

FAIRWIM HOLDINGS INVESTMENT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012



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COMPANIES HOUSE

Company No: 08008587

FAIRWIM HOLDINGS INVESTMENT LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

W K Procter
C C McGill

SECRETARY

P Hallam

REGISTERED OFFICE

Molteno House
302 Regents Park Road
London
N3 2JX

FAIRWIM HOLDINGS INVESTMENT LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements for the period ended 31 December 2012

Principal activities

The principal activity of the company during the period was that of acting as a holding company for subsidiary companies engaged in property investment

Review of the business and future developments

The directors are satisfied with the result for the period and the financial position of the company at the year end. It commenced business on 27 March 2012

Results and dividends

The profit for the period was £615. The directors do not recommend the payment of a dividend

Directors

The directors who served during the year were as follows

W K Procter
C C McGill

Statement of director's 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 accounting 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

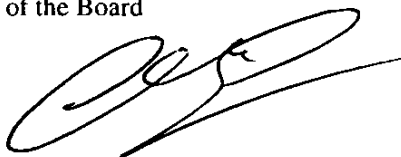
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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

FAIRWIM HOLDINGS INVESTMENT LIMITED

DIRECTORS' REPORT

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

By order of the Board



C C McGill

Director

8th JAN 2014

2014

FAIRWIM HOLDINGS INVESTMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2012

	Notes	2012 £
Administration costs		-
Operating profit		<u>-</u>
Interest receivable and similar income	2	615
Profit on ordinary activities before taxation	3	<u>615</u>
Tax on profit on ordinary activities	2	-
Profit on ordinary activities after taxation	9	<u>£ 615</u>

The operating loss arises from continuing operations

FAIRWIM HOLDINGS INVESTMENT LIMITED

BALANCE SHEET (Company Registration Number: 08008587)

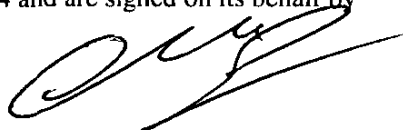
AT 31 DECEMBER 2012

	Notes	2012 £
Fixed assets		
Investments	5	100
Current assets		
Debtors	6	257,010
Net current assets		257,010
Total assets less current liabilities		257,110
Creditors: amounts falling due after more than one year	7	(256,395)
Net assets		£ 715
Capital and reserves		
Called up share capital	8	100
Revaluation reserve	9	-
Profit and loss account	9	615
Shareholders' funds	9	£ 715

For the period ending 31/12/2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements on pages 4 to 10 were approved by the board of directors and authorised for issue on 8/1/2014 and are signed on its behalf by



C C McGill
Director

FAIRWIM HOLDINGS INVESTMENT LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

ACCOUNTING POLICIES

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 group funding structure. The directors have assessed the operation of the structure and have determined that the company has, or can expect to have, sufficient working capital for its needs for at least 12 months from the date of approval of these financial statements. Additionally, the ultimate controlling party has agreed that should the company require any additional funding over this period, then this funding will be made available to the company. In view of this the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

Investment properties

The company's holdings of Freehold reversionary interests and long leasehold interests are classified as Investment Properties and accounted for in accordance with Statement of Standard Accounting Practice (SSAP 19) 'Accounting for Investment Properties'.

These assets, as their name implies, represents interests held in the freehold land on which other third party developers have built and sold long leasehold properties. As such these assets are more akin to financial investments, as they generate income in the form of annual ground rents and other ancillary income streams.

Recognising the unusual nature of these investment properties and the lack of a regular market for such significant portfolios of such assets, which are in a distinct contrast with the more regular "bricks and mortar" investment properties commonly accounted for under SSAP 19, 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.

The valuation of the entire portfolio is undertaken by the directors. Any surplus identified over the cost of the asset is accounted for as an unrealised gain and taken to the revaluation reserve, any deficits are applied firstly to any previously identified surpluses and any residual amount written off to the profit and loss account.

No depreciation or amortisation is provided in respect of investment properties.

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 director considers 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 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.

Rental income is recognised in accordance with the terms of the lease.

FAIRWIM HOLDINGS INVESTMENT LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

ACCOUNTING POLICIES

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

FAIRWIM HOLDINGS INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

1 Interest receivable and similar income

	2012 £
Interest on subsidiary undertaking loan	£ 615

2 Profit on ordinary activities before taxation

	2012 £
The profit on ordinary activities before taxation is stated after charging Auditors' remuneration	-

3 Employees and directors

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

4 Taxation

	2012 £
Current tax	
UK corporation tax on (losses)/profits of the year	-
Total current tax	£ -
Factors affecting tax charge for the year	
(Loss)/profit on ordinary activities before tax	615
(Loss)/profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 24% (2011 26%)	148
Effects of	
Group relief surrendered without charge	-
Losses carried forward	-
Total current tax	£ -

The company has estimated losses of £Nil available to carry forward against future profits. No provision has been made for the deferred tax asset arising on these losses due to the uncertainty of recovery.

FAIRWIM HOLDINGS INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

5 Fixed Asset Investments

	Shares in subsidiary undertakings £
Cost	
As at 27 March 2012 and 31 December 2012	£ 100

The company holds a 100% interest in the ordinary share capital of the following companies

Name	Nature of business
Fairwim Properties No 1 Limited	Property investment

The subsidiary company is incorporated in, and have their place of business in, England

The aggregate amount of capital and reserves and the results of these undertaking for the period ended 31 December 2012 were as follows

	Capital and reserves £	Loss for the year £
Fairwim Properties No 1 Limited	£ 100	£ (29,638)

6 Debtors

	2012 £
Amounts due from related party (Note 11)	255,510
Sundry Debtor	1,500
	£ 257,010

7 Creditors: amounts falling due after more than one year

	2012 £
Amounts due to Subsidiary Undertaking	£ 256,395

The amounts owed to subsidiary undertakings are unsecured and have no specific repayment date. Despite the loans being repayable on demand it is not the intention for the loans to be repaid within one year and they have therefore been treated as due after more than one year. Interest is charged on the loans at LIBOR + 1%

8 Share capital

	2012 £
Equity	
Allotted, issued and fully paid	
100 ordinary shares of £1 each	£ 100

FAIRWIM HOLDINGS INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

9 Reserves and reconciliation of movements in shareholders' funds

	Profit and loss account £	Share capital £	Total shareholders' funds £
Opening shareholders' funds	-	100	100
Profit for the period	615	-	615
Closing shareholders' funds	615	100	715

10 Ultimate holding company

The directors regard the ultimate holding company to be Augustus Investment Holdings Limited, a company incorporated in the British Virgin Islands

11 Ultimate controlling party

The ultimate controlling party is the VT One Property Trust

12 Related party transactions

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group

At 31 December 2012 the company was owed £255,510 from its controlling party, Mr V Tchenguiz. No interest was charged on amounts owed during the year.