

**SAMNAS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

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COMPANIES HOUSE

**Company No: 6062811**

# **SAMNAS LIMITED**

## **DIRECTORS AND OFFICERS**

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### **DIRECTORS**

W K Procter  
I Rapley

### **SECRETARY**

A Wolfson

### **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

# **SAMNAS LIMITED**

## **DIRECTORS' REPORT**

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The directors submit their report and the financial statements for the year ended 31 December 2009

### **Principal activities**

The principal activity of the company during the year was property investment.

### **Review of the business and future developments**

The directors are satisfied with the financial position of the company at the year end subject to the matters discussed in the accounting policies on page 7 which may have an impact on the company's ability to continue as a going concern

### **Results and dividends**

The profit for the year was £248,198 (2008 £80,904 loss) The directors do not recommend the payment of a dividend

### **Investment properties**

The investment properties have been valued by the directors at £13,815,580 (2008 £13,823,000)

### **Directors**

The directors who have served since 1 January 2009 are as follows

W K Procter

C C McGill

I Rapley

V A Tchenguiz

(appointed 21 August 2009, resigned 10 June 2010)

(appointed 18 November 2009, resigned 8 January 2010)

### **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 period In preparing those 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 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

# **SAMNAS LIMITED**

## **DIRECTORS' REPORT**

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### **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. 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 provisions applicable to companies entitled to the small companies exemption.

By order of the Board



**W K Procter**

Director

22/10/ 2010

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAMNAS LIMITED

We have audited the financial statements on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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

As more fully explained in the Directors' Responsibilities Statement set out on page 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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

## 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 2009 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements 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 the accounting policies on page 7 of the financial statements which set out some possible events which may have an impact on company's ability to continue as a going concern as a result of the short term nature of the cross collateralised borrowings set out in note 13 and as a result of shares pledged as security to secure the financial liabilities of a related party having been called by the joint receivers triggering events of default in respect of the company's United Kingdom group's borrowings from its principal lender. These possible events 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.

## 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 take advantage of the small companies exemption in preparing the directors' report.

*Baker Tilly UK Audit LLP*

David Worrow FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

25/10/2010

**SAMNAS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £	2008 £
<b>Turnover</b>	1	<b>551,690</b>	84,428
Administration costs		<b>(84,951)</b>	(12,681)
<b>Operating profit</b>		<b>466,739</b>	71,747
Profit on sale of investment properties		10,820	-
Interest payable and similar charges	2	<b>(229,361)</b>	(152,651)
<b>Profit/(loss) on ordinary activities before taxation</b>	3	<b>248,198</b>	(80,904)
Tax on profit/(loss) on ordinary activities	5	-	-
<b>Profit/(loss) on ordinary activities after taxation</b>	12	<b>£ 248,198</b>	£ (80,904)

The operating profit arises from the company's continuing operations

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****FOR THE YEAR ENDED 31 DECEMBER 2009**

		2009 £	2008 £
Profit/(loss) for the financial year		248,198	(80,904)
Unrealised (deficit)/surplus on valuation of investment properties	6	<b>(174,968)</b>	5,972,231
Total recognised gains and losses		<b>£ 73,230</b>	£ 5,891,327

**NOTE OF HISTORICAL COSTS PROFITS AND LOSSES**

		2009 £	2008 £
Profit/(loss) on ordinary activities before tax		248,198	(80,904)
Realisation of property revaluation gains of previous years		3,985	-
Historical cost profit/(loss) on ordinary activities before taxation		<b>£ 252,183</b>	£ (80,904)
Historical cost profit/(loss) on ordinary activities after taxation		<b>£ 252,183</b>	£ (80,904)

# **SAMNAS LIMITED**

## **BALANCE SHEET (Company Registration Number: 6062811)**

**AT 31 DECEMBER 2009**

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Investment properties	6	<u>13,815,580</u>	<u>13,823,000</u>
<b>Current assets</b>			
Debtors	7	171,316	397,189
<b>Creditors: amounts falling due within one year</b>	8	<u>(65,522)</u>	<u>(158,961)</u>
<b>Net current assets</b>		<u>105,794</u>	<u>238,228</u>
<b>Total assets less current liabilities</b>		<u>13,921,374</u>	<u>14,061,228</u>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(8,001,816)</u>	<u>(8,214,900)</u>
<b>Net assets</b>		<u><u>£ 5,919,558</u></u>	<u><u>£ 5,846,328</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Revaluation reserve	12	5,748,278	5,927,231
Profit and loss account	12	171,279	(80,904)
<b>Shareholders' funds</b>	12	<u><u>£ 5,919,558</u></u>	<u><u>£ 5,846,328</u></u>

The financial statements on pages 5 to 12 were approved by the board of directors and authorised for issue on 22/10/2010 and are signed on its behalf by

