

Company Number: 04311199

**RQ BLOCK D LIMITED**  
**REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2016**

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## **REPORT OF THE DIRECTORS**

The Directors present their report and the unaudited financial statements for the period ended 31 March 2016. RQ Block D Limited (the "Company") changed its year end date from 31 October to 31 March on 11 November 2015 therefore these accounts are for the period from 1 November 2014 to 31 March 2016.

## **INCORPORATION**

The Company was incorporated in the United Kingdom under the laws of England and Wales on 25 October 2001.

## **ACTIVITIES**

The principal activity of the Company was property investment.

On 15 February 2016 the Board of the ultimate parent of the Company, Boardwalk Finance DAC, approved a restructuring within the group. The restructuring was approved by the Board of the Company on 11 March 2016. The restructuring steps involved the Company transferring its investment properties to its immediate parent company, Fairhold Holdings (2005) Limited, together with the assignment of any rental arrears. Immediately subsequent to the properties transferred a rationalisation of intercompany balances took place between the Company and its parent to the extent possible. Subsequent to this step, the Company made a distribution of any remaining net assets and then became effectively dormant. The restructuring took place on 31 March 2016.

## **RESULTS AND DIVIDENDS**

The results for the period are shown on page 4. The Directors recommended the payment of a dividend of £627,258 which has been paid during the period (31 October 2014: £nil).

## **GOING CONCERN**

It is the intention of the Directors to wind-up the Company in the next 12 months. Accordingly the going concern basis of preparation is no longer appropriate.

The Company has the benefit of letter of support from its immediate parent, confirming that expenses related to the wind-up of the Company will be settled by the parent, ensuring a solvent wind-up.

## **DIRECTORS**

The Directors who held office during the period and up to the date of approval of the financial statements were:

J.C. Bingham	
M.C. Schnaier	(resigned 5 November 2015)
Z.P. Yates	(appointed 5 November 2015)

## **REGISTERED OFFICE**

<b>(From 20 July 2015)</b>	<b>(Up to 19 July 2015)</b>
Asticus Building, 2nd Floor	Pollen House
21 Palmer Street	10 Cork Street
London SW1H 0AD	London W1S 3NP

## **COMPANY SECRETARY**

The secretary of the Company during the year and subsequently was Sanne Group Secretaries (UK) Limited.

## **INDEPENDENT AUDITORS**

PricewaterhouseCoopers resigned as the Company's auditor during the period. These financial statements are unaudited.

**REPORT OF THE DIRECTORS - (CONTINUED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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

The Directors are required to prepare financial statements for each financial year under the Companies Act 2006. As permitted by that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as endorsed for use in the European Union ("IFRSs"). The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial year including the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

However, Directors are also required to:

- \* properly select and apply accounting policies;
- \* present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- \* provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- \* make an assessment of the Company's ability to continue as a going concern (see note 2).

The Directors are also responsible for keeping proper accounting records that are sufficient to show and explain its 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.

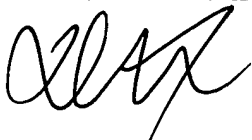
The Directors confirm they have complied with the above requirements throughout the period and subsequently.

**Financial risk management**

The Directors have considered the financial risk factors and mitigations identified and disclosed in note 3 of the financial statements.

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

**BY ORDER OF THE BOARD**



Authorised Signatory  
Director **ZENA VATES**  
Date: 12/10/2016

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**RQ BLOCK D LIMITED (Company number: 04311199)**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 31 MARCH 2016****(EXPRESSED IN BRITISH POUNDS)**

		<b><u>1 Nov 2014</u> <u>to</u> <u>31 Mar 2016</u> £'000</b>	<b><u>1 Jan 2014</u> <u>to</u> <u>31 Oct 2014</u> £'000</b>
	<b>Notes</b>	<b>Unaudited</b>	<b>Audited</b>
<b>INCOME</b>			
Turnover	2	43	26
Gain on revaluation of investment properties	4	250	-
		<hr/> 293	<hr/> 26
<b>EXPENSES</b>			
Audit fees		(17)	(8)
Administrative expenses		(43)	(8)
Loss on revaluation of investment properties	4	-	(779)
		<hr/> (60)	<hr/> (795)
<b>OPERATING PROFIT / (LOSS)</b>		<hr/> 233	<hr/> (769)
<b>FINANCE INCOME / COSTS</b>			
Interest expense		(9)	(5)
		<hr/> 224	<hr/> (774)
<b>PROFIT / (LOSS) BEFORE TAX</b>			
Corporation tax expense	9	-	-
		<hr/> 224	<hr/> (774)
<b>TOTAL PROFIT / (LOSS) FOR THE PERIOD</b>		<hr/> <hr/> 224	<hr/> <hr/> (774)

