Company Registration No: 08739301

FAIRHOLD TROIS GR LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FAIRHOLD TROIS GR LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

W K Procter
C C McGill
P A Hallam
M D Watson

SECRETARY

D T Lau

REGISTERED OFFICE

Berkeley House
304 Regents Park Road
London
N3 2JX

AUDITOR

RSM UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Principal activities

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

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 statement of comprehensive income on page 7. The directors do not expect there to be significant future developments which could adversely impact the business.

Properties held for resale

The properties held for resale are included in the financial statements at the lower of cost and net realisable value being £19,703 (2019: £19,703).

Results and dividends

The statement of comprehensive income is set out on page 7 and shows the results for the year. The profit for the year amounted to £80,722 (2019: £80,804). The directors do not recommend the payment of a dividend for the current year and no dividend was paid in the prior year.

Directors

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

W K Procter
C C McGill
P A Hallam
M D Watson (Appointed 22 February 2021)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Insurance of officers

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

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors have also taken the available exemption from the requirement to prepare a strategic report.

On behalf of the Board:

P A Hallam
Director
27/9/2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIRHOLD TROIS GR LIMITED

Opinion

We have audited the financial statements of Fairhold Trois GR Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIRHOLD TROIS GR LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
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 material misstatements in the directors' report.

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

- adequate accounting records have not been kept, 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.

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

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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAIRHOLD TROIS GR LIMITED (continued)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance regulations and property laws & regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, evaluating advice received from tax advisors, reviewing client information with respect to ongoing legal matters and reviewing and monitoring government releases regarding leasehold reforms. Potential changes to property laws and regulations and their impact on these financial statements are further discussed in the accounting policies on page 13.

We do not consider there to be any significant laws and regulations which have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.

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

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

Colin Roberts FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN
27th September 2021

FAIRHOLD TROIS GR LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Other operating income	2	128,676	137,641
Administrative expenses		(55,461)	(66,023)
Operating profit		73,215	71,618
Interest receivable and similar income	3	7,507	9,186
Profit before taxation	4	80,722	80,804
Taxation	6	-	-
Profit for the financial year		80,722	80,804

FAIRHOLD TROIS GR LIMITED

STATEMENT OF FINANCIAL POSITION (Company Registration Number: 08739301)

AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Current assets			
Stock	7	19,703	19,703
Debtors	8	591,854	509,997
		611,557	529,700
Creditors: amounts falling due within one year	9	(13,290)	(12,155)
Net assets		598,267	517,545
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		598,167	517,445
Total equity		598,267	517,545

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 7 to 16 were approved by the board of directors and authorised for issue on 27/9/2021 and are signed on its behalf by:

P.A. Hallb

P A Hallam
Director

FAIRHOLD TROIS GR LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Profit and loss account £	Total £
Balance at 1 January 2019	100	436,641	436,741
Profit and total comprehensive income for the year	-	80,804	80,804
Balance at 31 December 2019	100	517,445	517,545
Profit and total comprehensive income for the year	-	80,722	80,722
Balance at 31 December 2020	**100**	**598,167**	**598,267**

1. Accounting policies

Company information

Fairhold Trois GR Limited ("the company") is a private company limited by shares, domiciled and incorporated in England. The address of the company's registered office and principal place of business is Berkeley House, 304 Regents Park Road, London, N3 2JX. The principal activity of the company during the year was that of property dealing.

1.1 Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small company's regime, and under the historical cost convention. 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 Going concern

The company has no assets pledged as security. The company's principal debtor, Moriaty Topco Limited, has agreed to pay down its balance to the extent required to ensure the company can meet its running costs 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 limited financial support to enable the company to meet day to day running costs incurred in the ordinary course of business for a period of up to 12 months from the date of signing these financial statements.

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.

1.3 Functional and presentational currencies

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

1.4 Turnover

Turnover comprises the sale proceeds of trading stocks. Profit on the sale of properties is recognised on agreement of the sale.

Turnover is recognised at the fair value of the consideration received or receivable for the sale of property to external customers in the ordinary nature of the business. Turnover is shown net of value added tax.

1.5 Rent receivable

Rental income is recognised in accordance with the terms of the lease and is presented within other operating income.

1.6 Intangible fixed assets

The company has entered into Deed of Assignments whereby it obtained management rights and obligations for residential freehold properties. Intangible fixed assets represent the management rights and obligations on these properties generating income.

Intangible assets have been recognised at the historic cost which was £nil (2019: £nil).

1.7 Stock

Properties acquired with a view to resale are identified as trading stock and stated at the lower of cost and net realisable value. Cost comprises the cost of acquisition including directly attributable fees and expenses, excluding finance costs which are written off to the statement of comprehensive income.

At each reporting date, the company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

1.8 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.