  
W K Procter  
Director

# **SAMNAS LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **ACCOUNTING POLICIES**

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#### **Basis of accounting**

The financial statements have been prepared under the historical cost conventions as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards

#### **Going concern**

The company is party to a cross collateralised funding structure. The directors have assessed the operation of the structure and have determined that the company has, or can expect to have, subject to the further matters set out hereafter, sufficient working capital for their needs for at least 12 months from the date of approval of these financial statements. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

On 31 March 2008 shares in the company immediately controlling the company's United Kingdom holding company, were pledged as security to secure the financial liabilities of a related party, Oscatello Investments Limited. On 10 December 2008 these liabilities were called and on 16 February 2009 Grant Thornton UK LLP and Grant Thornton (British Virgin Islands) Limited were appointed as joint Law of Property Act receivers in respect of the pledged shares. The appointment of Law of Property Act receivers to these companies constitutes an event of default in respect of the company's United Kingdom group's borrowings from its principal lender and has given rise to further associated defaults. Additionally, the company's United Kingdom group's own bank loan facilities which were due for repayment in March 2010 are currently being rolled forward on a short term basis as set out in note 13. Certain of the other parties set out in note 13 have other bank facilities with the group's principal lender and these other facilities are also in default. The group does not act as guarantor on these other facilities. As at the date of approval of these financial statements negotiations are continuing with the group's principal lender and with the charge holder and the receivers acting on its behalf regarding the putting in place of new long term financing arrangements, the resolution of the events of default and a settlement of the financial liabilities in question.

The financial statements have been prepared on the going concern basis which assumes that new financing facilities will be put in place, the group's principal lender will not withdraw its loan facilities to the group as a result of the events of default that have arisen and that, in addition, the share pledges and negotiations with the charge holder will not result in a realisation of the shares covered by the pledges and that the actions of the joint receivers in respect of those shares will not give rise to any other event of default in respect of the group's borrowings which would force the group's principal lender to withdraw those facilities. The principal direct and indirect effects of the withdrawal by the lender of the group's borrowings, are that:

- i the group's own bank loan facilities and its cross collateralised borrowings of the company's group to the group's principal lender, as set out in note 13, totalling £40,669,953 at the year end, become immediately repayable and further costs could arise in respect of the interest rate arrangements that fix the interest rates on those loans, the level of which would depend on the market rates of interest prevailing at the time of such a termination,
- ii if not repaid when due, the principal lender to the company's United Kingdom holding company could exercise its share pledges over that holding company and its group companies and take control or could exercise its security direct over the company's investment properties. The group's principal lender may seek to sell the holding company, individual companies or dispose of assets separately or together and at a time of its own choosing. This process may not represent an orderly realisation in the normal course of business so the company's investment properties would, probably, only be realised at values significantly less than their carrying values in these financial statements, and
- iii if a realisation of the company's investment properties is carried out then a tax liability would arise on any sale of the properties at values in excess of cost. No provision is made in the financial statements for any such tax liability. A disposal based on the carrying value of the properties as at the year end would have resulted in a tax liability crystallising, estimated at £1,647,000, as referred to in note 10.



# **SAMNAS LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

### **ACCOUNTING POLICIES**

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#### **Investment properties**

In accordance with Statement of Standard Accounting Practice 19

- investment properties, comprising of freehold reversionary interests, are revalued annually on an open market value basis and the aggregate surplus or deficit is transferred to a revaluation reserve, and
- no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run

Freehold reversionary interests are more akin to financial investments, as they generate income in the form of annual ground rents and other ancillary income streams such as fees for lease extensions and assignments. Recognising the unusual nature of these investment properties and the lack of a regular market for such significant portfolios of such assets the directors are of the opinion that the best approximation to an open market value for these properties as required under SSAP 19 is provided by a valuation of the income streams generated by these assets.

This treatment, as regards the company's investment properties, is a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation 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.

#### **Turnover**

Turnover comprises rent receivable and other operating income arising from investment properties.

#### **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.

No provision is made for deferred tax on unrealised gains recognised on revaluing property to its market value.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis.

#### **Cash flow statement**

The company has taken the advantage of the small company exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1.