*(The notes on pages 8 to 17 form part of these unaudited financial statements)*

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**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2016**

**(EXPRESSED IN BRITISH POUNDS)**

		<b>31 Mar 2016</b>	<b>31 Oct 2014</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Notes</b>	<b>Unaudited</b>	<b>Audited</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	4	-	824
<b>Current assets</b>			
Loans receivable	5	-	-
Receivables	6	-	3
<b>TOTAL ASSETS</b>		-	827
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Payables	7	-	16
Loans payable	8	-	408
<b>TOTAL LIABILITIES</b>		-	424
<b>Equity</b>			
Share capital	10	-	-
Retained profit		-	403
<b>TOTAL EQUITY</b>		-	403
<b>TOTAL LIABILITIES AND EQUITY</b>		-	827

For the financial year in question the Company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

These financial statements have been prepared 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 of Directors on the 12 day of October 2016 and were signed on its behalf by:

Director:



ZENA YATES

(The notes on pages 8 to 17 form part of these unaudited financial statements)

**RQ BLOCK D LIMITED (Company number: 04311199)**

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**STATEMENT OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**(EXPRESSED IN BRITISH POUNDS)**

	<b><u>Share capital</u></b> <b>£'000</b>	<b><u>Retained (loss) / profit</u></b> <b>£'000</b>	<b><u>Total</u></b> <b>£'000</b>
<b>Balance at 1 January 2014</b>	-	1,177	1,177
Total loss for the period	-	(774)	(774)
<b>Balance at 31 October 2014</b>	-	403	403
Total profit for the period	-	224	224
Dividend for restructuring	-	(627)	(627)
<b>Balance at 31 March 2016</b>	-	-	-

*(The notes on pages 8 to 17 form part of these unaudited financial statements)*

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**STATEMENT OF CASHFLOWS**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**(EXPRESSED IN BRITISH POUNDS)**

	<b><u>1 Nov 2014</u> <u>to</u> <u>31 Mar 2016</u> £'000 Unaudited</b>	<b><u>1 Jan 2014</u> <u>to</u> <u>31 Oct 2014</u> £'000 Audited</b>
<b>Cash flows from operating activities</b>		
Total profit / (loss) for the period	224	(774)
Adjustments for:		
Net (gain) / loss on revaluation of investment properties	(250)	779
Changes in working capital:		
Decrease / (increase) in receivables	3	(3)
Increase in payables	23	11
Net cash generated from operating activities	-	13
<b>Cash flows from investing activities</b>		
Capital expenditure on investment properties	-	(3)
Net cash used in investing activities	-	(3)
<b>Cash flows from financing activities</b>		
Net repayment of borrowings	-	(10)
Net cash used in financing activities	-	(10)
<b>Net movement in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents at the beginning of the period</b>	-	-
<b>Cash and cash equivalents at the end of the period</b>	-	-

*(The notes on pages 8 to 17 form part of these unaudited financial statements)*

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD ENDED 31 MARCH 2016**

#### **1. GENERAL INFORMATION**

RQ Block D Limited (the "Company") was incorporated in the United Kingdom under the laws of England and Wales on 25 October 2001.

The principal activity of the Company was property investment.

On 15 February 2016 the Board of the ultimate parent of the Company, Boardwalk Finance DAC, approved a restructuring within the group. The restructuring was approved by the Board of the Company on 11 March 2016. The restructuring steps involved the Company transferring its investment properties to its immediate parent company, Fairhold Holdings (2005) Limited, together with the assignment of any rental arrears. Immediately subsequent to the properties transferred a rationalisation of intercompany balances took place between the Company and its parent to the extent possible. Subsequent to this step, the Company made a distribution of any remaining net assets and then became effectively dormant. The restructuring took place on 31 March 2016.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

##### **Basis of preparation**

The Company has prepared these financial statements which comply with International Financial Reporting Standards as endorsed for use in the European Union ("IFRSs") together with the comparative period data as at and for the period ended 31 October 2014, as described in the summary of significant accounting policies.

The more significant policies are set out below:

##### **Consolidated financial statements**

The financial statements of the subsidiary have not been consolidated with the Company's financial statements as the Company itself is a wholly-owned subsidiary of Fairhold Holdings (2006) Appts Limited, whose parent is Boardwalk Finance Limited, incorporated in Ireland. Boardwalk Finance Limited prepares consolidated financial statements which are publicly available.

The investment in subsidiary in the financial statements of the Company is stated at cost, less any impairment in recoverable value.

