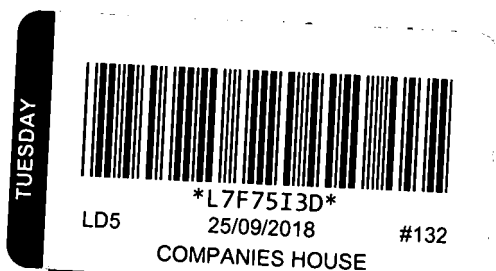


**FAIRHOLD (HUDDERSFIELD) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



**FAIRHOLD (HUDDERSFIELD) LIMITED**

**DIRECTORS AND OFFICERS**

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**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  
3<sup>rd</sup> Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

## **FAIRHOLD (HUDDERSFIELD) LIMITED**

### **DIRECTORS' REPORT**

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The directors submit their report and the financial statements for the year ended 31 December 2017.

#### **Principal activity**

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

#### **Business review and future developments**

Following a refinancing exercise in December 2017 all previous outstanding third party debts, claims and prior guarantees that the company had given, including those in respect of contingent swap liabilities, were settled in December 2017. As a result, the Fairhold Holdings Limited group, of which this company is a member, is now entirely financed by related party debt and has no third party borrowings or guarantees. The directors are therefore satisfied with the financial position of the company at the year end.

#### **Properties held for resale**

The properties held for resale as stock and included in the financial statements at a cost of £3,008,242 (2016: £3,029,150) were valued on an actuarial basis by the directors at £8,932,000 (2016: £9,490,703) as at 31 December 2017.

#### **Results and dividends**

The profit for the year amounted to £207,160 (2016: £292,393). The directors do not recommend the payment of a final dividend (2016: £Nil).

#### **Directors**

The following directors have held office during the year and up until the point of signing the financial statements:

W K Procter  
C C McGill

## **FAIRHOLD (HUDDERSFIELD) LIMITED**

### **DIRECTORS' REPORT (continued)**

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#### **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.

#### **Insurance of Company Officers**

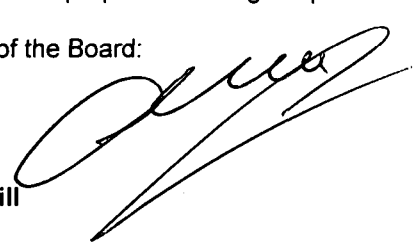
The company has maintained insurance throughout the year for its directors and officers against the consequences of actions which may be brought against them in relation to their duties for the company.

#### **Auditor**

The auditor, RSM UK 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:

  
C C McGill  
Director

24/9/ 2018

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

### **Opinion**

We have audited the financial statements of Fairhold (Huddersfield) Limited (the 'company') for the year ended 31 December 2017 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

### **Use of our report**

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.



Colin Roberts FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3<sup>rd</sup> Floor, One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

24 September 2018

**FAIRHOLD (HUDDERSFIELD) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

|                                                                | Notes | 2017<br>£             | 2016<br>£             |
|----------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>Turnover</b>                                                | 2     | 67,716                | 85,924                |
| Cost of sales                                                  |       | (20,908)              | (17,212)              |
| <b>Gross profit</b>                                            |       | <u>46,808</u>         | <u>68,712</u>         |
| Administrative expenses                                        |       | (598,231)             | (463,176)             |
| Other operating income                                         | 3     | 751,955               | 685,802               |
| <b>Operating profit</b>                                        |       | <u>200,532</u>        | <u>291,338</u>        |
| Interest receivable and similar income                         | 4     | 6,628                 | 1,055                 |
| <b>Profit before taxation</b>                                  | 5     | <u>207,160</u>        | <u>292,393</u>        |
| Taxation                                                       | 7     | -                     | -                     |
| <b>Profit after taxation and profit for the financial year</b> |       | <u>207,160</u>        | <u>292,393</u>        |
| Other comprehensive income                                     |       | -                     | -                     |
| <b>Total comprehensive income for the year</b>                 |       | <u><u>207,160</u></u> | <u><u>292,393</u></u> |

**FAIRHOLD (HUDDERSFIELD) LIMITED**

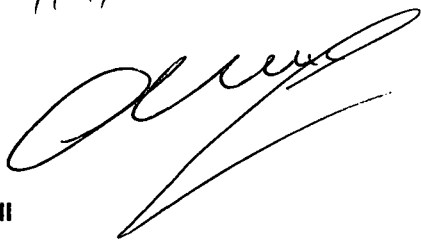
**STATEMENT OF FINANCIAL POSITION (Company Registration Number: 03037726)**