Current and deferred tax is charged or credited in the statement of comprehensive income, 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.

1.9 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 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

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. 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.

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.

1.10 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

In preparing these financial statements, the directors have made estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There were no estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.10 Critical accounting estimates and areas of judgement

Critical accounting estimates and assumptions (continued)

Valuation of stock

A key accounting estimate in preparing these financial statements relates to the carrying value of properties held as stock. Properties are stated at cost, this being deemed to be lower than the net realisable value. The directors' assessment of the net realisable value of the properties held for resale may, in future, materially deteriorate due to these potential legislative changes and regulatory activity.

The Government, through the Department for Communities and Local Government, now known as the Ministry for Housing, Communities and Local Government (MHCLG), the Competition and Markets Authority (CMA) and the Law Commission, has undertaken a series of consultations on and reviews of the residential property market with a focus on the legal framework surrounding the freehold and leasehold classes of property interests. In January 2021, an announcement was released by the MHCLG on a number of proposed changes to the law governing leasehold enfranchisement. These proposals, which have not yet been enacted but some of which are included in the Leasehold Reform (Ground Rent) Bill published on 11 June 2021, include changes to the rights of leaseholders in relation to leasehold extensions and freehold purchases as well as changes to the manner in which ground rent would subsequently be determined. The implementation of legislative changes arising from these reforms could materially reduce the level of income generated by the portfolio of investment properties.

The directors are of the view that the proposed changes, if introduced in total, would be very damaging to the residential property market and against the interests of consumers and other property owners. The directors have engaged actively in the consultations and with other stakeholders and interested parties in order to convey the group's opposition to the current proposals. Public announcements by government and in the Law Commission's report have recognised that any proposals to make wholesale reforms retrospectively pose real problems with respect to the contravention of human rights legislation. As such the impact of reforms is likely to be greatest for future leases and not those already in existence.

The Competition and Markets Authority (CMA) is reviewing potential breaches of consumer protection law in the leasehold market. This review is ongoing and covers developers and investment firms, including the group. The group is cooperating with the CMA. On 19 March 2021 the CMA issued consultation letters to two developers outlining the CMA's specific concerns about the terms that double ground rents every 10 or 15 years. The CMA has also written to the group setting out its concerns and requesting it to remove doubling ground rent terms from its contracts. The group has been given the opportunity to respond to the CMA. The group is already working with leaseholders to vary such lease terms to RPI based review calculations. A significant number of such leases across the group have already been varied in this way.

An intrinsic element of the long-term forecasts is the continuing rental income and lease extension premiums generated by the property assets held by these subsidiaries. The potential legislative changes and regulatory activity raised above may affect these forecasts to the extent that the underlying assumption is no longer valid.

Similarly, the group's debt service requirements are primarily dependent upon this continuing rental income and these potential legislative changes, if introduced in their current form, could affect the group's ability to meet its obligations in the long term.

However, the financial consequences of any changes are too uncertain to enable the directors to reasonably estimate the impact of such changes. It is assumed that the net realisable value of these assets, which are held as stock in these financial statements, remains higher than their cost and that the ability to meet the long-term obligations is not compromised.

2. Other operating income

	2020	2019
	£	£
Rent receivable	44,151	36,012
Other income	84,525	101,629
	128,676	137,641

3. Interest receivable and similar income

	2020	2019
	£	£
Interest receivable from parent company	7,507	9,186

4. Profit before taxation

	2020	2019
	£	£
The profit before taxation is stated after charging:		
- Auditor's remuneration	5,550	4,860

5. Employees and directors

There were no employees during the year other than the directors. The directors are remunerated by a related party and this is recharged to the company as part of the management charge from Estates & Management Limited. This management charge, which in 2020 amounted to £49,311 (2019: £61,163) also includes a recharge of administration costs borne by Fairhold Services Limited on behalf of the company and it is not possible to identify separately the amount relating to the directors' remuneration.

6. Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax on profit	-	-

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 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	80,722	80,804
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%).	15,337	15,353
Effects of:		
Group relief received without charge	(15,337)	(15,353)
Tax charge	-	-

7. Stocks

	2020 £	2019 £
Properties held for resale	19,703	19,703

8. Debtors

	2020 £	2019 £
Amounts due from parent undertaking	571,323	493,920
Trade debtors	20,077	15,462
Prepayments	454	615
	591,854	509,997

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

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	13,290	12,155

10. Share capital and reserves

Share capital

	2020	2019
	£	£
Allotted, issued and fully paid:		
100 ordinary shares of £1	100	100

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.

11. Guarantees

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

12. Immediate parent company, ultimate parent company and ultimate controlling party

The company's parent company is Moriaty Topco Limited, which is registered in England and Wales.

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.

13. Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.