

**GREATERHAVEN LIMITED**

Company No: 2232835

**FINANCIAL STATEMENTS**

**for the year ended**

**30 SEPTEMBER 1999**



# GREATERHAVEN LIMITED

## **DIRECTORS**

Mr. Sighismond Berger  
Mr. Samuel Berger  
Mrs. Lily Berger  
Mr. Berish Berger  
Mrs. Pessie Berger  
Mr. Milton Gross  
Mrs. Rifka Gross  
Mrs. Sarah Rachel Klein  
Mrs. Zelda Sternlicht  
Mr. Abraham Klein  
Mr. Joshua Sternlicht

## **SECRETARY**

Mrs. Pessie Berger

## **REGISTERED OFFICE**

13-17 New Burlington Place  
Regent Street  
London W1S 2HL

## **AUDITORS**

Cohen Arnold & Co.  
13-17 New Burlington Place  
Regent Street  
London W1S 2HL

**GREATERHAVEN LIMITED**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

Page

1-2	Directors' Report
3	Auditors' Report
4	Auditors' Report of Exemption from Preparing Group Financial Statements
5	Profit & Loss Account
6	Balance Sheet
7-13	Notes to the Financial Statements

## **GREATERHAVEN LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 September 1999.

#### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The company's principal activities during the year were those of property investment and acting as a parent undertaking.

#### **RESULTS AND DIVIDEND**

The financial results of the company's activities for the year ended 30 September 1999, are fully reflected in the attached financial statements together with the notes thereon.

The directors do not recommend the payment of a dividend for the year under review.

#### **LAND AND BUILDINGS**

The company's investment properties are included in the Balance Sheet at cost.

The directors are of the opinion that the open market value of the company's investment property is at least equal to the amount at which it is included in the financial statements.

#### **DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL**

The directors who served during the year and their interest in the share capital of the company are as follows:

Mr. Sighismond Berger  
Mr. Samuel Berger  
Mr. Berish Berger  
Mr. Milton Gross  
Mrs. Sarah Rachel Klein  
Mrs. Zelda Sternlicht  
Mr. Abraham Klein  
Mr. Joshua Sternlicht

Messrs. Berish Berger, Milton Gross and Abraham Klein held a joint interest in 99 ordinary shares of the company as trustees of the S. Berger Settlement.

The Articles of Association do not require the directors to retire by rotation.

No director has a service contract with the company.

## **GREATERHAVEN LIMITED**

### **DIRECTORS' REPORT**

(Cont'd)

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the company and of its profit or loss for that period. In preparing the financial statements, the directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- iv) 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 maintaining 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.

#### **DONATIONS**

During the year the company made no charitable donations or political contributions.

#### **CLOSE COMPANY**

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

#### **AUDITORS**

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

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

**On behalf of the Board**

  
.....  
**Mrs. Sarah Rachel Klein - Director**

Date: 26<sup>th</sup> <sup>March</sup> ~~December~~ 2002

**REPORT OF THE AUDITORS, COHEN ARNOLD & CO.**

**TO THE MEMBERS OF**

**GREATERHAVEN LIMITED**

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As indicated in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

**BASIS OF OPINION**

We have conducted our audit in accordance with auditing standards 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 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.

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 and to give reasonable assurance that the financial statements are free from material mis-statement, 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.

**DEPARTURE FROM ACCOUNTING STANDARDS**

The directors have not fully complied with the disclosure requirements of Financial Reporting Standard No: 8 (FRS 8). It is considered that amounts due from related parties are £738,753 and amounts due to related parties are £1,880,787.

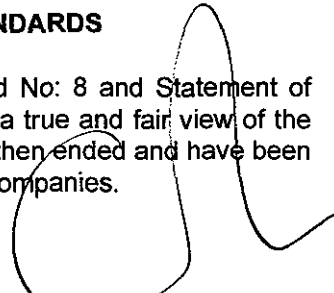
The company's investment property is included in the financial statements on the basis indicated in Note 1 on Accounting Policies. This does not comply with the requirements of Statement of Standard Accounting Practice No. 19 which requires such property to be stated at open market value. However, as stated in their report, the directors are of the opinion that the company's investment property has an open market value at least equal to the amount at which it is included in the financial statements.