**AT 31 DECEMBER 2017**

|                                                       | Notes | 2017<br>£        | 2016<br>£        |
|-------------------------------------------------------|-------|------------------|------------------|
| <b>Fixed assets</b>                                   |       |                  |                  |
| Investments                                           | 8     | 648,214          | 648,214          |
| <b>Current assets</b>                                 |       |                  |                  |
| Stocks                                                | 9     | 3,008,242        | 3,029,150        |
| Debtors due within one year                           | 10    | 745,125          | 517,165          |
|                                                       |       | <u>3,753,367</u> | <u>3,546,315</u> |
| <b>Creditors: amounts falling due within one year</b> | 11    | <u>(20,267)</u>  | <u>(20,375)</u>  |
| <b>Net current assets</b>                             |       | 3,733,100        | 3,525,940        |
| <b>Net assets</b>                                     |       | <u>4,381,314</u> | <u>4,174,154</u> |
| <b>Capital and reserves</b>                           |       |                  |                  |
| Called up share capital                               | 12    | 2                | 2                |
| Profit and loss account                               |       | 4,381,312        | 4,174,152        |
| <b>Total equity</b>                                   |       | <u>4,381,314</u> | <u>4,174,154</u> |

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on 26/9/2018 and are signed on its behalf by:

**C C McGill**  
Director



**FAIRHOLD (HUDDERSFIELD) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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|                                                    | Share<br>capital<br>£ | Profit and<br>loss account<br>£ | Total<br>£       |
|----------------------------------------------------|-----------------------|---------------------------------|------------------|
| <b>Balance at 1 January 2016</b>                   | 2                     | 3,881,759                       | 3,881,761        |
| Profit and total comprehensive income for the year | -                     | 292,393                         | 292,393          |
| <b>Balance at 31 December 2016</b>                 | <u>2</u>              | <u>4,174,152</u>                | <u>4,174,154</u> |
| Profit and total comprehensive income for the year | -                     | 207,160                         | 207,160          |
| <b>Balance at 31 December 2017</b>                 | <u>2</u>              | <u>4,381,312</u>                | <u>4,381,314</u> |

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**FAIRHOLD (HUDDERSFIELD) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. Accounting policies**

**Company information**

Fairhold (Huddersfield) Limited ("the Company") is a private company limited by shares, 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.

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.

**1.2 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.

**1.3 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.

**1.4 Going concern**

In preparing the accounts on the going concern basis the directors have given consideration to the company's profit for the year and the company's statement of financial position.

The company is a wholly owned subsidiary of Fairhold Holdings Limited who on 9 December 2017 entered into a new inter group financing agreement, whereby all outstanding third party debts, claims and prior guarantees the company had given were settled. As a result, the group is now entirely financed by related party debt and has no third party borrowings.

Prior to 9 December 2017 the company was part of a different cross collateralised funding structure.

**FAIRHOLD (HUDDERSFIELD) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1.4 Going concern (continued)**

The directors have assessed the operation of the current structure and have determined that the company has, or can expect to have, 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.

**1.5 Functional and presentational currencies**

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

**1.6 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.

**1.7 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 impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

**1.8 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.

# **FAIRHOLD (HUDDERSFIELD) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **1.9 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.

#### **1.10 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***

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.

**FAIRHOLD (HUDDERSFIELD) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1.10 Financial instruments (continued)**

*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.

**1.11 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.

In December 2017 the Department for Communities and Local Government (DCLG) published the outcome of the 'Tackling unfair practices in the leasehold market' consultation it had conducted during the year. The main pronouncement affecting the company being that the Government would work with the Law Commission to support existing leaseholders – including making buying a freehold or extending a lease easier, faster, fairer and cheaper. Should such legislation be introduced it is likely that this would reduce the amount of premiums received at the point of lease extension. These premiums are a material component of the valuation of the Investment Properties held by the group. It is unknown what form the legislation, should it be enacted, will take and so it is not possible at this time to assess the impact of any potential legislative changes on the valuation.

**FAIRHOLD (HUDDERSFIELD) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2017**

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|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| <b>2. Turnover</b>                   | <b>2017</b>       | <b>2016</b>       |
|                                      | <b>£</b>          | <b>£</b>          |
| Proceeds from sales of trading stock | 67,716            | 85,924            |
|                                      | <u>          </u> | <u>          </u> |

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

|                                  |                |                |
|----------------------------------|----------------|----------------|
| <b>3. Other operating income</b> | <b>2017</b>    | <b>2016</b>    |
|                                  | <b>£</b>       | <b>£</b>       |
| Rent receivable                  | 241,238        | 250,514        |
| Other income                     | 510,717        | 435,288        |
|                                  | <u>751,955</u> | <u>685,802</u> |

|                                                  |                   |                   |
|--------------------------------------------------|-------------------|-------------------|
| <b>4. Interest receivable and similar income</b> | <b>2017</b>       | <b>2016</b>       |
|                                                  | <b>£</b>          | <b>£</b>          |
| Interest on United Kingdom holding company loan  | 6,628             | 1,055             |
|                                                  | <u>          </u> | <u>          </u> |

|                                                      |                   |                   |
|------------------------------------------------------|-------------------|-------------------|
| <b>5. Profit before taxation</b>                     | <b>2017</b>       | <b>2016</b>       |
|                                                      | <b>£</b>          | <b>£</b>          |
| The profit before taxation is stated after charging: |                   |                   |
| - Auditor's remuneration                             | 5,500             | 5,500             |
|                                                      | <u>          </u> | <u>          </u> |