##### **Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company**

##### **IFRS 9, "Financial Instruments"**

IFRS 9 addresses the recognition, classification and measurement of financial assets and financial liabilities and may be adopted to replace IAS 39.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)**

**Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Company - (continued)**

**IFRS 9, "Financial Instruments" - (continued)**

IFRS 9 requires financial assets to be classified into two measurement categories: (i) those measured at fair value; and (ii) those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The mandatory effective date for application of IFRS 9 is for accounting periods beginning on or after 1 January 2018, but early adoption is permitted at any time. The Company intends to adopt IFRS 9 no later than the mandatory effective date. In the Directors' opinion, early adoption of IFRS 9 would have no material impact on the recognition, measurement or disclosures relating to its financial instruments.

**Going concern**

It is the intention of the Directors to wind-up the Company in the next 12 months. Accordingly the going concern basis of preparation is no longer appropriate.

The Company has the benefit of letter of support from its immediate parent, confirming that expenses related to the wind-up of the Company will be settled by the parent, ensuring a solvent wind-up.

**Income and Cash flow statements**

The Company presents its Statement of Profit or Loss and Other Comprehensive Income by nature of expense.

The Company reports Cash Flows using the indirect method.

The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Company's business activities.

**Investment properties**

Investment properties comprise of properties that are not occupied by the Company and are held to earn rental income, or for capital appreciation, or both. The Directors have elected to adopt the "fair value model" as defined under IAS 40 (Investment Property). Properties held under a lease is classified as investment property when the definition of an investment property is met.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -**

**Investment properties - (continued)**

Investment properties are measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the properties to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment properties at the time that cost is incurred if the recognition criteria are met. Subsequent expenditure is charged to an investment properties carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the expenditure can be reliably measured. All other repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Subsequent to initial recognition, investment properties are stated at fair value. The investment properties were previously valued by the Directors as at 31 October 2014 based on actuarial valuations.

The investment property held relates to reversionary interests in freehold land and have been valued based upon a discounted cash flow model. The Directors have determined that a discounted cash flow model is the most appropriate method to estimate the fair value of the investment property. The fair values subsequent to 31 October 2014 were provided by Long Harbour.

Gains or losses arising from changes in the fair values are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

**Cash and cash equivalents**

Cash comprises of cash on hand and demand deposits while cash equivalents are short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

**Receivables**

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Given the nature of the receivables, however, and the short time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination.

**Payables**

Payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. Given the nature of the payables, however, and the short time involved between their origination and settlement, their amortised cost is the same as their fair value at the date of origination.

**Loans receivable and payable**

Loans receivable and payable are recognised initially at fair value net of attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost using the effective interest rate method.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -**

**Foreign currencies**

**Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates; its functional currency. As all investments held by the Company and financing received by the Company are in British Pounds (GBP), this is considered to be the functional currency of the Company.

Monetary assets and liabilities are translated into GBP at the rate of exchange ruling at the Statement of Financial Position date. Foreign exchange gains or losses resulting from settlement of such transactions and from the translation at the period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised by the Company in the Statement of Profit or Loss and Other Comprehensive Income.

**Critical accounting estimates and judgements in applying accounting policies**

At the prior statement of financial position date the Company made estimates and assumptions that affect the reported amount of the investment properties. Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The investment properties were valued using the acquisition value of the parent company by its immediate parent, with reference to a discounted cash flow model. Periodic valuations are undertaken by the Directors, and in assessing the periodic valuation, the methodology is to estimate future cash flows discounted to their present value over an estimated useful economic life, using pre-tax discount rates that reflect the current market assessment of the time value of money and the risks specific to the asset. By necessity a valuation requires subjective judgements that, even if logical and appropriate may differ from those made by a purchaser, or another party undertaking a valuation. With respect to the methodology adopted, judgements and estimates were used in calculating the acquisition value.

The investment properties previously held relate to reversionary interests in freehold land. As such, these assets are in substance like financial investments as they generate income in the form of annual ground rents and other ancillary income streams.

The Company's investment properties were stated at the acquisition value of the parent company by its immediate parent. The Directors are satisfied that this is the best available estimate of the fair value of the Company's investment properties as at 31 October 2014.

**Turnover**

Turnover represents the value of ground rental income receivable for the period on an accruals basis. Turnover arises solely within the United Kingdom.

**RQ BLOCK D LIMITED (Company number: 04311199)**

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**3. FINANCIAL RISK FACTORS**

The Directors carry out the risk management function in respect of financial risks within the Company. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises of market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Company's financial assets and financial liabilities comprise of receivables, payables, loans receivable and loans payable that arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Directors review and agree policies for managing its risk exposure. These policies are described below and have remained unchanged for the period under review.

