		266,696	
		<u>3,253,434</u>		<u>3,345,364</u>	
Creditors: amounts falling due within one year	11	(19,887)		(454,176)	
		<u></u>		<u></u>	
Net current assets			3,233,547		2,891,188
Net assets			<u>3,881,761</u>		<u>3,539,402</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account			3,881,759		3,539,400
Total equity			<u>3,881,761</u>		<u>3,539,402</u>

The financial statements on pages 5 to 17 were approved by the board of directors and authorised for issue on 05/08/2016 and are signed on its behalf by:



W K Procter
Director

FAIRHOLD (HUDDERSFIELD) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2014	2	3,088,052	3,088,054
Profit and total comprehensive income for the year	-	451,348	451,348
Balance at 31 December 2014	<u>2</u>	<u>3,539,400</u>	<u>3,539,402</u>
Profit and total comprehensive income for the year	-	342,359	342,359
Balance at 31 December 2015	<u>2</u>	<u>3,881,759</u>	<u>3,881,761</u>

FAIRHOLD (HUDDERSFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

Company information

Fairhold (Huddersfield) Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Molteno House, 302 Regents Park Road, London, N3 2JX. The principal activity of the company during the year was that of property dealing.

1.1 Basis of accounting

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

1.2 First time adoption of FRS 102

These financial statements are the first financial statements of Fairhold (Huddersfield) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Fairhold (Huddersfield) Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

1.3 Consolidated financial statements

The company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently these financial statements present the financial position and financial performance of the company as a single entity.

1.4 Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

FAIRHOLD (HUDDERSFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.4 Reduced disclosures (Continued)

The financial statements of the Company are consolidated in the financial statements of Fairhold Holdings Limited. The consolidated financial statements of Fairhold Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

1.5 Going concern

The company is party to a group cross collateralised funding structure along with a number of other companies under common control. The directors have assessed the operation of the structure and have determined that the company has, or can expect to have, subject to the further matters set out hereafter, sufficient working capital for its needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

The company is party to cross collateralised loans totalling £105,547,985 (2014: £105,547,985). The cross collateralised loan balance is itself comprised of a senior loan amount of £85,547,985 (2014: £85,547,985), which was due for repayment in January 2013 and a subordinated loan of £20,000,000 (2014: £20,000,000) due for repayment in December 2015.

The senior lender syndicated the senior loan to two parties in May 2006. The notes of the precedent loan note holder, which equate to 77% of the total senior loan balance themselves rank senior to the 23% minority loan note holder for debt repayment. The repayment of the senior loan was not made in January 2013 and in the absence of an extension, the senior loan fell into repayment default and a Special Servicer was appointed. The Special Servicer's role is to manage the senior loan on behalf of the senior secured creditors and take the actions it deems necessary to optimise recovery of the unpaid loan balance for those creditors. In addition, the senior loan has a fixed rate of interest, along with additional default interest of 2%, and the group is liable for the break costs of the interest rate swap that is linked to the financing structure. In the event of a break an adverse mark to market value would be added to the group's liabilities and would become immediately repayable. The terms of the subordinated loan financing are such that it cannot be called for repayment ahead of the senior loan.

During the year the group's bankers advised that the element of the interest rate swap relating to the minority loan notes had been terminated prior to the preceding year end, giving rise to an obligation for break costs totalling £6.1m, which has been recognised as a liability in the relevant related party entities' financial statements. The value of the swap break remaining in effect as at 31 December 2015 was estimated by the directors to be a contingent liability of approximately £36.8m (2014: £27.9m), based on a valuation conducted as at 14 July 2016. This will only crystallise in the event the swap is broken.

The group's advisors have established a positive working relationship with the Special Servicer who has indicated that the ultimate controlling party is best placed to manage initiatives to raise capital to enable repayment of the loans and interest rate swap, should the remaining swap be subject to a break. The directors consider that the Special Servicer will continue to be supportive of the group's efforts to generate sufficient funds to meet the repayment terms and recognises that this will not be in the short to medium term.

