

Westmount London Limited
Annual report
for the year ended 31 March 1995

Registered no: 2601874



Westmount London Limited

Annual report for the year ended 31 March 1995

Registered no: 2601874

	Pages
Directors and advisers	1
Directors' report	2 - 3
Directors' responsibilities	4
Report of the auditors	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9 - 13

Directors and advisers

Directors

E Zakay
S Zakay (appointed 20 February 1995)

Secretary

E Zakay

Registered office

Meares House
194/196 Finchley Road
LONDON
NW3 6BX

Registered Auditors

Coopers & Lybrand
1 Embankment Place
LONDON
WC2N 6NN

Bankers

Barclays Bank
Piccadilly Business Centre
160 Piccadilly
LONDON
W1A 2AB

Directors' report for the year ended 31 March 1995

The directors present their report and the audited financial statements for the year ended 31 March 1995.

Principal activities

The profit and loss account for the year is set out on page 7.

The principal activity of the company is that of Property Investment.

Review of business and future developments

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends and transfers to reserves

The directors do not recommend payment of a dividend for the year. The profit for the financial year of £25,560 (1994: loss £4,797) will be transferred to reserves.

Directors' interests in shares of the company

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

S Zakay (appointed 20 February 1995)

E Zakay

No directors held beneficial interests in the shares of the company at 31 March 1995 or at any time during the year.

The director do not have a beneficial interest in the shares of the immediate or ultimate parent companies.

Changes in fixed assets

The movements in fixed assets during the year are set out on note 6 to the financial statements.

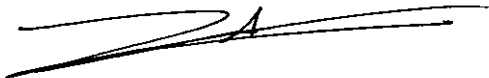
Taxation status

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



E Zakay
Company secretary
22 January 1996

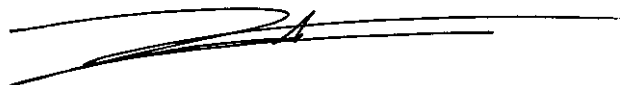
Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1995. The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board



E Zakay
Company secretary
22 January 1996

Report of the auditors to the members of Westmount London Limited

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of the directors and auditors

As described on page 4 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 those statements and to report our opinion to you.

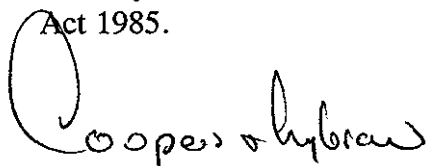
Basis of opinion

We 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 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.

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 of the state of the company's affairs at 31 March 1995 and of its profit and total recognised gains and losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors

London

22 January 1996

Profit and loss account for the year ended 31 March 1995

	Notes	1995 £	1994 £
Turnover	2	352,822	-
Administrative expenses		(13,009)	(5,041)
Operating profit / (loss)		339,813	(5,041)
Interest receivable		1,021	244
Interest payable	5	(315,274)	-
Profit / (loss) on ordinary activities before taxation	3	25,560	(4,797)
Taxation	6	-	-
Retained profit / (loss) for the financial year	14	25,560	(4,797)

All expenses and profits/ (losses) derive from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

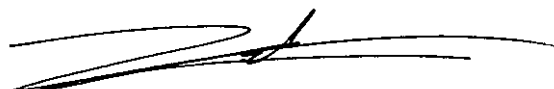
Statement of total recognised gains and losses

	Notes	1995 £	1994 £
Retained profit / (loss) for the financial year		25,560	(4,797)
Unrealised surplus on revaluation of property	14	-	65,762
Total gains recognised since last annual report		25,560	60,965

Balance sheet at 31 March 1995

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	7	<u>4,500,000</u>	<u>4,500,000</u>
Current assets			
Debtors	8	-	5,644
Cash at bank and in hand		<u>81,920</u>	<u>83,854</u>
		81,920	89,498
Creditors: amounts falling due within one year	9	<u>(974,395)</u>	<u>(1,007,533)</u>
Net current (liabilities)/assets		<u>(892,475)</u>	<u>(918,035)</u>
Total assets less current liabilities		3,607,525	3,581,965
Creditors: amounts falling due after more than one year	10	<u>(3,520,000)</u>	<u>(3,520,000)</u>
Net assets		<u>87,525</u>	<u>61,965</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Revaluation reserve	14	65,762	65,762
Profit and loss account - (deficit)	14	<u>20,763</u>	<u>(4,797)</u>
Equity shareholders' funds	13	<u>87,525</u>	<u>61,965</u>

The financial statements on pages 6 to 13 were approved by the board of directors on 22 January 1996 and were signed on its behalf by:



E Zakay
Director

Notes to the financial statements for the year ended 31 March 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. However, compliance with SSAP19 'Accounting for investment properties', requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given in the note relating to tangible fixed assets below. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

(b) Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

In accordance with SSAP19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation on the revalued properties of £90,000 assuming a depreciation rate of 2% per annum.

