
SIR FITZWILLIAM LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

WEDNESDAY



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COMPANIES HOUSE

SIR FITZWILLIAM LIMITED

COMPANY INFORMATION

DIRECTORS	N M Leslau S L Gumm T J Evans P M Brown
COMPANY SECRETARY	S L Gumm
REGISTERED NUMBER	6182061
REGISTERED OFFICE	Cavendish House 18 Cavendish Square London W1G 0PJ
INDEPENDENT AUDITORS	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

SIR FITZWILLIAM LIMITED

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SIR FITZWILLIAM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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

The comparative period comprises the nine months ended 31 December 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £4,399,692 (2014 - £6,533,694).

The directors do not recommend payment of a dividend.

BUSINESS REVIEW

The principal activity of the company is property investment in the United Kingdom.

Net assets have increased in the year by £4.4m, which reflects a £3.6m increase in the valuation of the investment property to £41.4m and a £0.8m profit in the company's property rental business.

The £3.6m revaluation gain reflects an increase in passing rent during the year, as a result of the fixed uplift of a minimum of 2.75% that occurs every May throughout the lease term, and a reduction in the net initial valuation yield from 5.6% at 31 December 2014 to 5.3% at 31 December 2015. The investment property is leased to a tenant on a long term lease with an unexpired term of 21.4 years and passing rent of £2.3m at 31 December 2015. Passing rent will increase to £2.4m on 3 May 2016. Every five years commencing May 2017, the landlord has the option to revise the rent to the higher of the indexed rent or amount calculated by the formula $0.885 \times 0.65 \times \text{'EBITDARH'}$, where EBITDARH is calculated as earnings before tax, depreciation, rent and head office costs. In subsequent five yearly reviews the rent is set to indexed rent or open market value at the landlord's option.

The profit of £0.8m on the company's property rental business compares to a loss of £0.8m in the prior period. As noted above, the results of the company for the current year are shown against comparative figures for the nine months to 31 December 2014.

The net loss for the nine months ended 31 December 2014 is stated after charges for two non-recurring items: £0.9m of incentive fee payable to the company's investment advisor and £0.6m covenant release fees payable to the lender at that time. On a like for like basis, therefore, excluding the impact of these non recurring items, the profit of £0.8m in 2015 compares to a profit of £0.7m for the nine month comparative period.

The company is subject to the UK REIT regime and in the current period all of its business represents qualifying REIT profits. It is therefore not subject to UK corporation tax on its profits in the year ended 31 December 2015. In the prior period, a credit of £3.4m arose on the reversal of deferred tax balances on entry to the UK REIT regime.

At the start of the year, the company was a subsidiary of SIR Hospital Holdings Limited ("SIR HHL"). During the year, in connection with the refinancing of SIR HHL's secured debt, a group restructuring took place as part of which the company became a subsidiary of SIR Healthcare 2 Limited, a newly incorporated subsidiary of SIR Healthcare 1 Limited, which is in turn a newly incorporated subsidiary of SIR HHL. As part of this restructuring, the loan that was previously owed by the company to another group undertaking was transferred to SIR Healthcare 2 Limited. The refinancing meant that the company's investment property and other assets were released from the security granted to the lenders to SIR HHL and are now pledged as security to the lenders to SIR Healthcare 2 Limited.

SIR FITZWILLIAM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

PRINCIPAL RISKS AND UNCERTAINTIES

Property valuation movements

The company invests in commercial property and so is exposed to movements in property valuations, which are subjective and may vary as a result of a variety of factors, many of which are outside the control of the company. The company uses experienced external valuers, whose work is reviewed by a suitably qualified director before being approved in the context of the financial statements as a whole by the board.

Tenant risk

The company's turnover arises entirely from rental income derived from one tenant and one guarantor. Although the board considers the tenant and guarantor to be financially strong, there can be no guarantee that they will remain able to comply with their obligations throughout the term of the lease and will not suffer any insolvency events.

The guarantor is a large listed company with a capital structure considered strong by the board, and with impressive long term earnings growth and share price track records. The board of the ultimate parent undertaking reviews the financial position of the tenant and guarantor at least every quarter, based on publicly available financial information and any other trading information which may be obtained under the terms of the lease, and the results of these reviews are available to the board for consideration.