Accordingly the directors' opinion is that it is appropriate to prepare the financial statements on the going concern basis.

The financial statements have been prepared on the going concern basis which assumes that the group's loan facilities will not be withdrawn and that the Special Servicer continues to be supportive.

FAIRHOLD (HUDDERSFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.5 Going concern (Continued)

In the event that such support was to be withdrawn the principal direct and indirect effects of a demand for immediate repayment of the group's borrowings are that:

- i. the cross collateralised borrowings, as set out in note 13, totalling £105,547,985 (2014: £105,547,985) at the year end, become immediately repayable and further costs could arise in respect of the interest rate arrangements that fix the interest rates on those loans, the level of which would depend on the market rates of interest prevailing at the time of such a termination. The estimated break liability is £36.8m (2014: £27.9m), based on a valuation at 14 July 2016. In addition a further interest rate swap break liability of £6.1m has now crystallised and is payable on demand. This has been provided for in the relevant related party financial statements; and
- ii. if not repaid when due, the senior lender to the company's United Kingdom holding company could exercise its share pledges over that holding company and its group companies and take control or could exercise its security direct over the company's properties. The senior lender may seek to sell the holding company, individual companies or dispose of assets separately or together and at a time of its own choosing. This process may not represent an orderly realisation in the normal course of business so the company's properties held for resale as stock could be realised at values less than their carrying value in the financial statements and would, probably, only be realised at values significantly less than the actuarial valuation stated in the directors' report on page 2.

1.6 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

1.7 Turnover

Turnover comprises the sale proceeds of trading stocks. Profit on the sale of properties is recognised on agreement of the sale.

Turnover is recognised at the fair value of the consideration received or receivable for the sale of property to external customers in the ordinary nature of the business. Turnover is shown net of value added tax.

1.8 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

FAIRHOLD (HUDDERSFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.9 Stocks

Properties acquired with a view to resale are identified as trading stock and stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the cost of acquisition including directly attributable fees and expenses, excluding finance costs which are written off to the profit and loss account.

At each reporting date, the company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

1.10 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 tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in 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 a net basis or to realise the asset and settle the liability simultaneously.

FAIRHOLD (HUDDERSFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1.11 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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.12 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There were no estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

FAIRHOLD (HUDDERSFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

2. Turnover	2015 £	2014 £
Proceeds from sales of trading stock	153,092	311,464

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3. Other operating income	2015 £	2014 £
Rent receivable	238,449	243,630
Other income	435,211	523,627
	<u>673,660</u>	<u>767,257</u>

4. Interest payable and similar charges	2015 £	2014 £
Interest on United Kingdom holding company loan	4,039	12,934

5. Profit on ordinary activities before taxation	2015 £	2014 £
The profit on ordinary activities before taxation is stated after charging:		
- Auditor's remuneration	5,424	5,350

6. Employees and directors

There were no employees during the year other than the directors. The directors are remunerated by the related party Fairhold Services Limited and this is recharged to the company as part of the management charge from Estates & Management Limited. This management charge, which in 2015 amounted to £393,910 (2014: £470,246) also includes a recharge of administration costs borne by Fairhold Services Limited on behalf of the company and it is not possible to identify separately the amount relating to the directors remuneration.

FAIRHOLD (HUDDERSFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7. Taxation	2015 £	2014 £
Current tax		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the year.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 20% (2014: 21%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	342,359	451,348
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 20% (2014: 21%).	<u>68,472</u>	<u>94,783</u>
Effects of:		
Group relief received without charge	(68,472)	(94,783)
Tax expense	<u>-</u>	<u>-</u>

During the period, Finance Act 2015 was enacted and included legislation to reduce the main rate of corporation tax to 19% with effect from 1 April 2017, and by a further 1%, reaching 18% with effect from 1 April 2020. As this change was substantively enacted at the balance sheet date and no material amount is expected to unwind prior to 1 April 2020, deferred tax is recognised at 18% in the current period.

