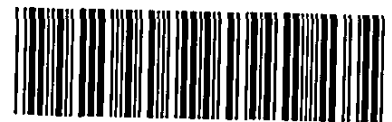


Registration number 2314954

Fairgate Estates Ltd
Directors' report and financial statements
for the year ended 31 December 2010

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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	5th Floor 1 Sun Street London EC2A 2EP
Auditors	SIDIKIES 1 Sun Street London EC2A 2EP
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

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

Fairgate Estates Ltd
Directors' report
for the year ended 31 December 2010

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activity

The principal activity of the company throughout the year continued to be that of property developers and dealers in properties. In view of the current market conditions, the directors have decided on property investment activity as well.

Directors

The directors who served during the year are as stated below

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

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

SIDIKIES are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

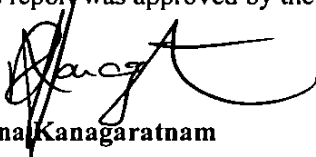
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Fairgate Estates Ltd

Directors' report
for the year ended 31 December 2010

continued

This report was approved by the Board on 27 September 2011 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Ratna Kanagaratnam', with a large, sweeping flourish extending to the right.

Ratna Kanagaratnam
Secretary

Independent auditor's report to the shareholders of Fairgate Estates Ltd

We have audited the financial statements of Fairgate Estates Ltd for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

**Independent auditor's report to the shareholders of
Fairgate Estates Ltd**

continued



**Amir Siddiqi FCCA ACA (senior statutory auditor)
For and on behalf of SIDIKIES
Chartered Accountants and
Statutory Auditor**

**1 Sun Street
London
EC2A 2EP**

27th September 2011

Fairgate Estates Ltd

**Profit and loss account
for the year ended 31 December 2010**

		2010	2009
	Notes	£	£
Turnover	2	<u>784,152</u>	<u>849,132</u>
Administrative expenses		(215,806)	(164,478)
Operating profit	3	568,346	684,654
Amount written off investments	4	-	(1,261,153)
Interest payable and similar charges		<u>(638,236)</u>	<u>(620,191)</u>
Loss on ordinary activities before taxation		(69,890)	(1,196,690)
Tax on loss on ordinary activities		-	-
Loss for the year	10	(69,890)	(1,196,690)
Accumulated loss brought forward		(4,474,047)	(3,277,357)
Accumulated loss carried forward		<u>(4,543,937)</u>	<u>(4,474,047)</u>
Statement of total recognised gains and losses			
Loss on ordinary activities after taxation		(69,890)	(1,196,690)
Unrealised movement on revaluation of property		-	(349,847)
Total recognised losses since last annual report		<u>(69,890)</u>	<u>(1,546,537)</u>

The notes on pages 7 to 10 form an integral part of these financial statements.

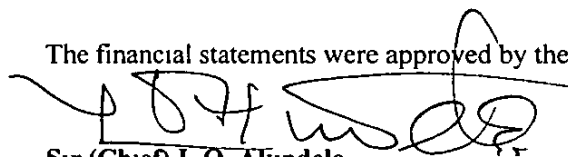
Fairgate Estates Ltd

**Balance sheet
as at 31 December 2010**

		2010		2009	
	Notes	£	£	£	£
Fixed assets					
Investments	5		15,648,491		15,648,491
Current assets					
Debtors	6	5,246,801		5,017,330	
Cash at bank and in hand		241,868		178,466	
		5,488,669		5,195,796	
Creditors: amounts falling due within one year	7	(5,158,423)		(4,953,986)	
Net current assets			330,246		241,810
Total assets less current liabilities			15,978,737		15,890,301
Creditors: amounts falling due after more than one year	8		(11,510,780)		(11,352,454)
Net assets			4,467,957		4,537,847
Capital and reserves					
Called up share capital	9		100,000		100,000
Revaluation reserve	10		8,911,894		8,911,894
Profit and loss account	10		(4,543,937)		(4,474,047)
Shareholders' funds			4,467,957		4,537,847

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies

The financial statements were approved by the Board on 27 September 2011 and signed on its behalf by



Sir (Chief) L.O. Akindele
Director

Registration number 2314954

The notes on pages 7 to 10 form an integral part of these financial statements.

Fairgate Estates Ltd

Notes to the financial statements 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 certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made and rent receivable during the year

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,

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. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating profit

Operating profit is stated after charging
Auditors' remuneration

2010	2009
£	£
4,935	4,935

Fairgate Estates Ltd

**Notes to the financial statements
for the year ended 31 December 2010**

continued

4. Amounts written off investments	2010 £	2009 £
Amounts written off fixed asset investments		
- permanent diminution in value	-	1,261,153
	<u> </u>	<u> </u>

5. Fixed asset investments	Total £
Market value	
At 1 January 2010	
At 31 December 2010	15,648,491
Net book values	
At 31 December 2010	15,648,491
At 31 December 2009	15,648,491
	<u> </u>

One of the properties was valued by an independent firm of Chartered Surveyors-Gerald Eve and was valued on yield achievable basis. The other property was internally valued by the directors during the year and was not materially different to the existing valuation.

6. Debtors	2010 £	2009 £
Trade debtors	237,895	250,021
Amounts owed by group undertakings	5,008,906	4,767,309
	<u>5,246,801</u>	<u>5,017,330</u>

Fairgate Estates Ltd

**Notes to the financial statements
for the year ended 31 December 2010**

continued

7. Creditors: amounts falling due within one year	2010 £	2009 £
Bank loan	173,070	185,211
Trade creditors	52,574	-
Amounts owed to group undertakings	4,323,221	4,323,390
Amounts owed to connected companies	169	-
Other creditors	287,196	96,304
Accruals and deferred income	322,193	349,081
	<u>5,158,423</u>	<u>4,953,986</u>

Bank loans are secured against the assets of the company

8. Creditors: amounts falling due after more than one year	2010 £	2009 £
Bank loan	<u>11,510,780</u>	<u>11,352,454</u>

Bank loans are secured against the assets of the company

9. Share capital	2010 £	2009 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Equity Shares		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

10. Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2010	8,911,894	(4,474,047)	4,437,847
Loss for the year		(69,890)	(69,890)
At 31 December 2010	<u>8,911,894</u>	<u>(4,543,937)</u>	<u>4,367,957</u>

Fairgate Estates Ltd

Notes to the financial statements for the year ended 31 December 2010

continued

11. 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.

12. Related party transactions

A fellow subsidiary Sealand (General Exporters) Ltd incurs all the day to day running expenses which are then recharged to Fairgate companies at the end of the year based on resources consumed by each company. A total of £33,957 (2009- £24,921) was charged to the company for the year. Company was also charged a management charge of £45,657 (2009- £ £72,773) by its parent company Fairgate Group Ltd in respect of services provided for the year.

13. Ultimate parent undertaking

The company is a subsidiary undertaking of Fairgate Group Ltd. The ultimate controlling party is Lurego Foundation, a family trust based in Liechtenstein.