**a) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company was previously exposed to credit risk through its investment properties, as in the event of default by an occupational tenant in the property, the Company would suffer a rental income shortfall.

The Company's maximum exposure to credit risk by class of financial asset is as follows:

	<b><u>31 Mar 2016</u></b>	<b><u>31 Oct 2014</u></b>
	<b>£'000</b>	<b>£'000</b>
Loans receivable	-	-
Receivables	-	3
	<u>-</u>	<u>3</u>

The fair value of receivables and loans receivable at 31 March 2016 and 31 October 2014 approximates the carrying value. Further details regarding receivables and loans receivable can be found in note 6 and note 5 respectively. Receivables are fully recoverable. The loan receivable is from its immediate parent and is considered to be fully recoverable.

Ground rents provide long term, stable rated income and failure to pay can lead to forfeiture of the tenants' long term lease and a windfall gain to the freeholder. The Company has policies in place to monitor the credit quality of receivables on an ongoing basis.

**b) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Company's liquidity position is reviewed on a quarterly basis by the Directors.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**3. FINANCIAL RISK FACTORS - (CONTINUED)**

**b) Liquidity risk - (continued)**

The Company's investments comprised only of investment properties that relate to reversionary interests in freehold land. Property and property related assets are inherently difficult to value. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date.

The table below summarises the Company's exposure to liquidity risk:

	<b><u>31 Mar 2016</u></b> <b>£'000</b>	<b><u>31 Oct 2014</u></b> <b>£'000</b>
<b>Financial assets - due within one year</b>		
Loans receivable	-	-
Receivables	-	3
	<u>-</u>	<u>3</u>
	<b><u>31 Mar 2016</u></b> <b>£'000</b>	<b><u>31 Oct 2014</u></b> <b>£'000</b>
<b>Financial liabilities - due within one year</b>		
Payables	-	(16)
Loans payable	-	(408)
	<u>-</u>	<u>(424)</u>

**c) Foreign exchange risk**

The Company has no significant exposure to foreign currency risk as at 31 March 2016 and 31 October 2014.

**d) Price risk**

The Company is not exposed to market risk with respect to financial instruments as it does not hold any marketable financial instruments.

The Company was previously indirectly exposed to property rental risk. Further details regarding the valuation of investment properties are provided in note 2 accounting policies under the heading "Investment properties" and note 4.

**e) Cash flow and fair value interest rate risk**

The Company has no significant interest-bearing assets.

Amounts due to the subsidiary bear interest at a rate of LIBOR + 1% which is repayable on demand. The Company was previously exposed to cash flow risk to the extent that the loan may be demanded for immediate repayment. The loan was repaid in full on 31 March 2016.

Receivables and payables are interest-free and have settlement dates within one year.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE PERIOD ENDED 31 MARCH 2016****3. FINANCIAL RISK FACTORS - (CONTINUED)****f) Sensitivity analysis**

IFRS 7 requires disclosure of 'sensitivity analysis' for each type of market risk to which the entity is exposed to at the reporting date, showing how profit or loss and equity would have been affected by changing the relevant risk variables that were reasonably possible at that date.

The Company does not have significant variable exposure to interest rate, price or foreign exchange risk and therefore no sensitivity analysis for these risks has been disclosed.

**4. INVESTMENT PROPERTIES**

	<b>31 Mar 2016</b>	<b>31 Oct 2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Freehold land</b>		
Cost	399	396
Capitalised costs during the period	-	3
	<u>399</u>	<u>399</u>
Net appreciation on the revaluation of investments at the start of the period	425	1,204
Net revaluation gain / (loss) during the period	250	(779)
	<u>675</u>	<u>425</u>
Net appreciation on the revaluation of investments at the end of the period	675	425
Transfer of investment properties	(1,074)	-
	<u>-</u>	<u>824</u>
Fair value	<u>-</u>	<u>824</u>

The Company's investment properties comprise of nil units (31 October 2014: 111 units) and was valued on 31 March 2016 to £1,074,039 prior to being sold.

On 31 March 2016 the Company made a transfer of all of the investment properties held by it to its immediate parent at market value, with proceeds being an intercompany receivable. The investment properties were the subject of Debenture between the Company and its parent. The parent entered into a Deed of Release of the security to enable the transfer of investment properties to take place. Rental arrears were also transferred by the Company further to a Rental Arrears Assignment Deed. The investment properties were valued using a consistent methodology to the prior year valuation technique, when the investment properties were held by the Company.

