

2317867

FAIRGATE INVESTMENTS LIMITED

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 1994

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The following pages do not form part of
the statutory accounts

10-11 Detailed Profit and Loss Account



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COMPANIES HOUSE 28/10/95

COMPANIES HOUSE 20/10/95

FAIRGATE INVESTMENTS LIMITED**COMPANY INFORMATION**

DIRECTORS	Chief L.O. Akindele Dr.A. Hartmann
SECRETARY	Mr.G.Adeleke
AUDITORS	SIDDIQI & CO 74 GREAT EASTERN STREET LONDON EC2A 3JL
REGISTERED OFFICE	74 Great Eastern Street London EC2A 3JL
REGISTERED NUMBER	2317867(England and Wales)

FAIRGATE INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report with the audited accounts of the company for the year ended 31 December 1994.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be that of property developers and dealers in properties, but there were no sales in the year on account of the depressed property market.

REVIEW OF BUSINESS

The results for the year are set out in the annexed profit and loss account.

DIRECTORS

The directors who held office during the year and their beneficial interests in the issued share capital were as follows:

	Ordinary shares of £1 each	
	31 December 1994	31 December 1993
Chief L.O. Akindele	-	-
Dr. A. Hartmann	-	-

Statement of directors' responsibilities:

Company law requires the directors to prepare financial statements for each financial year which 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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

FUTURE DEVELOPMENTS

The directors are confident that the company will be able to retain its stock of properties for the present until the property market shows signs of improvement.

FAIRGATE INVESTMENTS LIMITED**REPORT OF THE DIRECTORS****AUDITORS**

The auditors, Siddiqi & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the board of directors



G. Adeleke
Secretary

15 August

1995

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
FAIRGATE INVESTMENTS LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgments 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 as to whether 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 of the state of the company's affairs as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Siddiqi & Co.

SIDDIQI & CO
Chartered Accountants &
Registered Auditor
74 GREAT EASTERN STREET
LONDON
EC2A 3JL

15 August

1995

FAIRGATE INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	1994		1993	
		£	£	£	£
TURNOVER - Continuing operations			<u>Nil</u>		<u>Nil</u>
Selling and distribution costs		-		(411)	
Administrative expenses		<u>28,185</u>		<u>70,024</u>	
			<u>28,185</u>		<u>69,613</u>
OPERATING LOSS - continuing operations	3		(28,185)		(69,613)
Interest Receivable			78		-
OTHER INCOME			10,700		-
Rent receivable			<u>-</u>		<u>1,175</u>
			(17,407)		(68,438)
Interest payable	4		<u>155,257</u>		<u>169,773</u>
LOSS on ordinary activities before taxation			(172,664)		(238,211)
LOSS AT 1 DECEMBER 1993			<u>(1,186,786)</u>		<u>(948,575)</u>
LOSS AT 31 DECEMBER 1994			<u>£(1,359,450)</u>		<u>£(1,186,786)</u>

CONTINUING OPERATIONS

None of the company's operations were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 9 form part of these accounts.

FAIRGATE INVESTMENTS LIMITED
BALANCE SHEET — 31 DECEMBER 1994

	Notes	1994		1993	
		£	£	£	£
FIXED ASSETS			Nil		Nil
CURRENT ASSETS					
Stock		5,555,950		5,555,950	
Debtors	6	345,526		345,526	
Cash at bank and in hand		449		-	
		<u>5,901,925</u>		<u>5,901,476</u>	
CREDITORS: amounts falling due within one year	7	<u>4,661,375</u>		<u>4,488,262</u>	
NET CURRENT ASSETS			<u>1,240,550</u>		<u>1,413,214</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,240,550</u>		<u>1,413,214</u>
CREDITORS: amounts falling due after more than one year	8		<u>2,500,000</u>		<u>2,500,000</u>
NET ASSETS			<u>£(1,259,450)</u>		<u>£(1,086,786)</u>
CAPITAL AND RESERVES					
Called up share capital	9		100,000		100,000
Deficit on profit and loss account			<u>(1,359,450)</u>		<u>(1,186,786)</u>
SHAREHOLDERS' FUNDS			<u>£(1,259,450)</u>		<u>£(1,086,786)</u>

The directors have taken advantage of special exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company qualifies as a small company.

Signed on behalf of the
board of directors

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Director

Approved by the board: 15 August 1995

The notes on pages 7 to 9 form part of these accounts.

FAIRGATE INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS — 31 DECEMBER 1994

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

There were no sales in the year.

Stock

The stock is valued at lower of cost and net realisable value after making due allowances for slow moving stock. Stock includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

2 TURNOVER

There were no sales in the year.

3 OPERATING LOSS FOR THE YEAR

The operating loss for the year is stated after charging:

	1994	1993
	£	£
Auditors' remuneration	1,763	775

FAIRGATE INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS — 31 DECEMBER 1994

(CONTINUED)

4 INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
	£	£
Interest payable on bank loans and overdrafts:		
Repayable within 5 years	<u>155,257</u>	<u>169,773</u>

5 TAXATION

No liability to Corporation Tax arises for the year due to losses suffered by the company. Available loss £1,359,450.

6 DEBTORS

	<u>1994</u>	<u>1993</u>
	£	£
Other debtors	1,200	245,526
Inter Company Balances	<u>344,326</u>	<u>100,000</u>
	<u>£ 345,526</u>	<u>£ 345,526</u>

7 CREDITORS: amounts falling due within one year

	<u>1994</u>	<u>1993</u>
	£	£
Accrued expenses	74,030	58,935
Other Creditors	-	421
Inter Company Balances	<u>4,587,345</u>	<u>4,428,906</u>
	<u>£4,661,375</u>	<u>£4,488,262</u>

FAIRGATE INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS — 31 DECEMBER 1994
(CONTINUED)

8 CREDITORS: amounts falling due after more than one year

	<u>1994</u>	<u>1993</u>
	£	£
Bank loan repayable between 1 to 2 years (secured on the stock of freehold properties)	<u>2,500,000</u>	<u>2,500,000</u>
	<u>£2,500,000</u>	<u>£2,500,000</u>

9 CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	£	£
Authorised 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>

10 PARENT COMPANY

The parent company is Fairgate Group Ltd. incorporated in Great Britain and registered in England.

ULTIMATE HOLDING COMPANY

The Ultimate Holding Company is Continental Holdings SA incorporated in Luxembourg.

FAIRGATE INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994

	1994		1993	
	£	£	£	£
COST OF SALES				
Opening stock	5,555,950		5,555,950	
	5,555,950		5,555,950	
Closing stock	5,555,950		5,555,950	
		-		-
GROSS LOSS		-		-
DEDUCT : EXPENSES				
Establishment	22,750		26,067	
Administration	639		558	
Selling	-		(411)	
Financial	160,053		213,172	
		(183,442)		(239,386)
		(183,442)		(239,386)
OTHER INCOME				
Interest receivable	78		-	
Other Income	10,700		-	
Rent receivable	-		1,175	
NET LOSS BEFORE TAXATION	£ (172,664)		£ (238,211)	

FAIRGATE INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994

	1994		1993	
	£	£	£	£
ESTABLISHMENT				
Rent Rates Light Heat S/C		16,612		20,754
Insurance		2,400		5,313
Repairs and maintenance		3,738		-
	£	22,750	£	26,067
ADMINISTRATION				
Telephone	£	639	£	558
SELLING				
Advertising		-		(411)
	£	-	£	411
FINANCIAL				
Bank charges and interest		155,272		169,803
Audit		1,763		775
Legal & professional charges		3,018		42,594
	£	160,053	£	213,172