**QUALIFIED OPINION ARISING FROM DEPARTURE FROM ACCOUNTING STANDARDS**

Except for non-compliance with the requirements of Financial Reporting Standard No: 8 and Statement of Standard Accounting Practice No: 19, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

London

Date: 26<sup>th</sup> March 2002

  
COHEN ARNOLD & CO  
Chartered Accountants and  
Registered Auditor

**AUDITORS' REPORT TO THE DIRECTORS OF**  
**GREATERHAVEN LIMITED PURSUANT TO**  
**SECTION 248(3) OF THE COMPANIES ACT 1985**

We have examined the financial statements of the company and its subsidiaries for the year ended 30 September 1999.

**BASIS OF OPINION**

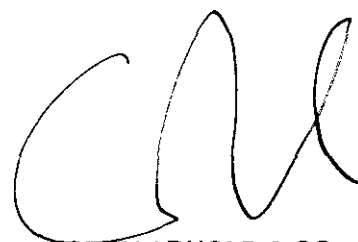
The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

**OPINION**

In our opinion, the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.

London

Date: 26<sup>th</sup> March 2002



COHEN ARNOLD & CO  
Chartered Accountants and  
Registered Auditor

**GREATERHAVEN LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

		<b><u>1999</u></b>		<b><u>1998</u></b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net rental income	<b>3</b>		367,104		204,053
Other operating income	<b>4</b>		45,000		-
Administrative expenses	<b>5</b>		(39,610)		(19,200)
			<hr/>		<hr/>
<b>OPERATING PROFIT</b>			372,494		184,853
Surplus on disposal of investment property	<b>6</b>	41,214		357,033	
Interest receivable and similar income		2,378		5,636	
Income from shares in group undertakings		-		1,971,250	
Interest payable and similar charges	<b>7</b>	(224,089)		(412,701)	
Exceptional items	<b>8</b>	7,248		(5,005,815)	
			<hr/>		<hr/>
			(173,249)		(3,084,597)
			<hr/>		<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			199,245		(2,899,744)
Taxation	<b>9</b>		-		27,566
			<hr/>		<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>			199,245		(2,872,178)
Adverse balance brought forward			(3,184,221)		(312,043)
			<hr/>		<hr/>
<b>ADVERSE BALANCE CARRIED FORWARD</b>			£(2,984,976)		£(3,184,221)
			<hr/>		<hr/>

The company acquired its property investment portfolio during the preceding accounting period.

The company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the year under review or for the previous period.

The notes on pages 7 to 13 form part of these financial statements.

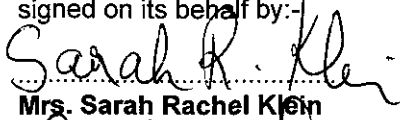


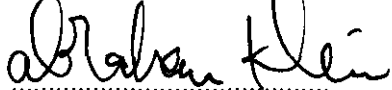
**GREATERHAVEN LIMITED**

**BALANCE SHEET AS AT 30 SEPTEMBER 1999**

		<b><u>1999</u></b>		<b><u>1998</u></b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible assets	<b>10</b>	5,904,362		5,927,519	
Investments	<b>11</b>	9,841,701		9,841,701	
		15,746,063		15,769,220	
<b>CURRENT ASSETS</b>					
Debtors	<b>12</b>	959,743	499,088		
Cash at bank and in hand		110,236	136,198		
		1,069,979	635,286		
<b>CREDITORS: Amounts falling due within one year</b>	<b>13</b>	(12,012,309)	(11,763,316)		
<b>NET CURRENT LIABILITIES</b>		(10,942,330)		(11,128,030)	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,803,733		4,641,190	
<b>CREDITORS: Amounts falling due after one year</b>	<b>14</b>	(2,418,984)	(2,455,686)		
<b>NET ASSETS</b>		£2,384,749		£2,185,504	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	<b>15</b>	5,369,725	5,369,725		
Profit and loss account		(2,984,976)	(3,184,221)		
		£2,384,749		£2,185,504	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board on 26<sup>th</sup> March 2002 and signed on its behalf by:-

  
Mrs. Sarah Rachel Klein

  
Mr. Abraham Klein

Directors

The notes on pages 7 to 13 form part of these financial statements.

## **GREATERHAVEN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 1999**

#### **1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in the preparation of the company's financial statements.

##### **1.1 BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards except for the policy of accounting for investment property referred to in Note 1.2 below.

##### **1.2 INVESTMENT PROPERTY**

Investment property is included in the balance sheet at historical cost, which is not in accordance with Statement of Standard Accounting Practice No. 19, which requires such property to be stated at current market value.