**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 2017 amounted to £423,230 (2016: £394,546) 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 2017**

| <b>7. Taxation</b>                             | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|------------------------------------------------|-------------------|-------------------|
| <b>Current tax</b>                             |                   |                   |
| UK corporation tax                             | -                 | -                 |
| <b>Total current tax</b>                       | -                 | -                 |
| <b>Deferred tax:</b>                           |                   |                   |
| Origination and reversal of timing differences | -                 | -                 |
| <b>Total deferred tax</b>                      | -                 | -                 |
| <b>Total tax on profit</b>                     | -                 | -                 |

Factors affecting the tax charge for the year.

The tax assessed for the year is lower than the effective rate of corporation tax in the UK 19.25% (2016: 20%). The differences are explained below:

|                                                                                             | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|---------------------------------------------------------------------------------------------|-------------------|-------------------|
| Profit before tax                                                                           | 207,160           | 292,393           |
| Profit multiplied by the effective rate of Corporation tax in the UK of 19.25% (2016: 20%). | 39,878            | 58,479            |
| Effects of:<br>Group relief received without charge                                         | (39,878)          | (58,479)          |
| Tax charge/(credit)                                                                         | -                 | -                 |

**8. Fixed asset investments**

|                                                  |                         |                        | <b>Shares in<br/>subsidiary<br/>undertakings<br/>£</b> |
|--------------------------------------------------|-------------------------|------------------------|--------------------------------------------------------|
| <b>Cost</b>                                      |                         |                        |                                                        |
| <b>As at 1 January 2017 and 31 December 2017</b> |                         |                        | 648,214                                                |
| <b>Name</b>                                      | <b>Class of Holding</b> | <b>Proportion held</b> | <b>Nature of business</b>                              |
| West Lancashire Investments Limited              | Ordinary                | 100%                   | Property dealing                                       |
| Fairhold (Midlands) Limited                      | Ordinary                | 100%                   | Property investment                                    |

The subsidiary companies are incorporated and have their place of business in England and Wales. Their registered office is Molteno House, 302 Regents Park Road, London, N3 2JX.

**FAIRHOLD (HUDDERSFIELD) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

| <b>9. Stocks</b>                              | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|-----------------------------------------------|-------------------|-------------------|
| Properties held for resale                    | 3,008,242         | 3,029,150         |
|                                               | <u>          </u> | <u>          </u> |
| <b>10. Debtors</b>                            | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
| Amounts due within one year:                  |                   |                   |
| Trade debtors                                 | 110,287           | 123,760           |
| Prepayments and accrued income                | 66,624            | 68,297            |
| Amount owed by United Kingdom holding company | 568,214           | 325,108           |
|                                               | <u>745,125</u>    | <u>517,165</u>    |

There are no fixed terms of repayment of the parent company loan. Interest is charged at 3 month Libor +1%. Despite the loan being repayable on demand it is not the intention for the loans to be recalled within one year.

| <b>11. Creditors: amounts falling due within one year</b> | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|-----------------------------------------------------------|-------------------|-------------------|
| Accruals and deferred income                              | 20,267            | 20,375            |
|                                                           | <u>20,267</u>     | <u>20,375</u>     |

| <b>12. Share capital and reserves</b> | <b>2017<br/>£</b> | <b>2016<br/>£</b> |
|---------------------------------------|-------------------|-------------------|
| <b>Company share capital</b>          |                   |                   |
| Allotted, issued and fully paid:      |                   |                   |
| 2 ordinary shares of £1 each          | 2                 | 2                 |
|                                       | <u>          </u> | <u>          </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.

**Reserves**

Reserves of the Company represent the following:

*Retained earnings*

Cumulative profit and loss net of distributions to owners.

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**13. Guarantees and contingent liabilities**

As explained on page 9 all previous outstanding third party debts, claims and prior guarantees that the company had given, including those in respect of contingent swap liabilities, were settled in December 2017. As a result the Fairhold Holdings Limited group, of which this company is a member, is now entirely financed by related party debt and has no third party borrowings or guarantees.

**14. Ultimate parent company and ultimate controlling party**

The immediate parent company is Owners 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 £423,230 (2016: £394,546) from a company related party by virtue of common control and common directors.

Of the unlimited guarantee in respect of some of the indebtedness of the related parties set out in note 13, contingent amounts of £67,105,897 (2016: £59,415,439) are owed to a related party.