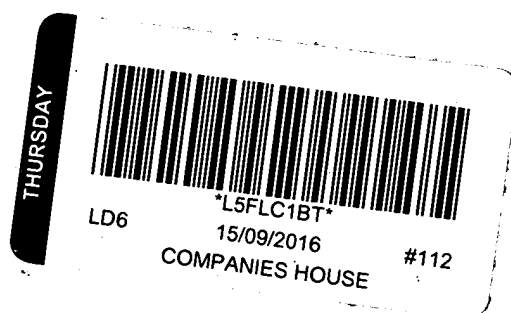


Company Registration No: 06151487

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



**FAIRHOLD HOMES INVESTMENT (NO.14) 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 HOMES INVESTMENT (NO.14) LIMITED**

### **DIRECTORS' REPORT**

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

#### **Principal activities**

The principal activity of the company during the year was that of acting as a holding company for subsidiary companies engaged in property investment.

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

The directors are satisfied with the financial position of the company at the year end. The results for the year are shown in the profit and loss account on page 5.

#### **Results and dividends**

The profit for the year amounted to £8,928,816 (2014: £5,472,111 loss). The directors do not recommend the payment of a dividend.

#### **Directors**

The following directors have held office since 1 January 2015:

W K Procter

C C McGill

M D Watson (Resigned 12 April 2016)

## **FAIRHOLD HOMES INVESTMENT (NO.14) 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.

#### **Auditor**

The auditor, RSM UK Audit LLP (formerly Baker Tilly 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:

  
**W K Procter**  
Director  
12/09/2016

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

We have audited the financial statements on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

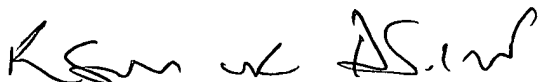
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

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

### **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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.



Colin Roberts FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, (formerly BAKER TILLY UK AUDIT LLP) Statutory Auditor

Chartered Accountants

Third Floor

One London Square

Cross Lanes

Guildford

Surrey

GU1 1UN

14 September 2016

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
Administrative expenses		(430,330)	(83,302)
<b>Operating loss</b>		<u>(430,330)</u>	<u>(83,302)</u>
Profit on sale of subsidiary investments		9,997,650	-
Exceptional item	4	(1,519,896)	-
Interest receivable and similar income	2	1,194,422	-
Interest payable and similar charges	3	(313,030)	(5,388,809)
<b>Profit/(loss) on ordinary activities before taxation</b>	4	<u>8,928,816</u>	<u>(5,472,111)</u>
Taxation	6	-	-
<b>Profit/(loss) on ordinary activities after taxation</b>		<u>8,928,816</u>	<u>(5,472,111)</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>8,928,816</u></u>	<u><u>(5,472,111)</u></u>

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED****STATEMENT OF FINANCIAL POSITION (Company Registration Number: 06151487)****AT 31 DECEMBER 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Investment	7	-	1,516,386
<b>Current assets</b>			
Debtors	8	2,019,020	13,680,755
<b>Creditors: amounts falling due within one year</b>	9	(9,049,604)	(31,156,541)
<b>Net current liabilities</b>		(7,030,584)	(17,475,786)
<b>Net liabilities</b>		(7,030,584)	(15,959,400)
<b>Capital and reserves</b>			
Called up share capital	11	1,000	1,000
Profit and loss account		(7,031,584)	(15,960,400)
<b>Total equity</b>		(7,030,584)	(15,959,400)

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

The financial statements on pages 5 to 16 were approved by the board of directors and authorised for issue on 12/09/2016 and are signed on its behalf by:



**W K Procter**  
Director

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>Balance at 1 January 2014</b>	1,000	(10,488,289)	(10,487,289)
Loss and total comprehensive income for the year	-	(5,472,111)	(5,472,111)
<b>Balance at 31 December 2014</b>	<u>1,000</u>	<u>(15,960,400)</u>	<u>(15,959,400)</u>
Profit and total comprehensive income for the year	-	8,928,816	8,928,816
<b>Balance at 31 December 2015</b>	<u>1,000</u>	<u>(7,031,584)</u>	<u>(7,030,584)</u>



# **FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1. Accounting policies**

##### **Company information**

Fairhold Homes Investment (No.14) Limited ("the Company") is a limited company domiciled and incorporated in England. The address of the Company's registered office and principal place of business is Molteno House, 302 Regents Park Road, London, N3 2JX. The principal activity of the company during the year was that of acting as a holding company for subsidiary companies engaged in property investment.

