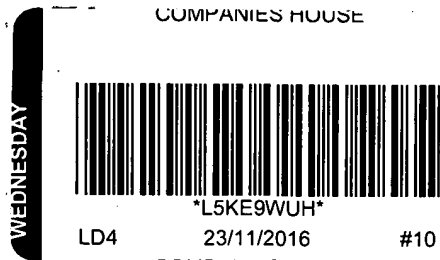


Registered number: 00712408

FAIRHOOD PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016



FAIRHOOD PROPERTIES LIMITED

COMPANY INFORMATION

Directors	J F M Rodwell P R Holcroft G R S Broke P G Chamberlin A E Fanshawe
Company Secretary	M Kitto
Registered Number	00712408
Registered Office	1-3 College Hill London EC4R 2RA
Independent Auditor	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
Bankers	Royal Bank of Scotland 4th Floor Regents House 42 Islington High Street London N1 8XL
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT

FAIRHOOD PROPERTIES LIMITED

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FAIRHOOD PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Directors present their report and the financial statements for the year ended 31 March 2016.

Results and dividends

The result for the year, after taxation, amounted to £NIL (2015 - £NIL).

Directors

The Directors who served during the year were:

J F M Rodwell
P R Holcroft
G R S Broke
P G Chamberlin
A E Fanshawe

Future developments

The Company will continue to rent property and return the profits to the parent each year.

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Directors have taken advantage of the exemptions permitted under the small companies regime.

This report was approved by the Board on 10 November 2016 and signed on its behalf.



M Kitto
Secretary

FAIRHOOD PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FAIRHOOD PROPERTIES LIMITED

We have audited the financial statements of Fairhood Properties Limited for the year ended 31 March 2016, set out on pages 5 to 16. 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 Financial Reporting Standard 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 Financial Reporting Council'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 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 March 2016 and of its result 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 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.

FAIRHOOD PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FAIRHOOD PROPERTIES LIMITED

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.

 PKF LITTLEJOHN LLP

Ian Mathieson (Senior Statutory Auditor)

For and on behalf of
PKF Littlejohn LLP

1 Westferry Circus
Canary Wharf
London
E14 4HD

10 November 2016

FAIRHOOD PROPERTIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
Turnover	114,050	115,467
Cost of sales	-	(14,460)
Gross profit	114,050	101,007
Administrative expenses	(35,378)	(34,541)
Operating profit	78,672	66,466
Payment under Deed of Covenant	(74,032)	(61,999)
Interest payable and expenses	8 (4,640)	(4,467)
Result before and after tax	-	-
Other comprehensive income		
Revaluation of investment property	120,000	(100,000)
Other comprehensive income/ (expenditure) for the year	120,000	(100,000)
Total comprehensive income/ (expenditure) for the year	120,000	(100,000)

All amounts relate to continuing operations

The notes on pages 9 to 16 form part of these financial statements.

FAIRHOOD PROPERTIES LIMITED

Registered number: 00712408.

**BALANCE SHEET
AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
Fixed assets			
Investment property	9	1,650,000	1,530,000
		<u>1,650,000</u>	<u>1,530,000</u>
Current assets			
Debtors: amounts falling due within one year	10	756,356	729,305
Cash at bank and in hand	11	4,310	13,426
		<u>760,666</u>	<u>742,731</u>
Creditors: amounts falling due within one year	12	(1,117,801)	(1,099,866)
Net current liabilities		<u>(357,135)</u>	<u>(357,135)</u>
Total assets less current liabilities		<u>1,292,865</u>	<u>1,172,865</u>
Net assets		<u><u>1,292,865</u></u>	<u><u>1,172,865</u></u>
Capital and reserves			
Called up share capital	14	11,000	11,000
Investment property reserve	15	282,500	162,500
Profit and loss account	15	999,365	999,365
		<u><u>1,292,865</u></u>	<u><u>1,172,865</u></u>

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

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 10 November 2016.


J F M Rodwell
Director

The notes on pages 9 to 16 form part of these financial statements.

FAIRHOOD PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2016**

	Share capital	Investment property revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2015	11,000	162,500	999,365	1,172,865
Comprehensive income for the year				
Result for the year	-	-	-	-
Other comprehensive income for the year	-	120,000	-	20,000
Total comprehensive income for the year	-	120,000	-	120,000
Total transactions with owners	-	-	-	-
At 31 March 2016	<u>11,000</u>	<u>282,500</u>	<u>999,365</u>	<u>1,292,865</u>

FAIRHOOD PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2015**

	Share capital	Investment property revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2014	11,000	262,500	999,365	1,272,865
Revaluation of investment property	-	(100,000)	-	(100,000)
Other comprehensive expenditure for the year	-	(100,000)	-	(100,000)
Total comprehensive expenditure for the year	-	(100,000)	-	(100,000)
Total transactions with owners	-	-	-	-
At 31 March 2015	<u>11,000</u>	<u>162,500</u>	<u>999,365</u>	<u>1,172,865</u>

The notes on pages 9 to 16 form part of these financial statements.

FAIRHOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. General information

The principal activity of the Company continued throughout the year to be that of the management and letting of properties.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 1-3 College Hill, London, EC4R 2RA.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 18.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company has net current liabilities of £357,135 at the balance sheet date (2015 - £357,135). The Directors believe that the Company has sufficient resources to meet its liabilities as they fall due because they can call upon the Parent Company or other group companies, for short term working capital, as and when required. The Financial Statements have therefore been prepared on the basis that the Company is a going concern.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and loss account.

FAIRHOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting Policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

FAIRHOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. Accounting Policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

(ii) Valuation of investment properties

The Company makes an estimate of the fair value of investment properties. When assessing the fair value, management seeks the help of an expert in this area and considers, amongst other things the expected rental yields, valuation of other properties in the immediate vicinity of the property and the condition of the building.

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Rental income	114,050	115,467
	<u>114,050</u>	<u>115,467</u>

All turnover derives from the United Kingdom.

FAIRHOOD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	3,477	1,968
Fees payable to the Company's auditor and its associates for non audit services	1,100	1,082
Fees payable to the Company's auditor and its associates in respect of the prior year	-	(504)

6. Employees

Staff costs, including Directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	23,000	23,750
Social security costs	1,530	1,628
	<u>24,530</u>	<u>25,378</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2016 No	2015 No
Directors	<u>2</u>	<u>2</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	23,000	23,750
	<u>23,000</u>	<u>23,750</u>

The Directors are considered to be the key management personnel of the Company.
No post-employment or other benefits were paid to the Directors during the year (2015 - £nil).

FAIRHOOD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	4,640	4,467
	<u>4,640</u>	<u>4,467</u>

9. Investment property

	Freehold investment property £
Valuation	
At 1 April 2015	1,530,000
At 31 March 2016	<u>1,650,000</u>

The 2016 valuations were made by Clive Thomas of Clive Thomas & Co Chartered Surveyors in conjunction with Robin Hanson of Brackenridge Hanson, Tate, Chartered Surveyors and Property Consultants. Both Messrs Hanson and Thomas are Fellows of the Royal Institute of Chartered Surveyors. The valuations are based on an open market value for existing use basis.

	2016 £	2015 £
Revaluation reserves		
At 1 April 2015	162,500	262,500
Net gain/ (deficit) in movement properties	120,000	(100,000)
At 31 March 2016	<u>282,500</u>	<u>(162,500)</u>

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Historic cost	<u>1,367,500</u>	<u>1,367,500</u>

No deferred tax is provided on the investment properties as the availability of indexation allowances reduces any gains to nil.

FAIRHOOD PROPERTIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016****10. Debtors**

	2016 £	2015 £
Amounts owed by group undertakings	742,317	707,817
Other debtors	14,039	21,488
	<u>756,356</u>	<u>729,305</u>

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	4,310	13,426
	<u>4,310</u>	<u>13,426</u>

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	1,109,953	1,093,280
Accruals and deferred income	7,848	6,586
	<u>1,117,801</u>	<u>1,099,866</u>

The amount owed to a fellow subsidiary, included in amounts owed to group undertakings above, is unsecured, bears interest at an average bank rate for the year and is repayable on demand. The amount owed to the parent undertaking, included in amounts owed to group undertakings above, is secured on the investment properties.

Included within amounts owed to group undertakings is £74,032 (2015 - £61,699) payable to the parent undertaking under a Deed of Covenant.

FAIRHOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	756,356	729,305
	<u>756,356</u>	<u>729,305</u>

Financial liabilities

Financial liabilities measured at amortised cost	(1,117,801)	(1,099,865)
	<u>(1,117,801)</u>	<u>(1,099,865)</u>

Financial assets measured at amortised cost comprise rents receivable and amounts owed by the parent undertaking.

Financial Liabilities measured at amortised cost comprise amounts payable to the parent company and a fellow subsidiary, as well as accruals.

14. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
11,000 Ordinary shares of £1 each	<u>11,000</u>	<u>11,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

15. Reserves

Investment property revaluation reserve

This represents the difference between fair value of the investment properties and the original cost.

Profit & loss account

This comprises the accumulated profits and losses of the company since incorporation.

16. Related party transactions

There have been no related party transactions in the year apart from those between the Company and other members of The Hedley Foundation Limited Group of Companies and the remuneration paid to the Directors.

FAIRHOOD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. Ultimate Controlling party

The Hedley Foundation Limited, a charitable company incorporated in England & Wales, is the ultimate Parent undertaking. The Hedley Foundation Limited prepares group financial statements and these are publicly available from Companies House, Cardiff, CF14 3UZ.

18. First time adoption of FRS 102

There have been no changes in accounting policies resulting from the adoption of FRS 102.

There have been no changes to the net assets of the company at 1 April 2014 or 31 March 2015 or to the result after taxation for the year ended 31 March 2015, as a result of the adoption of FRS 102.