



Peter Fairfax Limited
Directors' report and financial statements
Registered number 00587405
31 December 2006

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Company information

Directors

A J Barnes
D J Gray
A P H Hunter

Secretary

A J Barnes

Registered office

5th Floor
9 Hatton Street
London
NW8 8PL

Registered number

00587405 (England & Wales)

Auditors

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Bankers

Lloyds TSB
10 Gresham Street
London
EC2V 7AE

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 December 2006

Principal activities and business review

The company did not trade during the period. The company does not intend to trade in the near future.

Results

The results for the year are set out in the Profit and Loss account on Page 7. The loss for the year was £10,000 (2005 £11,000 profit).

Dividends

The directors do not recommend the payment of a dividend (2005 £777,000). No further dividend is recommended.

Directors

The membership of the board is as follows:

D J Gray
A P H Hunter
A J Barnes

Disclosure of information

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board



A J Barnes
Director

5th Floor
9 Hatton Street
London
NW8 8PL

15 May 2007

**Statement of directors' responsibilities
in respect of the directors' report and the financial statements**

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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

Independent auditors' report to the members of Peter Fairfax Limited

We have audited the financial statements of Peter Fairfax Limited for the year ended 31 December 2006 which comprise the Profit and Loss account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

W M G LLP

KPMG LLP
Chartered Accountants
Registered Auditor
London

15th May 2007

Profit and loss account
for the year ended 31 December 2006

	<i>Note</i>	2006 £'000	2005 £'000
Interest receivable and similar in income		<u>1</u>	<u>-</u>
Profit on ordinary activities before taxation	2	1	-
Tax on profit on ordinary activities	3	<u>(11)</u>	<u>11</u>
(Loss)/profit attributable to shareholders for the financial year	8	<u>(10)</u>	<u>11</u>

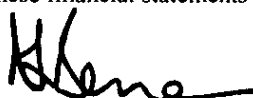
The company has no recognised gains or losses other than the loss shown above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

Balance sheet
as at 31 December 2006

	<i>Note</i>	2006 £'000	2005 £'000
Current assets			
Debtors	4	-	72
Cash at bank and in hand		73	-
Creditors amounts falling due within one year	5	<u>(32)</u>	<u>(21)</u>
Net current assets		<u>41</u>	<u>51</u>
Net assets		<u>41</u>	<u>51</u>
Capital and reserves			
Called up share capital	7	51	51
Profit and loss account	8	<u>(10)</u>	<u>-</u>
Equity shareholders' funds	9	<u>41</u>	<u>51</u>

These financial statements were approved by the board of directors on 15 May 2007 and were signed on its behalf by


A J Barnes
Director

Notes to the financial statements for the year ended 31 December 2006

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the applicable accounting standards in the United Kingdom and under the historical cost convention. The company did not trade throughout the year.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Argent Holdings Limited and is included in the consolidated financial statements of Argyll Group Europe Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financing Reporting Standard 8 from disclosing related party transactions with entities which are part of the Argyll Group Europe Limited group.

Taxation

Current tax, including UK corporation tax and overseas tax, is included at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the balance sheet date that result in an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that they are considered recoverable in the future. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax is measured on a non-discounted basis.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after crediting

	2006 £'000	2005 £'000
Interest receivable from cash at bank	<u>1</u>	<u>-</u>

The cost of the company's audit and the director's remuneration has been borne by its immediate parent, Argent Holdings Limited.

Notes (continued)

3. Tax on profit on ordinary activities

	2006 £'000	2005 £'000
Corporation tax:		
UK corporation tax on profits at 30% (2005 30%)	-	-
Adjustment to UK tax charge for previous years	<u>11</u>	<u>(11)</u>
Total current tax charge/(credit) (see below)	<u>11</u>	<u>(11)</u>
Factors affecting the tax charge for the period		
Profit on ordinary activities before tax	<u>1</u>	<u>-</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	-	-
Effects of Adjustment to UK tax charge for previous years	<u>11</u>	<u>(11)</u>
Current tax charge/(credit)	<u>11</u>	<u>(11)</u>

4. Debtors

	2006 £'000	2005 £'000
Amounts owed by group undertakings	<u>-</u>	<u>72</u>

5. Creditors amounts falling due within one year

	2006 £'000	2005 £'000
Corporation tax	<u>32</u>	<u>21</u>

6 Dividends

	2006 £'000	2005 £'000
Ordinary shares		
Dividends paid – interim dividend - £nil per share (2005 £1,554 per share)	<u>-</u>	<u>777</u>

Notes (continued)

7. Called up share capital

	2006 £'000	2005 £'000
<i>Authorised, allotted, called up and fully paid</i>		
500 ordinary shares of £1 each	1	1
50,000 deferred shares of £1 each	50	50
	<u>51</u>	<u>51</u>

The deferred shares have the following rights

- (i) no right to receive any dividend,
- (ii) on a return of assets on liquidation or otherwise the right to receive out of the assets of the company available for distribution amongst the members such a sum not exceeding the amount paid up on the deferred shares as may be available after payment to the holders of the ordinary shares of the amount paid upon on the ordinary shares, and
- (iii) no right to receive notice of or to attend or vote at any general meeting of the company

8 Movement on reserves

	2006 £'000	2005 £'000
At the beginning of year	-	766
(Loss)/profit for the year	(10)	11
Dividend	-	(777)
At the end of the year	<u>(10)</u>	<u>-</u>

9. Reconciliation of movement in equity shareholders' funds

	2006 £'000	2005 £'000
(Loss)/profit for the financial year	(10)	11
Dividend	-	(777)
Net reduction in shareholders' funds	(10)	(766)
Opening equity shareholders' funds	<u>51</u>	<u>817</u>
Closing equity shareholders' funds	<u>41</u>	<u>51</u>

10. Assets pledged, commitments and contingencies

The company is a participant in a group arrangement under which all assets and surplus cash balances are held as collateral for bank facilities advanced to Group members. The maximum amount covered by these arrangements at 31 December 2006 was £12.3 million (2005: £14.1 million).

11. Ultimate holding company

The company is a wholly owned subsidiary of Argent Holdings Limited, a company incorporated in England and Wales, and is ultimately owned and controlled by Argyll Group Europe Limited, a company incorporated in England and Wales with registered office at 5th Floor, 9 Hatton Street, London, NW8 8PL.

The largest group into which the results of the company are consolidated is the Argyll Group Europe Limited group. Copies of those consolidated financial statements may be obtained from the registered office.

Notes (continued)

12 Significant events since the year end

On 21 March 2007, it was announced that the corporation tax rate is to decrease from 30% to 28%, effective from 1 April 2008. The new tax rate will be substantively enacted when the Bill for the 2007 Finance Act is passed later this year.

