

Company Registration No 06786519 (England and Wales)

ESQUIRE REALTY (GEFFEN) LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

KLSA

Chartered Accountants

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ESQUIRE REALTY (GEFFEN) LTD

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ESQUIRE REALTY (GEFFEN) LTD

INDEPENDENT AUDITORS' REPORT TO ESQUIRE REALTY (GEFFEN) LTD UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 3 to 7, together with the financial statements of Esquire Realty (Geffen) Ltd for the year ended 31 December 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 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 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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.

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 14 December 2011 we reported, as auditors of Esquire Realty (Geffen) Ltd, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 December 2010, and our report included the following paragraph:

ESQUIRE REALTY (GEFFEN) LTD

INDEPENDENT AUDITORS' REPORT TO ESQUIRE REALTY (GEFFEN) LTD (CONTINUED)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Emphasis of matter - Going concern

"In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern."

Shilpa Chheda (Senior Statutory Auditor)
for and on behalf of KLSA LLP
Chartered Accountants
Statutory Auditor
28-30 St John's Square
London
EC1M 4DN

14 December 2011

ESQUIRE REALTY (GEFFEN) LTD

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	2	6,031,000		3,725,000	
Investments	2		535		535
		6,031,535		3,725,535	
Current assets					
Debtors		766,341		934,341	
Cash at bank and in hand		26,611		1	
		792,952		934,342	
Creditors: amounts falling due within one year		(746,546)		(740,934)	
Net current assets		46,406		193,408	
Total assets less current liabilities		6,077,941		3,918,943	
Creditors: amounts falling due after more than one year	3	(3,550,000)		(3,525,000)	
		2,527,941		393,943	
Capital and reserves					
Called up share capital	4		1		1
Revaluation reserve		2,619,829		550,000	
Profit and loss account		(91,889)		(156,058)	
Shareholders' funds		2,527,941		393,943	

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board for issue on 14 December 2011

Mr Anoup Treon
Director

Company Registration No. 06786519

ESQUIRE REALTY (GEFFEN) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Turnover

Turnover represents rent receivable

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	Nil
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With respect to the freehold land and buildings, the buildings are maintained to such a standard that their residual value is not less than their cost or valuation, hence no depreciation is charged as it is not material

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.5 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 Esquire Realty Holdings Limited, a company incorporated in Guernsey, and is included in the consolidated accounts of that company

ESQUIRE REALTY (GEFFEN) LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

1.6 Going concern

In assessing the company's ability to continue as a going concern, the directors have considered the financial position and performance of both the company and the largest group of which the company is a member and for which consolidated financial statements are prepared. The largest such group is Esquire Consolidated Group Limited, which made a loss of £20.5m for the year ended 31 December 2010 and had a net current liability of £24.1m as at 31 December 2010.

Having due regard to the present net liability of Esquire Consolidated Group Limited, these financial statements have been prepared on the going concern basis, which assumes that the company and its fellow subsidiaries will continue to have sufficient funds to meet its cash requirements and its liabilities as they fall due for the foreseeable future. This is based on the directors' assessment of the company's and group's current forecast, ongoing fund raising and financial support from its ultimate parent company and existing lenders and suppliers.

Subsequent to the year end, the ultimate parent company has raised £11.4m from new and existing investors for the ongoing working capital requirement and cash flow requirement. The group is currently in negotiation with potential investors to raise further funds for its working capital requirements. On completion of the fund raising, the capital base of the group will be increased.

Additionally, the group's existing lenders have provided additional overdraft facilities of £10.1m to the group to meet its working capital requirements. These facilities have been extended to June 2012. The directors are currently in negotiation with the group's lenders to restructure the term loans of company's fellow subsidiaries which have received cross guarantees from all group companies.

On the above basis, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis in preparing the financial statements.

1.7 Un-provided deferred tax

The freehold properties have been valued on an existing use value basis. No provision has been made for deferred tax on revaluation of properties as it is not the directors' intention to sell those properties. Un-provided deferred tax amounting to £1.10 million (2009 - £0.67 million) would become payable should these properties be sold. Deferred tax on temporary timing differences is not material and accordingly not provided for.

ESQUIRE REALTY (GEFFEN) LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

2 Fixed assets

	Tangible assets £	Investments £	Total £
Cost or valuation			
At 1 January 2010	3,725,000	2,273,819	5,998,819
Additions	236,171	-	236,171
Revaluation	2,069,829	-	2,069,829
	<u>6,031,000</u>	<u>2,273,819</u>	<u>8,304,819</u>
At 31 December 2010	6,031,000	2,273,819	8,304,819
Depreciation			
At 1 January 2010 & at 31 December 2010	-	2,273,284	2,273,284
	<u>-</u>	<u>2,273,284</u>	<u>2,273,284</u>
Net book value			
At 31 December 2010	6,031,000	535	6,031,535
	<u>6,031,000</u>	<u>535</u>	<u>6,031,535</u>
At 31 December 2009	3,725,000	535	3,725,535
	<u>3,725,000</u>	<u>535</u>	<u>3,725,535</u>

3 Creditors: amounts falling due after more than one year

2010

2009

£

£

Analysis of loans repayable in more than five years

Total amounts repayable by instalments which are due in more than five years

2,000,000

2,000,000

The aggregate amount of creditors for which security has been given amounted to £2,000,000 (2009 - £2,000,000)

The bank loan is secured by way of legal charge over the freehold property and buildings of the company, debentures and subordination agreements over third parties, directors, shareholders and inter company loans and cross guarantees by group companies. Interest is charged at variable rate.

4 Share capital

2010

2009

£

£

Allotted, called up and fully paid

1 Ordinary share of £1 each

1

1

ESQUIRE REALTY (GEFFEN) LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

5 Ultimate parent company

In the opinion of the director, the ultimate controlling party is Esquire Consolidated Investment (Holdings) Limited, a company incorporated in the British Virgin Islands. The immediate parent company is Esquire Realty Investments (Mezzanine) Limited, a company incorporated in British Virgin Islands.

The smallest group for which Esquire Realty (Geffen) Limited is a member for which group financial statements are prepared is Esquire Realty Holdings Limited. The largest such group is Esquire Consolidated Group Limited, whose consolidated financial statements can be obtained from PO Box 175, Frances House, Sir William Place, St Peter Port, Guernsey, GY1 4HQ.