

Registration number 2314954

**Fairgate Estates Ltd**  
**Directors' report and financial statements**  
**for the year ended 31 December 2007**



## **Fairgate Estates Ltd**

### **Company information**

Directors	Sir (Chief) L O Akindele Rosaline Atema Akindele Ibidun M Adetunji
Secretary	Ratna Kanagaratnam
Company number	2314954
Registered office	3rd Floor 39 Tabernacle Street London EC2A 4AA
Auditors	Siddiqi & Co 39 Tabernacle Street London EC2A 4AA
Business address	78 New Oxford Street London WC1A 1AH
Bankers	National Westminster Bank Plc PO Box 34 15 Bishopsgate London EC2P 2AP  HSBC Private Bank (UK) Limited 78 St James's Street London SW1A 1JB

## **Fairgate Estates Ltd**

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## **Fairgate Estates Ltd**

### **Directors' report for the year ended 31 December 2007**

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

#### **Principal activity**

The principal activity of the company throughout the year continued to be that of property developers and dealers in properties

#### **Directors**

The directors who served during the year are as stated below

Sir (Chief) L O Akindele  
Rosaline Atema Akindele  
Ibidun M Adetunji

#### **Directors' responsibilities**

The directors are responsible for preparing 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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements 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 and to 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Siddiqi & Co be reappointed as auditors of the company will be put to the Annual General Meeting

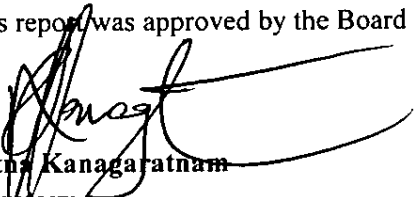
**Fairgate Estates Ltd**

**Directors' report  
for the year ended 31 December 2007**

continued

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

This report was approved by the Board on 18 April 2008 and signed on its behalf by



Ratna Kanagaratnam  
Secretary

**Fairgate Estates Ltd**

**Independent auditors' report to the shareholders of  
Fairgate Estates Ltd**

We have audited the financial statements of Fairgate Estates Ltd for the year ended 31 December 2007 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 and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and the auditors**

The directors' responsibilities for preparing 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.

## **Fairgate Estates Ltd**

### **Independent auditors' report to the shareholders of Fairgate Estates Ltd continued**

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 applicable for Smaller Entities, of the state of the company's affairs as at 31 December 2007 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

*Siddiqi & Co.*

**Siddiqi & Co.  
Chartered Accountants and  
Registered Auditors  
18 April 2008**

**39 Tabernacle Street  
London  
EC2A 4AA**

**Fairgate Estates Ltd**

**Profit and loss account  
for the year ended 31 December 2007**

		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Administrative expenses		(204,618)	(549,173)
Other operating income		854,425	905,700
<b>Operating profit</b>	<b>2</b>	<u>649,807</u>	<u>356,527</u>
Other interest receivable and similar income		-	448
Interest payable and similar charges		<u>(650,682)</u>	<u>(485,351)</u>
<b>Loss on ordinary activities before taxation</b>		(875)	(128,376)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>		<u>(875)</u>	<u>(128,376)</u>
<b>Loss for the year</b>	<b>8</b>	<u>(875)</u>	<u>(128,376)</u>
Accumulated loss brought forward		(3,365,745)	(3,237,369)
<b>Accumulated loss carried forward</b>		<u><u>(3,366,620)</u></u>	<u><u>(3,365,745)</u></u>

**The notes on pages 7 to 9 form an integral part of these financial statements.**



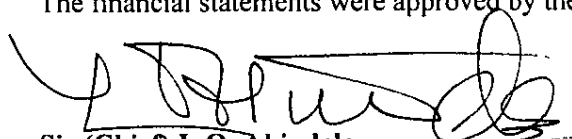
# Fairgate Estates Ltd

## Balance sheet as at 31 December 2007

		2007		2006	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	3		17,259,491		17,259,491
<b>Current assets</b>					
Debtors	4	6,175,097		4,588,844	
Cash at bank and in hand		181,973		177,564	
		<u>6,357,070</u>		<u>4,766,408</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(5,023,883)</u>		<u>(4,949,267)</u>	
<b>Net current assets/(liabilities)</b>			<u>1,333,187</u>		<u>(182,859)</u>
<b>Total assets less current liabilities</b>			18,592,678		17,076,632
<b>Creditors: amounts falling due after more than one year</b>	6		<u>(12,597,557)</u>		<u>(11,080,636)</u>
<b>Net assets</b>			<u>5,995,121</u>		<u>5,995,996</u>
<b>Capital and reserves</b>					
Called up share capital	7		100,000		100,000
Revaluation reserve	8		9,261,741		9,261,741
Profit and loss account	8		<u>(3,366,620)</u>		<u>(3,365,745)</u>
<b>Shareholders' funds</b>			<u>5,995,121</u>		<u>5,995,996</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The financial statements were approved by the Board on 18 April 2008 and signed on its behalf by



**Sir (Chief) L.O. Akindele**  
Director

The notes on pages 7 to 9 form an integral part of these financial statements.