**Fair value**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE PERIOD ENDED 31 MARCH 2016****4. INVESTMENT PROPERTIES - (CONTINUED)**

Details of the Company's investment properties and information about the fair value hierarchy as at 31 October 2014 are as follows:

<b>31 October 2014</b>	<b>Level 1 £'000</b>	<b>Level 2 £'000</b>	<b>Level 3 £'000</b>
Residential units located in the UK	-	-	824

There were no transfers between the hierarchy levels during the period. A reconciliation of the level 3 positions is provided in the Freehold land table above.

The most significant unobservable input relates to the discount rates used. The discount rate was estimated to reflect current market assessment of the time value of future cash flows and the risks specific to the asset.

The following sensitivity analysis was performed by management, with all other things being equal:

An increase in the discount rate of 0.05% would result in a reduction in the portfolio valuation by £nil (31 October 2014: £10,986).

A decrease in the discount rate of 0.05% would result in an increase in the portfolio valuation by £nil (31 October 2014: £12,381).

**5. LOANS RECEIVABLE**

	<b>31 Mar 2016 £</b>	<b>31 Oct 2014 £</b>
Amounts owed by group undertaking	1	1

The loans receivable relate to the share capital of the Company.

**6. RECEIVABLES**

<b>Due within one year</b>	<b>31 Mar 2016 £'000</b>	<b>31 Oct 2014 £'000</b>
Trade receivables	-	1
Prepayments and accrued income	-	2
	-	3

**7. PAYABLES**

<b>Due within one year</b>	<b>31 Mar 2016 £'000</b>	<b>31 Oct 2014 £'000</b>
Accruals and deferred income	-	16



**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****FOR THE PERIOD ENDED 31 MARCH 2016****8. LOANS PAYABLE**

	<b><u>31 Mar 2016</u></b>	<b><u>31 Oct 2014</u></b>
	<b>£'000</b>	<b>£'000</b>
Amounts due to parent company	-	408

On 31 March 2016, as part of the restructuring steps described in note 1, the loans payable to the parent were fully extinguished as part of the rationalisation of intercompany balances, following the transfer of investment property to the parent.

Amounts due to the subsidiary undertaking were unsecured and have no specific repayment date. Interest was charged at LIBOR + 1%.

**9. TAXATION**

The Company is a resident company assessed to income tax in the UK on UK rental income. The charge to UK corporation tax on ordinary activities for the period was £nil (31 October 2014: £nil).

	<b><u>31 Mar 2016</u></b>	<b><u>31 Oct 2014</u></b>
	<b>£'000</b>	<b>£'000</b>
Factors affecting the tax charge		
Profit/(loss) on ordinary activities before tax	224	(774)
Expected tax charge of 20% (31 October 2014: 21.59%)	45	-
Effect of:		
Gains, losses, allowances and net income adjustments for tax purposes	(42)	5
Tax relief brought forward	(3)	(5)
Current tax charge	-	-

**10. SHARE CAPITAL**

	<b><u>31 Mar 2016</u></b>	<b><u>31 Oct 2014</u></b>
	<b>£</b>	<b>£</b>
AUTHORISED, ISSUED AND UNPAID:		
1 ordinary share of £1 each	1	1

**11. RELATED PARTY DISCLOSURES**

M.C. Schnaier (resigned 5 November 2015), J.C. Bingham and Z.P. Yates (appointed 5 November 2015) are directors of wholly owned subsidiaries of Sanne Fiduciary Services Limited (SFSL) and they hold a financial interest in Sanne Group Plc, an entity listed on the London Stock Exchange which is the ultimate beneficial owner of SFSL. SFSL provides administrative services to the Company at commercial rates. Administration fees of £17,637 (31 October 2014: £1,304) were payable to Sanne Group (UK) Limited in respect of the period ended 31 October 2014. Other inter-group transactions are detailed in notes 5 and 8.

There were no fees due to the directors during the prior or current period.

**NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

**FOR THE PERIOD ENDED 31 MARCH 2016**

**12. DEFERRED TAXATION**

Management has determined in accordance with IFRSs that there were no deferred tax assets or liabilities as at 31 March 2016 (2014: nil).

**13. CONTROLLING PARTY**

The Company's immediate parent company is Fairhold Holdings (2005) Limited. The ultimate controlling party is Boardwalk Finance DAC. The Company's results have been consolidated into the consolidated financial statements of Boardwalk Finance DAC.

**14. SUBSEQUENT EVENTS**

There were no subsequent events requiring adjustment or disclosure at the date of approval of these unaudited financial statements.

**15. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors on 12 /10/ 2016.