Borrowing

The company has granted security to the lender to SIR Healthcare 2 Limited, its immediate parent undertaking, in the form of a mortgage over its investment property and fixed and floating charges over certain other assets.

There are loan to value and interest cover tests over the remaining term of that loan facility. The board of the ultimate parent undertaking reviews compliance with those covenants at least every quarter, including look forward tests for at least twelve months, and the results of those reviews are available to the board for consideration.

Tax risk

The company is subject to the UK REIT regime as a subsidiary of Secure Income REIT Plc group. A failure to comply with UK REIT conditions resulting in the loss of this status would make the company subject to UK corporation tax on its property rental business income and gains.

Liquidity risk

Working capital must be managed to ensure that the company is able to meet its liabilities as they fall due.

Unless there is a tenant default (discussed under tenant risk above) the company's income and expenditure are generally highly predictable. Projections at least two years ahead are included in the budget of the ultimate parent undertaking and are reviewed by the board when the financial statements are approved.

DIRECTORS

The directors who served during the year were:

N M Leslau
S L Gumm
T J Evans
P M Brown

SIR FITZWILLIAM LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29 April 2016 and signed on its behalf.



P M Brown
Director

SIR FITZWILLIAM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 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.

SIR FITZWILLIAM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SIR FITZWILLIAM LIMITED

We have audited the financial statements of SIR Fitzwilliam Limited for the year ended 31 December 2015, set out on pages 7 to 18. 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 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 auditors' 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 AUDITORS

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 MATTERS 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.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit, we have identified no material misstatements in the directors' report.

SIR FITZWILLIAM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SIR FITZWILLIAM 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 prepare the financial statements in accordance with the small companies' regime and the exemption from the requirement to prepare a strategic report.



Russell Field (Senior Statutory Auditor)

for and on behalf of

BDO LLP

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

29 April 2016

SIR FITZWILLIAM LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Year ended 31 December 2015 £	Period ended 31 December 2014 £
Turnover		2,278,662	1,673,999
Cost of sales		(643)	(734)
Gross profit		2,278,019	1,673,265
Administrative expenses		(207,336)	(937,760)
Investment property revaluation		3,620,000	3,936,000
Operating profit		5,690,683	4,671,505
Interest payable and similar charges	5	(1,290,991)	(1,538,452)
Profit on ordinary activities before tax		4,399,692	3,133,053
Tax on profit on ordinary activities	6	-	3,400,641
Profit and total comprehensive income for the year/period		4,399,692	6,533,694

The notes on pages 10 to 18 form part of these financial statements.

SIR FITZWILLIAM LIMITED
REGISTERED NUMBER: 6182061

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Investment property	7	41,407,000	37,787,000
		<u>41,407,000</u>	<u>37,787,000</u>
Current assets			
Debtors: amounts falling due after more than one year	8	-	1
Debtors: amounts falling due within one year	8	149	148
		<u>149</u>	<u>149</u>
Creditors: amounts falling due within one year	9	(538,195)	(516,072)
Net current liabilities		<u>(538,046)</u>	<u>(515,923)</u>
Total assets less current liabilities		<u>40,868,954</u>	<u>37,271,077</u>
Creditors: amounts falling due after more than one year	10	(29,088,546)	(29,890,361)
Net assets		<u><u>11,780,408</u></u>	<u><u>7,380,716</u></u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	11,780,407	7,380,715
		<u><u>11,780,408</u></u>	<u><u>7,380,716</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 29 April 2016.



P M Brown
Director

The notes on pages 10 to 18 form part of these financial statements.

SIR FITZWILLIAM LIMITED

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

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	1	7,380,715	7,380,716
Profit for the year	-	4,399,692	4,399,692
At 31 December 2015	1	11,780,407	11,780,408

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	1	847,021	847,022
Profit for the period	-	6,533,694	6,533,694
At 31 December 2014	1	7,380,715	7,380,716

The notes on pages 10 to 18 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES

1.1 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 17.

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 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments;
- the requirements of Section 12 Other Financial Instruments Issues;

This information is included in the consolidated financial statements of Secure Income REIT Plc as at 31 December 2015 and these financial statements may be obtained from Cavendish House, 18 Cavendish Square, London W1G 0PJ or from www.SecureIncomeREIT.co.uk.