8. Fixed asset investments	Shares in subsidiary undertakings £
Cost	
As at 1 January 2015 and 31 December 2015	<u>648,214</u>

Name	Class of Holding	Proportion held	Nature of business
West Lancashire Investments Limited	Ordinary	100%	Property investment
Fairhold (Midlands) Limited	Ordinary	100%	Property investment

The subsidiary companies are incorporated and has its place of business in England and Wales.

FAIRHOLD (HUDDERSFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

9. Stocks	2015 £	2014 £
Properties held for resale	3,046,362	3,078,668

The company's stock is subject to a debenture and charge in connection with a guarantee provided to the company in respect of the indebtedness of the holding company and other related parties (see note 13).

10. Debtors	2015 £	2014 £
Amounts due within one year:		
Trade debtors	128,269	196,386
Prepayments and accrued income	69,463	70,310
Amount owed to group undertakings	9,340	-
	<u>207,072</u>	<u>266,696</u>

11. Creditors: amounts falling due within one year	2015 £	2014 £
Accruals and deferred income	19,887	42,564
United Kingdom holding company	-	411,612
	<u>19,887</u>	<u>454,176</u>

12. Share capital and reserves	2015 £	2014 £
Company share capital		
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	2	2

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.

Reserves

Reserves of the Company represent the following:

Retained earnings

Cumulative profit and loss net of distributions to owners

FAIRHOLD (HUDDERSFIELD) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13. Guarantees and contingent liabilities

The company has given an unlimited guarantee in respect of some of the indebtedness of its holding company Fairhold Holdings (2001) Limited and of the related parties Fairhold Holdings Limited, Linecroft Limited and Fairhold Holdings (2003) Limited. These parties are related as they are subject to common control and/or common directorship. The guarantee is supported by a debenture and a charge over the company's stock. At 31 December 2015 the total loan amount outstanding subject to the guarantee was £105,547,985 (2014: £105,547,985). Interest payable on this balance outstanding at 31 December 2015 totalled £8,567,634 (2014: £8,514,365).

In addition to the indebtedness referred to above, the group of which Fairhold (Huddersfield) Limited is a member is also liable for the break costs of the interest rate swap that is part of the financing structure. In the event of a break an adverse mark to market value would be added to the group's liabilities and would become immediately repayable. The contingent swap break cost was valued by the directors at approximately £36.8m (2014: £27.9m), based on a valuation conducted at 14 July 2016.

In addition to the contingent swap liabilities referred to above, a further interest rate swap break liability of £6.1m has now crystallised. This has been provided for in the relevant related party entities' financial statements and is subject to the same cross guarantees as referred to above.

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other participating group undertakings' unpaid debts in this connection.

14. Ultimate parent company and ultimate controlling party

The immediate parent company is Owner Provident Limited, which is registered in England and Wales. The company's United Kingdom and closest holding company for which group accounts are drawn up is Fairhold Holdings Limited, which is registered in England and Wales. This undertaking is the holding company of both the largest and smallest group for which group accounts are prepared and of which the company is a member. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors consider the ultimate parent undertaking to be Euro Investments Overseas Incorporated, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

15. Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

During the year the company incurred a management charge of £393,910 (2014: £470,246) from Estates & Management Limited, a related party by virtue of common control and common directors.

FAIRHOLD (HUDDERSFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

16. First time adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliations of equity

	1 January 2014 £	31 December 2014 £
Equity as previously reported under previous UK GAAP	3,088,054	3,539,402
No FRS102 adjustments necessary	-	-
Equity reported under FRS 102	<u>3,088,054</u>	<u>3,539,402</u>

Reconciliation of profit or loss

	Year ended 31 December 2014 £
Profit as previously reported under UK GAAP	451,348
No FRS102 adjustments necessary	-
Profit reported under FRS 102	<u>451,348</u>