# **SAMNAS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2009**

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#### **1 Turnover**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Rent receivable	<b>447,252</b>	<b>75,071</b>
Other income	<b>104,438</b>	<b>9,357</b>
	<b>£ 551,960</b>	<b>£ 84,428</b>

#### **2 Interest payable and similar charges**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Interest on parent company loan	<b>210,803</b>	<b>130,013</b>
Parent company finance charges	<b>18,558</b>	<b>22,638</b>
	<b>£ 229,361</b>	<b>£ 152,651</b>

#### **3 Profit/(loss) on ordinary activities before taxation**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
The profit/(loss) on ordinary activities before taxation is stated after charging		
Auditors' remuneration	<b>£ 5,000</b>	<b>£ 6,000</b>

#### **4 Employees and directors**

Other than the directors, who received no remuneration, no persons were employed during the year

# SAMNAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2009

#### 5 Taxation

	2008 £	2007 £
Current tax		
UK corporation tax on profits/(losses) of the year	-	-
Total current tax	£ -	£ -
Factors affecting tax charge for the year		
Profit/(loss) on ordinary activities before tax	248,198	(80,904)
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 28% (2008 28%)	69,495	(22,653)
Effects of		
Losses (utilised)/carried forward	(22,653)	22,653
Group relief	(48,014)	-
Chargeable gains adjustment	1,116	-
Disallowable expenditure	56	-
Current tax charge for the year	£ -	£ -

The company has estimated losses of £Nil (2008 £80,904) available to carry forward against future trading profits

No deferred tax asset has been recognised in respect of these losses due to the uncertainty of recovery

#### 6 Fixed assets

Investment properties:	Freehold reversionary interests £
Valuation/Cost:	
As at 1 January 2009	13,823,000
Additions	174,968
Revaluation	(174,968)
Disposals	(7,420)
As at 31 December 2009	£ 13,815,580

The investment properties represent a portfolio of ground rents

At 31 December 2009 the directors have valued the investment properties at £13,815,580 (2008 £13,823,000)

The basis of this valuation was to project and discount the income streams generated by the portfolio over 50 years

The historical cost of the properties was £8,067,301 (2008 £7,895,769)

**SAMNAS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2009****7 Debtors**

	2009 £	2008 £
Trade debtors	171,316	195,589
Other debtors	-	201,600
	<u>£ 171,316</u>	<u>£ 397,189</u>

**8 Creditors - amounts falling due within one year:**

	2009 £	2008 £
Accruals and deferred income	<u>£ 65,522</u>	<u>£ 158,961</u>

**9 Creditors - amounts falling due in more than one year:**

	2009 £	2008 £
Amount due to parent undertaking	<u>£ 8,001,816</u>	<u>£ 8,214,900</u>

The amount due, subject to note 13, is unsecured and has no specific repayment date. Despite the loan being repayable on demand it is not the intention for the loan to be repaid within one year and it has therefore been treated as due after more than one year. Interest is charged on the loan at Libor + 1%

**10 Deferred taxation**

No provision for deferred taxation has been made in respect of the property held as an investment, which is included in these financial statements at a valuation of £13,815,580 (2008 £13,823,000). It is estimated that if the property were to be sold at that valuation the tax liability would amount approximately to £1,647,000 (2008 £1,660,000).

**11 Share capital**

	2009 £	2008 £
Equity		
Allotted, issued and fully paid		
1 ordinary share of £1 each	<u>£ 1</u>	<u>£ 1</u>

# **SAMNAS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **12 Reserves and reconciliation of movements in shareholders' funds**

	<b>Revaluation reserve £</b>	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
Opening shareholders' funds	5,927,231	1	(80,904)	5,846,328
Profit for the year	-	-	248,198	248,198
Revaluation	(174,968)	-	-	(174,968)
Transfer	(3,985)	-	3,985	-
<b>Closing shareholders' funds</b>	<b>5,748,278</b>	<b>1</b>	<b>171,279</b>	<b>£ 5,919,558</b>

#### **13 Contingent liability**

The company has given an unlimited guarantee in respect of some of the indebtedness of its United Kingdom holding company and the related parties Fairhold Holdings No.4 (Appts) Limited, Fairhold Holdings (2008 Q4A) Limited, Limited, Fairhold Holdings (2009 Q1) Limited and Fairhold Holdings (2007 Q4) Limited. These parties are related by virtue of common control and common directors. The guarantee is supported by a debenture and a charge over the company's investment properties. The total amount outstanding subject to the guarantee at 31 December 2009 was £40,669,953 (2008 £32,077,101). These borrowings were due for repayment in full in March 2010 and are currently being extended on a month by month basis.

#### **14 United Kingdom holding company**

The company is a wholly owned subsidiary undertaking of Fairhold Holdings (2008 Q3) Limited, which is registered in England and Wales. This parent undertaking is the holding company of both the largest and smallest group for which consolidated accounts are prepared and of which the company is a member. Copies of the financial statements are available from Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ.

#### **15 Ultimate holding company**

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

#### **16 Ultimate controlling party**

The ultimate controlling party is the Tchenguiz Family Trust.

#### **17 Related party transactions**

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose intra-group related party transactions between group undertakings where 100% of the voting rights are controlled within the group.

During the year the company incurred management charges totalling £79,751 (2008 £6,681) from Estates & Management Limited a related party by virtue of common control and common directors.