1.3 Turnover

Turnover represents rents receivable during the period from the letting of the investment property at invoiced amounts excluding any value added tax. As permitted by FRS 102, since the relevant leases were in existence at the date of transition to FRS 102, the company has continued to account for rental income in line with old UK GAAP and as such recognises the fixed uplifts as they arise.

1.4 Operating leases

Judgement is exercised in considering the potential transfer of the risks and rewards of ownership for all properties leased to tenants and determine whether such leases are operating leases. A lease is classified as a finance lease if substantially all of the risks and rewards of ownership transfer to the lessee. If the company substantially retains those risks, a lease is classified as an operating lease. The lease reflected in these financial statements is classified as an operating lease.

1.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 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.

1.8 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.

1.9 Reserves

The company's reserves are as follows:

- Called up share capital - represents the nominal value of the shares issued.
- Profit and loss account - represents cumulative profit or losses, net of dividends paid and other adjustments.

1.10 Tax

Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Accounting policies which have a significant bearing on the reported financial condition and results of the company may require subjective or complex judgements. The principal ongoing area of judgement is the investment property valuation where the opinion of external valuers has been obtained at each reporting date using recognised valuation techniques.

3. ANALYSIS OF TURNOVER

All turnover arose within the United Kingdom.

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 31 December 2015 £	Period ended 31 December 2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	1,890	2,077

The company has no employees and no director received any remuneration during the year (2014 - £NIL).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2015 £	Period ended 31 December 2014 £
Loans from group undertakings	1,290,991	983,086
Apportioned covenant release fee	-	555,366
	<u>1,290,991</u>	<u>1,538,452</u>

6. TAX

	Year ended 31 December 2015 £	Period ended 31 December 2014 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Release of deferred tax on tax losses brought forward on conversion to UK REIT	-	21,562
Release of deferred tax on unrealised investment property valuations on conversion to UK REIT	-	(3,422,203)
Total deferred tax	<u>-</u>	<u>(3,400,641)</u>
Tax on profit on ordinary activities	<u>-</u>	<u>(3,400,641)</u>

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. TAX (continued)

FACTORS AFFECTING TAX CHARGE/(CREDIT) FOR THE YEAR/PERIOD

The tax assessed for the year/period is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21%). The differences are explained below:

	Year ended 31 December 2015 £	Period ended 31 December 2014 £
Profit on ordinary activities before tax	4,399,692	3,133,053
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21%)	890,938	657,941
Effects of:		
Capital allowances for year/period in excess of depreciation	(389)	(83)
Utilisation of tax losses	-	(22,640)
Qualifying property rental business not taxable	(919,306)	(624,272)
Release of deferred tax on conversion to UK REIT status	-	(3,400,640)
Group relief	-	(16,315)
Transfer pricing adjustments	28,757	5,368
Total tax charge/(credit) for the year/period	-	(3,400,641)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Secure Income REIT Plc group (the "SIR group") elected into the UK REIT regime in June 2014. Subject to the SIR group's continuing compliance with certain rules, the UK REIT status exempts both profits of the company's property rental business and gains on the company's investment property from UK corporation tax. Since entering the UK REIT regime the SIR group has continued to meet the relevant rules but must continue to do so to maintain UK REIT status. Any profits arising from business activities other than that relating to the property rental business income and gains will be subject to corporation tax at the prevailing rate.

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 January 2015	37,787,000
Surplus on revaluation	3,620,000
At 31 December 2015	41,407,000

The 2015 valuations were made by CBRE Limited, on an open market value for existing use basis.

The valuation was prepared on a fixed fee basis, independent of the property value, and was undertaken in accordance with the RICS Valuation - Professional Standards January 2014, supported by reference to market evidence of transaction prices for similar properties.

The historical cost of the property is £32,051,003 (2014: £32,051,003).

A charge over the company's assets, including the investment property, has been granted to the lender as part of the security for loans provided to SIR Healthcare 2 Limited, the company's immediate parent undertaking.