##### **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"), the requirements of the Companies Act 2006 as applicable to companies subject to the small company's regime, and under the historical cost convention, modified to include the revaluation of investment properties. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemption provided by FRS 102 Chapter 9 'Consolidated and Separate Financial Statements' and Section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the basis that it is subject to the small companies regime. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

##### **1.3 First time adoption of FRS 102**

These financial statements are the first financial statements of Fairhold Homes Investment (No.14) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adaptation of Section 1A of FRS 102. The financial statements of Fairhold Homes Investment (No.14) Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

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

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

##### **1.4 Cash flow statement**

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS102, Section 1A.

# **FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2015**

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#### **1.5 Going concern**

Following a restructure and refinancing exercise undertaken by the group during the year the company no longer has any third party debt. The company's principal debtor, Littonace (No.12) Limited has agreed to pay down this debtor as needed to meet the ongoing running costs of the company for the foreseeable future, being at least 12 months from the date of signing these financial statements.

The company's principal creditor, Fairhold Homes Investments (No.16) AL Limited, has agreed not to call its receivable balance to ensure the company can meet running costs of the company for the foreseeable future, being at least 12 months from the date of signing these financial statements. If necessary, a related party, Fairhold Services Limited has also agreed to provide financial support to enable the company to meet its liabilities as they fall due.

As a result of the above the directors have assessed the operation of the company 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.

#### **1.6 Functional and presentational currencies**

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

#### **1.7 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 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.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

# **FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1.7 Taxation (Continued)**

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.

### **1.8 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.

##### ***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.

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1.8 Financial instruments (Continued)**

*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.

**1.9 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. 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 discussed below.

***Deferred taxation***

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**2. Interest receivable**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Bank interest	204	-
Discount on settlement on loan	374,659	-
Fair value gains on fixed to floating interest rate swaps	819,559	-
	<u>1,194,422</u>	<u>-</u>

**3. Interest payable and similar charges**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Related party interest	129,583	55,139
Loan interest	268,887	1,474,714
Overdraft interest	-	88,783
Overdraft interest refunded	(3,849)	(114,015)
Interest recharged to subsidiaries	(81,591)	(214,659)
Fair value losses on fixed to floating interest rate swaps	-	4,098,847
	<u>313,030</u>	<u>5,388,809</u>

**4. Profit on ordinary activities before taxation**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
The profit on ordinary activities before taxation is stated after charging:		
- Auditor's remuneration	6,750	6,875
- Exceptional item: Provision against debtor with subsidiary	1,115,692	-
- Exceptional item: Impairment of investment (see note 7)	404,204	-
	<u>1,526,646</u>	<u>6,875</u>

**5. 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.

**6. Taxation**

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
Effect of decreased tax rate on opening liability	-	-
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Total tax on profit on ordinary activities</b>	<u>-</u>	<u>-</u>

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2015****6. Taxation (Continued)**

Factors affecting the tax charge for the year.

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

	2015 £	2014 £
Profit/(loss) on ordinary activities before tax	8,928,816	(5,472,111)
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 20% (2014: 21%).	1,785,763	(1,149,143)
Effects of:		
Group relief surrendered without charge	-	67,894
Tax losses carried forward	1,558,586	204,442
Disallowable expenditure	83,318	16,049
Interest rate swap adjustment	(1,732,116)	860,758
Effect of exceptional item	303,979	-
Profit on sale of shares	(1,999,530)	-
Tax expense	-	-

The company has estimated non-trading losses of £13,720,751 (2014: £5,927,820) available to carry forward against future profits. No deferred tax asset has been recognised in respect of these losses due to uncertainty of recovery.

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

**7. Investments****Shares in subsidiary undertakings**

	£
<b>Cost</b>	
As at 1 January 2015	1,516,386
Disposal	(1,112,182)
Impairment	(404,204)
	-

During the year the Company disposed of its 100% interest in the ordinary share capital of the following companies, to a related party on 12 March for a consideration of £11,109,832 and associated professional fees amounted to £416,586:

Name	Nature of business
Fairhold Homes (No.17) Limited	Property investment

The company holds a 100% interest in the ordinary share capital of the following company:

**FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

**7. Investments (continued)**

<b>Name</b>	<b>Nature of business</b>
Littonace (No.12) Limited	Property investment

These companies are incorporated in, and have their place of business in, England.

