

Company No: 3244100

ESTATES & MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007



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29/5/09

COMPANIES HOUSE

448

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29/05/2009

COMPANIES HOUSE

282

1/6/09

393

DIRECTOR AND OFFICERS

DIRECTORS

W K Procter
M J Gaston
W K Goldsmith

SECRETARIES

A Wolfson
I Rapley

REGISTERED OFFICE

Molteno House
302 Regents Park Road
London N3 2JX

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ended 31 December 2007.

Principal activity

The principal activity of the company during the financial year was property management. The company scaled down its activities from 30 June 2007.

Review of the business and future developments

The directors consider the company's results for the year, and its financial position at year end, to be satisfactory.

Results and dividends

The profit for the year was £1,582,894 (2006: £889,008 loss). The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were as follows:

W K Procter
M J Gaston
WK Goldsmith

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

Statement as to disclosure of information to auditors

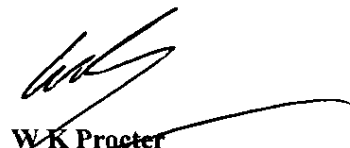
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have 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.

Auditors

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

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



W K Procter
Director
21 MAY 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ESTATES & MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 13.

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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2007 and of its result for the year then ended and 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.

Baker Tilly UK Audit LLP
BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

28 May 2009

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
Turnover		4,221,496	5,056,460
Administrative expenses		(2,750,080)	(5,411,906)
Operating profit/(loss)		<u>1,471,416</u>	<u>(355,446)</u>
Interest receivable		2,315,696	249,380
Interest payable and similar charges	2	(2,204,218)	(782,942)
Profit/(loss) on ordinary activities before taxation	3	<u>1,582,894</u>	<u>(889,008)</u>
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation	11	<u><u>£ 1,582,894</u></u>	<u><u>£ (889,008)</u></u>

The operating profit for the year arises from continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

BALANCE SHEET

AT 31 DECEMBER 2007

	Notes	2007	2006
		£	£
Fixed assets			
Tangible assets	6	-	259,849
		<u>-</u>	<u>259,849</u>
Current assets			
Debtors	7	-	27,506,729
Cash at bank and in hand		2,839,960	1,342,594
		<u>2,839,960</u>	<u>28,849,323</u>
Creditors: amounts falling due within one year	8	(1,912,456)	(31,763,562)
Net current assets/(liabilities)		<u>927,504</u>	<u>(2,914,239)</u>
Net assets/(liabilities)		<u>£ 927,504</u>	<u>£ (2,654,390)</u>
Capital and reserves			
Called up share capital	10	2,000,000	1,000
Profit and loss account	11	(1,072,496)	(2,655,390)
Shareholders' funds	11	<u>£ 927,504</u>	<u>£ (2,654,390)</u>

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 21 MAY 2009 and are signed on its behalf by:


W K Procter
Director

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31 DECEMBER 2007**

1. Accounting policies

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

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

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Fixtures, fittings & equipment	15-25% straight line
Motor vehicles	25% straight line
Leasehold improvements	25% straight line

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases") the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

The lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss on a straight line basis over the lease term.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover comprises management charges receivable in respect of property management.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

2. Interest payable and similar charges	2007	2006
	£	£
Related parties	2,200,644	780,354
Bank overdraft	177	361
Finance leases	-	1,527
On late payment of tax	3,397	700
	£ 2,204,218	£ 782,942
3. Profit on ordinary activities before taxation	2007	2006
	£	£
This is stated after charging:		
Auditors' remuneration	12,338	10,000
Depreciation on:		
Owned assets	22,604	34,871
Leased assets	8,453	17,046
Operating lease rentals:		
Land and buildings	89,979	106,369
4. Employees and director	2007	2006
	£	£
Staff costs during the year amounted to:		
Wages and salaries	1,599,634	3,633,861
Social security costs	184,172	436,247
	£ 1,783,806	£ 4,070,108
	2007	2006
	No.	No.
Average monthly number of employees		
Office and management	34	67
Director's remuneration:		
Aggregate emoluments	£ 369,051	£ 791,109
Highest paid director:		
Aggregate emoluments	£ 247,301	£ 537,550

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

5. Taxation	2007 £	2006 £
Current tax:		
UK corporation tax on profits of the year	-	-
Total current tax	-	-
Deferred tax	-	-
Tax on loss on ordinary activities	£ -	£ -
Factors affecting tax charge for the year		
Profit/(loss) on ordinary activities before tax	£ 1,529,638	£ (889,008)
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30% (2006: 30%).	458,891	(266,702)
Effects of:		
Non-deductible expenses	1,049	210
Depreciation in excess of capital allowances	18,578	12,320
Group relief received without charge	(399,784)	-
Chargeable disposals	-	35,684
UK transfer pricing	86,351	53,403
Losses available to carry forward	(165,085)	165,085
Current tax charge for the year	£ -	£ -

The company has estimated losses of £Nil (2006: £550,283) available to carry forward against future trading profits. No provision for deferred taxation was made for the tax losses due to the uncertainty of their recovery.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

