

Company Registration No. 01074343 (England and Wales)

FRANKTON HOUSE LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 JANUARY 2015

FRANKTON HOUSE LIMITED

COMPANY INFORMATION

Directors	C L Powell MRICS D J Kennedy P C Schorb FCCA B P Green MRICS J H Nugent
Secretary	P C Schorb FCCA
Company number	01074343
Registered office	St. John's House East Street Leicester LE1 6NB
Auditors	Clear & Lane Limited 340 Melton Road Leicester LE4 7SL
Business address	St. John's House East Street Leicester LE1 6NB
Bankers	Lloyds Bank plc 2nd Floor 125 Colmore Row Birmingham B3 3SF
Solicitors	Druces LLP Salisbury House London Wall London EC2M 5PS Spearing Waite LLP 41 Friar Lane Leicester LE1 5RB

FRANKTON HOUSE LIMITED

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FRANKTON HOUSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2015

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

Principal activities and review of the business

The company ceased trading on 31 January 2014 and transactions incurred in the current year are in connection with finalising its affairs.

The directors have made use of the small companies' exemption in respect of preparing a strategic report, however, a detailed review of the business is contained within the Chairman's Statement and Strategic Report in Glenstone Property PLC's financial statements, the company's ultimate parent company.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend the payment of a final dividend.

Directors

The following directors have held office since 1 February 2014:

C L Powell MRICS

D J Kennedy

P C Schorb FCCA

B P Green MRICS

J H Nugent

In accordance with the Company's Articles of Association, C L Powell and D J Kennedy retire by rotation and, being eligible offer themselves for re-election.

Auditors

In accordance with the company's articles, a resolution proposing that Clear & Lane Limited be reappointed as auditors of the company will be put at a General Meeting.

FRANKTON HOUSE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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 the company's auditors are aware of that information.

In preparing the Directors' Report the directors have taken advantage of the exemptions allowed for small companies as set out in the Companies Act 2006.

By order of the board

P C Schorb FCCA

Secretary

18 March 2015

FRANKTON HOUSE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FRANKTON HOUSE LIMITED

We have audited the financial statements of Frankton House Limited for the year ended 31 January 2015 set out on pages 5 to 13. 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).

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 set out on pages 1 - 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2015 and of its loss 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.

FRANKTON HOUSE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF FRANKTON HOUSE 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;

Ian Hunt FCA (Senior Statutory Auditor)
for and on behalf of Clear & Lane Limited
Chartered Accountants
Statutory Auditor

340 Melton Road
Leicester
LE4 7SL

18 March 2015

FRANKTON HOUSE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2015

	Notes	2015 £	2014 £
Turnover	2	-	441,500
Cost of sales		(2,355)	(425,022)
Gross (loss)/profit		(2,355)	16,478
Administrative expenses		(1,125)	205,284
Operating (loss)/profit	3	(3,480)	221,762
Other interest receivable and similar income	4	-	187,484
Interest payable and similar charges	5	(40)	(143)
(Loss)/profit on ordinary activities before taxation		(3,520)	409,103
Tax on (loss)/profit on ordinary activities	6	-	(44,723)
(Loss)/profit for the year	11	(3,520)	364,380

There are no recognised gains and losses other than those passing through the profit and loss account.

FRANKTON HOUSE LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2015

		2015	2014
	Notes	£	£
Fixed assets			
Investments	7	1	1
Current assets			
Debtors	8	6,763,048	6,766,583
Cash at bank and in hand		453	453
		<u>6,763,501</u>	<u>6,767,036</u>
Creditors: amounts falling due within one year			
	9	<u>(48,576)</u>	<u>(48,591)</u>
Net current assets		6,714,925	6,718,445
Total assets less current liabilities		<u>6,714,926</u>	<u>6,718,446</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	6,714,826	6,718,346
Shareholders' funds	12	<u>6,714,926</u>	<u>6,718,446</u>

Approved by the Board and authorised for issue on 18 March 2015

D J Kennedy
Director

Company Registration No. 01074343

FRANKTON HOUSE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2015

1 Accounting policies

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

1.1 Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP) and the Companies Act 2006 under the historical cost convention. The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement. The Company is a wholly owned subsidiary of Glenstone Property Plc, whose financial statements include a consolidated cash flow statement dealing with the cash flow of the group.

1.2 Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The difference between the cost of acquisition and the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is accounted for as goodwill or negative goodwill.

1.3 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Glenstone Property Plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that Company.

1.4 Development property

Development properties are stated at the lower of cost and net realisable value. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent expenditure is included in the asset's carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other repair and maintenance expenditures are charged to the Profit and Loss Account during the financial period in which they are incurred.

1.5 Debtors

Trade debtors are recognised initially at invoice value and are subsequently measured less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables concerned. The amount of the provision is recognised in the Profit and Loss Account.

FRANKTON HOUSE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2015

1	Accounting policies	(Continued)
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1.6	Cash at bank and in hand
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Cash at bank and in hand are carried in the Balance Sheet at cost. They comprise cash in hand and deposits held on call with banks. Bank overdrafts are included within borrowings in current liabilities on the Balance Sheet.