The aggregate amount of capital and reserves and the results of this undertaking for the year ended 31 December 2014 were as follows:

	<b>Capital and reserves £</b>	<b>Loss for the year £</b>
Littonace (No.12) Limited	(1,115,692)	(19,866,005)
	<u>                    </u>	<u>                    </u>

**8. Debtors**

	<b>2015 £</b>	<b>2014 £</b>
Amounts owed by group undertakings	2,019,020	13,676,064
Prepayments	-	4,691
	<u>2,019,020</u>	<u>13,680,755</u>
	<u>                    </u>	<u>                    </u>

**9. Creditors: amounts falling due within one year**

	<b>2015 £</b>	<b>2014 £</b>
Bank overdraft	-	193,300
Bank loans	-	16,821,370
Accruals and deferred income	-	1,659,499
Amounts owed to related parties	9,049,604	3,821,793
Fixed to variable interest rate swaps	-	8,660,579
	<u>9,049,604</u>	<u>31,156,541</u>
	<u>                    </u>	<u>                    </u>

**10. Financial Instruments**

The carrying amount of each category of the Company's financial instruments held at fair value through profit or loss at 31 December were:

	<b>2015 £</b>	<b>2014 £</b>
Financial liabilities measured at fair value through profit or loss:		
Interest Rate Swaps	-	8,660,579
	<u>                    </u>	<u>                    </u>

# FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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### 10. Financial Instruments (continued)

The following paragraphs set out the significant assumptions underlying the valuation models for each of the above categories of financial instrument. The profit or loss impact of each category is shown in note 3.

#### *Interest Rate Swaps*

The Company has used interest rates swaps to manage its exposure to interest rate movements on its bank borrowings. Contracts with nominal values of £Nil (2014: £200m) fix interest payments on variable rate debts at an average rate of 6.6% (2014: 6.6%) for periods up until settlement. The swap facility was terminated along with the underlying loan during the period.

### 11. Share capital and reserves

#### Share capital

	2015 £	2014 £
Allotted, issued and fully paid: 1,000 ordinary share of £1	<u>1,000</u>	<u>1,000</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

### 12. Guarantees

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

### 13. Ultimate parent company and ultimate controlling party

The parent company is Jasmina Holdings Limited, a company incorporated in the British Virgin Islands

The directors regard the ultimate holding company to be Euro Investments Overseas Incorporated, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.



# FAIRHOLD HOMES INVESTMENT (NO.14) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 14. Related party transactions

At 31 December 2015 the company owed £9,049,604 (2014: £3,821,793) to related parties related by virtue of common control and common directors. The company was charged interest of £117,955 (2014: £55,139) on the amounts outstanding during the period.

Shares in subsidiary undertakings were sold in the year to related parties related by virtue of common control and common directors realising a profit on disposal of £9,997,650 (2014: £nil), see note 7 for further details.

Professional fees were charged by a related party related by virtue of common control and common directors of £416,586 (2014: £nil).

Balances due to and from related parties have no fixed repayment terms and interest is payable or receivable at a rate of LIBOR +1%. Whilst the balances have no fixed repayment terms and are shown as short term, the counterparties have agreed not to call balances unless sufficient funds are available to enable payments to be made without causing hardship to the other party.

#### 15. First time adoption of FRS 102

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

##### Reconciliations of equity

	Note	1 January 2014 £	31 December 2014 £
Equity as previously reported under previous UK GAAP		(5,925,557)	(7,298,821)
Recognition of interest rate swap liability	A	(4,561,732)	(8,660,579)
Equity reported under FRS 102		<u>(10,487,289)</u>	<u>(15,959,400)</u>

##### Reconciliation of profit or loss

	Note	31 December 2014 £
Loss as previously reported under UK GAAP		(1,373,264)
Recognition of interest rate swap liability	A	(4,098,847)
Loss reported under FRS 102		<u>(5,472,111)</u>

A – The fair value of swaps to fix the interest rates on loans has been recognised. The swaps and the underlying loans have been settled during 2015.