##### **1.3 DEPRECIATION**

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of freehold investment properties or on leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the directors consider that this accounting policy results in the financial statement giving a true and fair view.

Fixtures and fittings are depreciated so as to write off their respective costs over their estimated useful lives at 15% per annum on the reducing balance basis.

Low value items of furniture and fittings are written off in the year in which they are acquired.

##### **1.4 ACQUISITION AND DISPOSAL OF PROPERTY**

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

##### **1.5 CASH FLOW STATEMENT**

The company is exempt from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No. 1) on the basis of it being a "small company" as defined by Section 247 Companies Act 1985.

##### **1.6 GROUP ACCOUNTS**

The company has taken advantage of the exemption in Section 248 of the Companies Act 1985, not to prepare group financial statements.

#### **2. FORMAT OF FINANCIAL STATEMENTS**

The financial statements are presented in accordance with the format described in Schedule 4 of the Companies Act 1985 with suitable adaptation thereof which the directors consider to be appropriate having regard to the nature of the company's activities.

**GREATERHAVEN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**3. TURNOVER**

The turnover of the company is represented by rents and charges receivable in respect of its investment property.

The net rental income is comprised as follows:

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Rents and charges receivable	804,165	707,256
Property outgoings	(437,061)	(503,203)
	<hr/>	<hr/>
<b>NET RENTAL INCOME</b>	<b>£367,104</b>	<b>£204,053</b>
	<hr/>	<hr/>

**4. OTHER OPERATING INCOME**

	<b>£</b>	<b>£</b>
Commission receivable	£45,000	£-
	<hr/>	<hr/>

**5. ADMINISTRATIVE EXPENSES**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Directors' emoluments	22,400	-
Auditors' remuneration	7,285	3,466
Accountancy fees	4,700	5,875
Legal and professional	2,680	8,225
Office and administration costs	2,545	1,634
	<hr/>	<hr/>
	<b>£39,610</b>	<b>£19,200</b>
	<hr/>	<hr/>

**GREATERHAVEN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**6. SURPLUS ON DISPOSAL OF INVESTMENT PROPERTY**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Net sale proceeds	67,031	1,073,246
Cost of properties sold	(25,817)	(716,216)
	<hr/>	<hr/>
	£41,214	£357,033
	<hr/>	<hr/>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Bank loans and overdrafts	229	180,338
Mortgage interest	191,721	52,808
Finance costs	32,139	179,555
	<hr/>	<hr/>
	£224,089	£412,701
	<hr/>	<hr/>

**8. EXCEPTIONAL ITEMS**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Payment under bank guarantee	(7,248)	1,026,025
Revaluation of subsidiary undertakings (see note 10)	-	3,979,790
	<hr/>	<hr/>
	£(7,248)	£5,005,815
	<hr/>	<hr/>

**9. TAXATION**

	<b>£</b>	<b>£</b>
Consideration received for tax losses surrendered	£-	£27,566
	<hr/>	<hr/>

**GREATERHAVEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**10. TANGIBLE FIXED ASSETS**

	<b><u>Freehold Property</u></b>	<b><u>Leasehold Property</u></b>	<b><u>Fixtures &amp; Fittings</u></b>	<b><u>Total</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost:</b>				
<i>At 1<sup>st</sup> October 1998</i>	5,002,351	874,869	59,175	5,936,395
Additions	-	-	12,006	12,006
Disposals	(25,817)	-	-	(25,817)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>At 30<sup>th</sup> September 1999</i>	£4,976,534	£874,869	£71,181	£5,922,584
	<hr/>	<hr/>	<hr/>	<hr/>

**Depreciation:**

<i>At 1<sup>st</sup> October 1998</i>	-	-	8,876	8,876
Charge for the year	-	-	9,346	9,346
	<hr/>	<hr/>	<hr/>	<hr/>
<i>At 30<sup>th</sup> September 1999</i>	£-	£-	£18,222	£18,222
	<hr/>	<hr/>	<hr/>	<hr/>

**Net book value:**

<i>At 30<sup>th</sup> September 1999</i>	£4,976,534	£874,869	£52,959	£5,904,362
	<hr/>	<hr/>	<hr/>	<hr/>
<i>At 30<sup>th</sup> September 1998</i>	£5,002,351	£874,869	£50,299	£5,927,519
	<hr/>	<hr/>	<hr/>	<hr/>

**11. INVESTMENTS**

**£**

Investments in subsidiaries at cost:

<i>At 1<sup>st</sup> October 1998 and 30<sup>th</sup> September 1999</i>	<hr/> <hr/>
	£9,481,701

The carrying value of the company's investment in its subsidiary undertakings has been written down to reflect a permanent diminution in value.