1.7	Borrowings
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Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

1.8	Turnover
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Turnover represents the proceeds received from the sale of development properties, and rents received from development properties prior to their sale.

1.9	Revenue recognition
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(a)	Rental income
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Revenue comprises the fair value of rental income, service charges and management charges from properties (net of value added tax).

This income is recognised as it falls due, in accordance with the lease to which it relates. Any lease incentives are spread evenly across the period of the lease.

(b)	Development property
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Proceeds from the sale of development properties are included in turnover on legal completion.

(c)	Interest income
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Interest income on any short-term deposits is recognised in the Profit and Loss Account as it accrues.

1.10	Taxation
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The tax charge in the Profit and Loss Account comprises tax currently payable and deferred tax.

(a)	Deferred Taxation
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Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

(b)	Current Tax
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The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates of tax that have been enacted by the Balance Sheet date.

1.11	Dividend distribution
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Dividend distribution to the Company's shareholders is recognised as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

FRANKTON HOUSE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2015

1 Accounting policies (Continued)

1.12 Financial risk management

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and cash flow interest rate risk.

(a) Credit risk

The Company has no concentrations of credit risk. It has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any financial institution.

(b) Cash flow and interest rate risk

The Company has no significant interest bearing assets. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

(c) Capital risk

The Company's objective in managing capital is to maintain a strong capital base to support current operations and planned growth, and to provide for an appropriate level of dividend payments to shareholders.

The Company is not subject to external regulatory capital requirements.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating (loss)/profit	2015	2014
		£	£
	Operating (loss)/profit is stated after charging:		
	Auditors' remuneration	1,095	1,095
	Group bad debt written back	-	(205,924)
		=====	=====
4	Interest receivable	2015	2014
		£	£
	On amounts receivable from group companies	-	187,484
		=====	=====

FRANKTON HOUSE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2015

5	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	40	143
		<u> </u>	<u> </u>
6	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	-	44,714
	Adjustment for prior years	-	9
		<u> </u>	<u> </u>
	Total current tax	-	44,723
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(3,520)	409,103
		<u> </u>	<u> </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.33% (2014 - 23.16%)	(751)	94,748
		<u> </u>	<u> </u>
	Effects of:		
	Tax losses not utilised	629	-
	Group relief	122	-
	Adjustments to previous periods	-	9
	Marginal rate relief	-	(2,346)
	Other tax adjustments	-	(47,688)
		<u> </u>	<u> </u>
		751	(50,025)
		<u> </u>	<u> </u>
	Current tax charge for the year	-	44,723
		<u> </u>	<u> </u>

The company has estimated losses of £ 2,949 (2014 - £ nil) available for carry forward against future trading profits.

FRANKTON HOUSE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2015

7 Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost	
At 1 February 2014 & at 31 January 2015	1
Net book value	
At 31 January 2015	1
At 31 January 2014	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
F H Fletcher Gate Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Profit/(loss) for the year
		2015	2015
	Principal activity	£	£
F H Fletcher Gate Limited	Property Investment	(537,265)	432

F H Fletcher Gate Limited ceased trading on 31 January 2014.

FRANKTON HOUSE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2015

8	Debtors	2015	2014
		£	£
	Amounts owed by parent company	2,426,153	2,429,688
	Amounts owed by subsidiary undertaking	4,336,895	4,336,895
		<u>6,763,048</u>	<u>6,766,583</u>
		<u><u>6,763,048</u></u>	<u><u>6,766,583</u></u>
9	Creditors: amounts falling due within one year	2015	2014
		£	£
	Bank loans and overdrafts	47,976	3,272
	Corporation tax	-	44,714
	Other creditors	600	605
		<u>48,576</u>	<u>48,591</u>
		<u><u>48,576</u></u>	<u><u>48,591</u></u>
10	Share capital	2015	2014
		£	£
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
		<u><u>100</u></u>	<u><u>100</u></u>
11	Statement of movements on profit and loss account	Profit and loss account	
		£	
	Balance at 1 February 2014		6,718,346
	Loss for the year		(3,520)
			<u>6,714,826</u>
	Balance at 31 January 2015		<u><u>6,714,826</u></u>

FRANKTON HOUSE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2015

12	Reconciliation of movements in shareholders' funds	2015 £	2014 £
	(Loss)/Profit for the financial year	(3,520)	364,380
	Opening shareholders' funds	6,718,446	6,354,066
		<hr/>	<hr/>
	Closing shareholders' funds	6,714,926	6,718,446
		<hr/>	<hr/>

13 Contingent liabilities

There is an omnibus guarantee and set off agreement in favour of the company's bankers for amounts due by group companies.

At 31 January 2015 the net liability owed to the bank by all other group undertakings amounted to £12,713,455 (2014 - £15,717,699).

14 Employees

Number of employees

There were no employees during the year or preceding year apart from the directors.

15 Control

The ultimate parent undertaking is Glenstone Property Plc, a company registered in England and Wales.

Copies of Glenstone Property Plc's consolidated accounts are available from the Company Secretary at St. John's House, East Street, Leicester, LE1 6NB.

16 Related party relationships and transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.