## Fairgate Estates Ltd

### Notes to the financial statements for the year ended 31 December 2007

#### 1. Accounting policies

##### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

##### 1.2. Investments

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

##### 1.3. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### 2. Operating profit

Operating profit is stated after charging  
Auditors' remuneration

2007	2006
£	£
4,935	4,935

**Fairgate Estates Ltd**

**Notes to the financial statements  
for the year ended 31 December 2007**

continued

<b>3. Fixed asset investments</b>	<b>Other unlisted investments £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2007		
At 31 December 2007	17,259,491	17,259,491
<b>Net book values</b>		
At 31 December 2007	17,259,491	17,259,491
At 31 December 2006	17,259,491	17,259,491
 <b>4. Debtors</b>	 <b>2007 £</b>	 <b>2006 £</b>
Amounts owed by group undertakings	5,955,695	4,268,459
Other debtors	215,109	319,238
Prepayments and accrued income	4,293	1,147
	<u>6,175,097</u>	<u>4,588,844</u>
 <b>5. Creditors: amounts falling due within one year</b>	 <b>2007 £</b>	 <b>2006 £</b>
Bank loan	79,650	111,221
Amounts owed to group undertaking	4,440,894	4,417,176
Other creditors	143,138	89,529
Accruals and deferred income	360,201	331,341
	<u>5,023,883</u>	<u>4,949,267</u>
 <b>6. Creditors: amounts falling due after more than one year</b>	 <b>2007 £</b>	 <b>2006 £</b>
Bank loan	12,597,557	11,080,636

# Fairgate Estates Ltd

## Notes to the financial statements for the year ended 31 December 2007

continued

7.	Share capital	2007 £	2006 £
	<b>Authorised</b>		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<b>Allotted, called up and fully paid</b>		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	<b>Equity Shares</b>		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

8.	Reserves	Revaluation reserve £	Profit and loss account £	Total £
	<b>At 1 January 2007</b>	9,261,741	(3,365,745)	5,895,996
	Loss for the year		(875)	(875)
	<b>At 31 December 2007</b>	<u>9,261,741</u>	<u>(3,366,620)</u>	<u>5,895,121</u>

### 9. Contingent liabilities

The parent company, Fairgate Group Ltd, has taken out bank loans for its own use and the use of its subsidiaries, Fairgate Securities Ltd, Fairgate Investments Ltd, Fairgate Estates Ltd, Fairgate International Ltd and Fairgate Developments Ltd. These loans are secured on the investment properties and on the stock of properties of these companies and are guaranteed by them.

### 10. Ultimate parent undertaking

The company is a subsidiary undertaking of Fairgate Group Ltd. The ultimate parent company is Continental Holdings SA, a company incorporated in Luxembourg.

**Fairgate Estates Ltd**

**Detailed trading profit and loss account  
and expenses schedule  
for the year ended 31 December 2007**

	2007		2006	
	£	£	£	£
<b>Administrative expenses</b>				
Wages and salaries	17,047		23,193	
Management expenses	76,488		81,826	
Rent, rates, light and heat	76,443		314,305	
Printing, postage and stationery	357		342	
Telephone	423		316	
Travelling and entertainment	3,045		1,797	
Legal and professional	25,600		58,472	
Audit	4,935		4,935	
Bank charges	108		183	
Bad debts	-		63,413	
General expenses	172		391	
		<u>204,618</u>		<u>549,173</u>
<b>Other operating income</b>				
Rent receivable	852,363		904,234	
Sundry income	2,062		1,466	
		<u>854,425</u>		<u>905,700</u>
<b>Operating profit</b>		<u>649,807</u>		<u>356,527</u>
<b>Other income and expenses</b>				
<b>Interest receivable</b>				
Bank deposit interest	-		448	
		-		<u>448</u>
<b>Interest payable</b>				
Bank interest	650,682		485,351	
		<u>(650,682)</u>		<u>(485,351)</u>
<b>Net loss for the year</b>		<u><u>(875)</u></u>		<u><u>(128,376)</u></u>