The members voluntary liquidation of all the company's subsidiary undertakings which commenced on 12<sup>th</sup> November 1999 was completed on 29<sup>th</sup> September 2000 when the company received a capital distribution of £9,841,701.

**GREATERHAVEN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**11. INVESTMENTS (Cont)**

The Company's direct active subsidiaries are as follows:	<u>Holdings of Ordinary Shares</u>
Amebif Co. Limited	99%
Bergmand Co. Limited	99%
Brackham Co. Limited	99%
Daromis Co. Limited	99%
Eliman Co. Limited	99%
Evatine Co. Limited	99%
Highstone Properties Limited	100%
Keter Co. Limited	99%
Mitapel Co. Limited	99%
Safsai Co. Limited	99%

In addition, Highstone Properties Limited has the following direct active subsidiaries:-

Banrom Co. Limited	99%
Gritex Co. Limited	99%
Sedware Co. Limited	99%
Shulfield Co. Limited	99%

All the above, except for Highstone Properties Limited, are property investment companies. Highstone Properties Limited is a holding company. All of the above companies are registered in England.

The value of the investments in the subsidiary undertakings based on the net equity method is as follows:-

	<b>Aggregate Capital and Reserves at 12<sup>th</sup> November 1998</b>	<b>Profit/(Loss) for the period ended 12<sup>th</sup> November 1998</b>
	£	£
Amebif Co. Limited	1,122,609	359,219
Banrom Co. Limited	1,033,496	489,464
Bergmand Co. Limited	321,413	128,177
Brackham Co. Limited	500,611	183,805
Daromis Co. Limited	691,950	314,121
Eliman Co. Limited	1,011,373	583,747
Evatine Co. Limited	855,009	316,531
Gritex Co. Limited	717,012	501,973
Highstone Properties Limited	420,941	(105,232)
Keter Co. Limited	290,155	150,276
Mitapel Co. Limited	1,106,498	372,405
Safsai Co. Limited	1,084,513	553,677
Sedware Co. Limited	295,105	(13,845)
Shulfield Co. Limited		

**GREATERHAVEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**12. DEBTORS**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Rental related debtors	148,232	129,472
Taxation recoverable	280	280
Loan debtors	738,753	317,420
Sundry debtors and prepayments	72,478	51,916
	<hr/>	<hr/>
	£959,743	£499,088
	<hr/>	<hr/>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Current instalment of mortgage advance	35,000	35,000
Bank overdraft	-	52,648
Amounts due to subsidiary undertakings	9,967,420	9,967,420
Loan creditors	1,880,787	1,582,088
Sundry creditors and accruals	129,102	126,160
	<hr/>	<hr/>
	£12,012,309	£11,763,316
	<hr/>	<hr/>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Mortgage advance (secured)	2,453,984	2,490,686
<u>Less:</u> Current instalment	(35,000)	(35,000)
	<hr/>	<hr/>
	£2,418,984	£2,455,686
	<hr/>	<hr/>

The mortgage advance, which is secured by a first legal charge over certain of the company's properties, is repayable on 30<sup>th</sup> June 2023.

**GREATERHAVEN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**15. SHARE CAPITAL**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
<u>Authorised</u>		
100 ordinary shares of £1 each	£100	£100
<u>Issued and Fully Paid</u>		
100 ordinary shares of £1 each	100	100
<u>Share Premium Account</u>		
On issue of shares	5,369,625	5,369,625
	<u>£5,369,725</u>	<u>£5,369,725</u>

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b><u>1999</u></b> <b>£</b>	<b><u>1998</u></b> <b>£</b>
Profit(loss) for financial year	199,245	(2,872,178)
Net movement to shareholders' funds	199,245	(2,872,178)
Opening shareholders' funds	2,185,504	5,057,682
	<u>£2,384,749</u>	<u>£2,185,504</u>

**17. CONTROLLING PARTY**

The share capital of the company is owned by Messrs Milton Gross, Berish Berger and Abraham Klein as trustees of the Sighismond Berger Settlement. Their families are numbered among the beneficiaries of the Settlement. All trustees are related to the members of the board of this company.