8. DEBTORS

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertakings	-	1
	-	1
	2015 £	2014 £
Due within one year		
Prepayments and accrued income	149	148
	149	148

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Accruals and deferred income	538,195	516,072
	<u>538,195</u>	<u>516,072</u>

10. CREDITORS: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	29,088,546	29,890,361
	<u>29,088,546</u>	<u>29,890,361</u>

Amounts owed to group undertakings are unsecured, bear interest at a rate of 6.5% per annum and are repayable on demand. However, because the amounts are subordinated to the group's long term external borrowings they have been treated as repayable after one year. Accrued interest of £388,467 (2014: £9,445,566) is included in the balance at 31 December 2015.

11. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

12. RESERVES

Profit & loss account

As at 31 December 2015, £2,424,410 (2014: £1,644,718) of the company's retained earnings represented distributable reserves.

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. OPERATING LEASES

The company's investment property is leased to a third party under a non-cancellable operating lease. The remaining lease term is 21.4 years (2014: 22.4 years) and the lease contains fixed uplifts with no break options. The future minimum lease payments receivable under the company's lease are as follows:

	2015 £	2014 £
Within one year	2,348,176	2,279,196
Between one and five years	10,036,492	9,765,205
More than five years	54,415,907	57,018,269
	<u>66,800,575</u>	<u>69,062,670</u>

14. CONTINGENT LIABILITIES

The company has entered into an agreement to guarantee loans made to its immediate parent undertaking, SIR Healthcare 2 Limited (2014: SIR Hospital Holdings Limited). At 31 December 2015, these loans amounted to £315,600,000 (2014: £608,920,240).

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings not to disclose any transactions with entities that are included in the consolidated financial statements of Secure Income REIT Plc.

16. CONTROLLING PARTY

The company's immediate parent undertaking is SIR Healthcare 2 Limited and the ultimate parent undertaking is Secure Income REIT Plc. The consolidated financial statements of Secure Income REIT Plc are available to the public and may be obtained from the Company Secretary, Cavendish House, 18 Cavendish Square, London, W1G 0PJ or from www.SecureIncomeREIT.co.uk.

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

17. FIRST TIME ADOPTION OF FRS 102

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015 and therefore this is the first year in which the financial statements have been prepared under FRS 102.

		As previously stated 1 April 2014 £	Effect of transition 1 April 2014 £	FRS 102 (as restated) 1 April 2014 £	As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
	Note						
Fixed assets		33,851,000	-	33,851,000	37,787,000	-	37,787,000
Current assets		21,708	-	21,708	149	-	149
Creditors: amounts falling due within one year		(511,284)	-	(511,284)	(516,072)	-	(516,072)
Net current liabilities		(489,576)	-	(489,576)	(515,923)	-	(515,923)
Total assets less current liabilities		33,361,424	-	33,361,424	37,271,077	-	37,271,077
Creditors: amounts falling due after more than one year		(29,092,199)	-	(29,092,199)	(29,890,361)	-	(29,890,361)
Provisions for liabilities	2	-	(3,422,203)	(3,422,203)	-	-	-
Net assets		4,269,225	(3,422,203)	847,022	7,380,716	-	7,380,716
Capital and reserves	2	4,269,225	(3,422,203)	847,022	7,380,716	-	7,380,716

SIR FITZWILLIAM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

17. FIRST TIME ADOPTION OF FRS 102 (continued)

		As previously stated 31 December 2014 £	Effect of transition 31 December 2014 £	FRS 102 (as restated) 31 December 2014 £
Turnover		1,673,999	-	1,673,999
Cost of sales		(734)	-	(734)
		1,673,265	-	1,673,265
Administrative expenses		(937,760)	-	(937,760)
Other operating income	1	-	3,936,000	3,936,000
Operating profit		735,505	3,936,000	4,671,505
Interest payable and similar charges		(1,538,452)	-	(1,538,452)
Tax	2	(21,562)	3,422,203	3,400,641
(Loss)/profit on ordinary activities after taxation and for the financial period		(824,509)	7,358,203	6,533,694

Explanation of changes to previously reported profit and equity:

- 1 Under FRS 102, property revaluation movements are shown in the profit and loss account under other operating income. Previously, they were shown in a separate revaluation reserve.
- 2 Certain deferred tax balances are also recognised under FRS 102 when they were previously unprovided. However, following conversion to UK REIT status in the prior period, no deferred tax arises as at 31 December 2015.