6. Tangible fixed assets

	Leasehold Improvements	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
As at 1 January 2007	34,796	501,709	68,184	604,689
Additions	-	92,968	-	92,968
Transferred to parent undertaking	(34,796)	(594,677)	(68,184)	(697,657)
At 31 December 2007	-	-	-	-
Depreciation				
As at 1 January 2007	34,796	281,221	28,823	344,840
Charge for the year	-	22,604	8,453	31,057
Transferred to parent undertaking	(34,796)	(303,825)	(37,276)	(375,897)
At 31 December 2007	-	-	-	-
Net book value				
At 31 December 2007	-	-	-	£ -
At 31 December 2006	-	220,488	39,361	£ 259,849

Included within fixed assets were motor vehicles with net book value of £Nil (2006: £39,361) in respect of assets held under finance leases. Depreciation for the year on these assets was £8,453 (2006: £17,046).

At 30 June 2007 the company transferred its tangible fixed assets at net book value to its parent undertaking, Fairhold Services Limited.

7. Debtors

	2007 £	2006 £
Amounts falling due within one year:		
Trade debtors	-	236,615
Amounts owed by group undertakings	-	6,032,752
Amounts owed by related parties	-	20,211,691
Other debtors	-	898,067
Prepayments	-	127,604
	£ -	£ 27,506,729

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007.

8. Creditors: amounts falling due within one year	2007 £	2006 £
Amounts owed to parent undertaking	1,912,456	5,294,107
Amounts owed to related parties	-	25,445,096
Other taxation and social security	-	544,413
Other creditors	-	277,255
Accruals	-	188,099
Obligations under hire purchase and finance lease contracts	-	14,592
	<u>£ 1,912,456</u>	<u>£ 31,763,562</u>

9. Provisions for liabilities and charges

The potential deferred taxation asset which has not been provided in the accounts is as follows:

	2007 £	2006 £
Capital allowances in excess of depreciation	<u>£ -</u>	<u>£ 39,086</u>

10. Share capital	2007 £	2006 £
Authorised, allotted, issued and fully paid 2,000,000 Ordinary shares of £1 each (2006: 1,000 Ordinary shares)	<u>£ 2,000,000</u>	<u>£ 1,000</u>

1,999,000 Ordinary shares were issued during the year at par.

11. Reserves and reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	Total shareholders' funds £
Balance at 1 January 2007	1,000	(2,655,390)	(2,654,390)
Shares issued in year	1,999,000	-	1,999,000
Retained profit for the year	-	1,582,894	1,582,894
Balance at 31 December 2007	<u>2,000,000</u>	<u>(1,072,496)</u>	<u>£ 927,504</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

12. Operating lease commitments	2007 £	2006 £
At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows:		
Plant and machinery		
expiring within 1 year	-	12,356
Land and buildings:		
expiring within 1 year	107,353	-
expiring between 2 and 5 years	-	107,353
	<u>£ 107,353</u>	<u>£ 119,709</u>

13. Immediate and United Kingdom holding companies

The immediate parent company is Fairhold Services Limited a company incorporated in England and Wales. Copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

14. Ultimate holding company

The directors regard the ultimate holding company to be Euro Investments Overseas Incorporated, a company incorporated in the British Virgin Islands.

15. Controlling party

The ultimate controlling party is the Investec Trust (Guernsey) Limited as trustees of the Tchenguiz Family Trust.

16. Related party transactions

The company provides funding to and receives funding from the Tchenguiz Family Trust and certain companies controlled by the Tchenguiz Family Trust. Details of the intercompany balances and transactions are as follows:

Amounts owed by group undertakings:

	2007 £	2006 £
Fairhold Holdings Limited group of companies	-	6,032,752

Amounts owed by related parties:

Fairhold Finance Limited group of companies	-	4,136,418
Fairhold Holdings (2005) Limited group of companies	-	2,569,899
Fairhold Holdings (2006) Appts Limited group of companies	-	2,915,892
Fairhold Holdings (No.3) Appts Limited group of companies	-	8,273,340
Holding & Management (Solitaire) Limited group of companies	-	894,825
Fairhold Holdings (No.4) Appts Limited group of companies	-	460,094
Other	-	961,223
	<u>£ -</u>	<u>£ 20,211,691</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

16. Related party transactions (Continued)

Amounts owed to parent undertaking:

	2007 £	2006 £
Fairhold Services Limited	1,912,456	-
Owners Provident Limited	-	5,294,107
	<u>£ 1,912,456</u>	<u>£ 5,294,107</u>

Amounts owed to related parties:

Fairhold Finance Limited group of companies	-	578,010
Fairhold Holdings (2003) Limited group of companies	-	1,144,254
Vincos Limited	-	23,015,191
Other	-	707,641
	<u>£ -</u>	<u>£ 25,445,096</u>

Interest of £2,200,644 (2006: £780,354) was charged and £2,307,595 (2006: £208,509) was received on amounts outstanding with related parties during the year.

As at 30 June 2007 the company's activities were reorganised. At this date the staff and property management functions were transferred to the company's immediate parent company, Fairhold Services Limited.