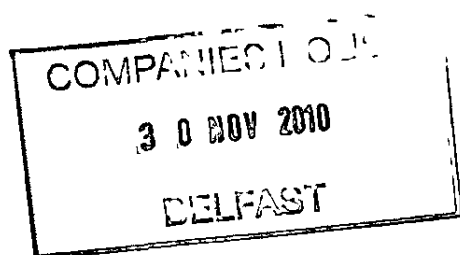


**FONTAIL PROPERTIES LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR**  
**28 FEBRUARY 2010**



**FLANNIGAN EDMONDS BANNON**  
Chartered Accountants & Statutory Auditor  
Pearl Assurance House  
2 Donegall Square East  
Belfast  
BT1 5HB

# **FONTAIL PROPERTIES LIMITED**

## **ABBREVIATED ACCOUNTS**

**PERIOD FROM 1 APRIL 2009 TO 28 FEBRUARY 2010**

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**FONTAIL PROPERTIES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO FONTAIL PROPERTIES**  
**LIMITED**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, together with the financial statements of Fontail Properties Limited for the period from 1 April 2009 to 28 February 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

**OTHER INFORMATION**

On 26<sup>th</sup> November 2010 we reported as auditor to the members of the company on the financial statements prepared under Section 396 of the Companies Act 2006 and our report included the following paragraph:

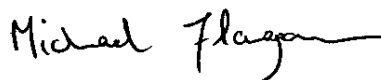
# FONTAIL PROPERTIES LIMITED

## INDEPENDENT AUDITOR'S REPORT TO FONTAIL PROPERTIES LIMITED *(continued)*

### UNDER SECTION 449 OF THE COMPANIES ACT 2006

#### GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the need for continuing support from the company's bankers. In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.



MICHAEL FLANNIGAN  
(Senior Statutory Auditor)  
For and on behalf of  
FLANNIGAN EDMONDS BANNON  
Chartered Accountants  
& Statutory Auditor

Pearl Assurance House  
2 Donegall Square East  
Belfast  
BT1 5HB

26<sup>th</sup> November 2010

# FONTAIL PROPERTIES LIMITED

## ABBREVIATED BALANCE SHEET

28 FEBRUARY 2010

	Note	28 Feb 10 £	31 Mar 09 £
<b>FIXED ASSETS</b>	<b>2</b>		
Tangible assets		<u>1,707,000</u>	<u>3,350,000</u>
<b>CURRENT ASSETS</b>			
Debtors		1,516,185	1,500,000
Cash at bank and in hand		<u>120</u>	<u>201</u>
		<u>1,516,305</u>	<u>1,500,201</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>2,376,040</u>	<u>2,714,777</u>
<b>NET CURRENT LIABILITIES</b>		<u>(859,735)</u>	<u>(1,214,576)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>847,265</u>	<u>2,135,424</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	<b>3</b>	<b>2</b>	<b>2</b>
Revaluation reserve		657,311	1,260,311
Profit and loss account		<u>189,952</u>	<u>875,111</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>847,265</u>	<u>2,135,424</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 26<sup>th</sup> November 2010, and are signed on their behalf by

  
MR RH SPROULE  
Director

Company Registration Number 3365237

The notes on pages 4 to 6 form part of these abbreviated accounts

**FONTAIL PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**PERIOD FROM 1 APRIL 2009 TO 28 FEBRUARY 2010**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, subject to the following departures. Compliance with SSAP 19 "Accounting for Investment Properties" requires departure from the requirements of the company legislation relating to depreciation and an explanation of the departure is given.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future having adequate funds to meet obligations as they fall due.

The group generates income from property activities through a combination of rentals and property sales. The recent economic environment has been challenging and the companies have experienced difficult trading conditions, such that, certain scheduled debt repayments have not been met.

The directors consider that the outlook for the property sector will remain challenging for sometime to come with significant constraints upon volumes and prices. Whilst the directors have instituted measures to preserve cash and secure the necessary funding, these circumstances create material uncertainty over future profitability and cashflows.

The group has been in discussion with their bankers and based upon negotiations conducted to date, the directors have a reasonable expectation that the necessary facilities will be secured.

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt upon the group's ability to continue as a going concern. Nevertheless after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial statements.

**Cash flow statement**

The Company has taken advantage of the exemption included in FRS1 - Cash Flow Statements for wholly owned subsidiaries of an EC parent undertaking not to prepare a cash flow statement.

**Turnover**

Turnover represents rentals due on let property.

**FONTAIL PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**PERIOD FROM 1 APRIL 2009 TO 28 FEBRUARY 2010**

**1. ACCOUNTING POLICIES** *(continued)*

**Investment properties**

Investment properties are revalued annually and revaluation surpluses are credited to investment revaluation reserves. Any permanent deficit on revaluation of an individual property is charged to profit and loss account.

On the sale of an investment property, the surplus or deficit arising since the last balance sheet valuation is taken to the profit and loss account and any revaluation surpluses from prior years thus realised are transferred from investment revaluation reserves to profit and loss account, as a reserve movement.

No depreciation is provided in respect of investment properties, this constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic lives. The directors consider, that as these properties are held for their investment potential, to depreciate them would not give a true and fair view and therefore it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation. However, the amounts of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2. FIXED ASSETS**

	<b>Tangible Assets £</b>
<b>COST OR VALUATION</b>	
At 1 April 2009	<b>3,350,000</b>
Disposals	<b>(1,400,000)</b>
Revaluation	<b>(243,000)</b>
<b>At 28 February 2010</b>	<b><u>1,707,000</u></b>
<b>NET BOOK VALUE</b>	
<b>At 28 February 2010</b>	<b><u>1,707,000</u></b>
<b>At 31 March 2009</b>	<b><u>3,350,000</u></b>

**FONTAIL PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**PERIOD FROM 1 APRIL 2009 TO 28 FEBRUARY 2010**

**2. FIXED ASSETS** *(continued)*

Investment properties have been included at directors valuation at 28 February 2010

The historical cost of investment properties is £2,089,689 (2009 - £2,089,689)

If the above properties were sold for their revalued amount there would be further corporation tax of £73,536 This amount has not been provided because there is no intention on the part of the directors to sell the property

**3. SHARE CAPITAL**

**Authorised share capital:**

	<b>28 Feb 10</b>	<b>31 Mar 09</b>
	<b>£</b>	<b>£</b>
100 Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>

**Allotted, called up and fully paid:**

	28 Feb 10		31 Mar 09	
	No	£	No	£
2 Ordinary shares of £1 each	2	2	2	2

**4. ULTIMATE PARENT COMPANY**

The ultimate parent company is Herd Estates Limited which is registered in Northern Ireland