Full valuations are made by independent professionally qualified valuers every five years and in the intervening years these valuations are updated by the director with the assistance of independent professional advice as required. The basis of valuation is explained in note 6.

(c) Turnover

Turnover, which excludes value added tax, represents rents receivable.

(d) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

(e) Cash flow statement

The company is a wholly owned subsidiary of Topland Group plc, its ultimate parent, and its cash flows are included within the consolidated group cashflow statement.

Consequently the company is exempt from the requirement to publish a cash flow statement.

2 Turnover and profit/(loss)

The turnover and profit/(loss) before taxation are attributable to the principal activity of the company. Turnover consists entirely of rental income arising in the United Kingdom.

3 Profit/(loss) on ordinary activities before taxation is stated after charging:

	1995 £	1994 £
Auditors' remuneration	716	500
	<u> </u>	<u> </u>

4 Directors' emoluments

The directors, who were the only employees of the company during the year, received no emoluments for their services as a director in the year (1994: £ Nil).

5 Interest Payable

	1995 £	1994 £
On loans repayable after 5 years by instalments	315,274	-
	<u> </u>	<u> </u>

6 Taxation

Due to group relief surrendered there is no tax charge on profit from ordinary activities in the year (1994: £ Nil).

7 Tangible fixed assets

	1995 £	1994 £
Investment property - freehold		
Valuation		
At 1 April	4,500,000	4,434,238
Revaluation	-	65,762
At 31 March	<u>4,500,000</u>	<u>4,500,000</u>

The investment property, was valued at the time of its acquisition in March 1994 at £4,400,000 by Savills Commercial Property Consultants, a firm of independent chartered surveyors, on an open market value basis. This valuation has been updated by the director of the company, on an open market basis, at 31 March 1995.

Had the property not been revalued it would have been included at a net book value of £4,345,552 (1994: £4,434,238) assuming a depreciation rate of 2%.

In accordance with the accounting policy, no deferred tax has been provided in respect of the gain that would arise if the property was disposed of in the foreseeable future. This is because the director has no intention to dispose of the property within the foreseeable future. (See note 11)

8 Debtors

	1995 £	1994 £
Sundry debtors	-	5,644

9 Creditors: amounts falling due within one year

	1995 £	1994 £
Amounts due to immediate parent company	839,365	-
Amounts due to ultimate parent company	8,050	859,365
Amounts due to a fellow subsidiary undertakings	13,170	16,852
Other creditors	15,314	37,893
Bank overdraft	12,171	-
Deferred income	80,842	83,665
Accruals	5,483	9,758
	<u>974,395</u>	<u>1,007,533</u>

Amounts due to group companies bear no interest and have no fixed terms of repayment.

10 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Bank loan	<u>3,520,000</u>	<u>3,520,000</u>

The bank loan is secured by a first legal charge on the investment property, an assignment over the company's rental income and a floating charge over the company's other assets. Any interest shortfall is guaranteed by Westmount Group Plc, the immediate parent company. The loan bears interest at 1% above the lenders cost of funds and capital is repayable at 2.5% per annum as from 1 March 2000 with the balance repayable either on 1 March 2001 at the company's option, or on 1 March 2004 in full.

11 Deferred taxation

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability at 33% are as follows:

	Amount provided		Amount unprovided	
	1995 £	1994 £	1995 £	1994 £
Tax effect of timing difference				
Revaluation of investment property (before indexation)	<u>-</u>	<u>-</u>	<u>21,702</u>	<u>20,448</u>

No provision has been made in respect of timing difference as the director does not expect it to crystallise in the foreseeable future. The director has indicated that he does not have an intention of disposing of the property in the foreseeable future.

12 Called up share capital

	1995 £	1994 £
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

13 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Opening shareholders' funds	61,965	1,000
Retained profit / (loss) for the financial year	25,560	(4,797)
Movement in revaluation reserve (note 7)	-	65,762
	<u> </u>	<u> </u>
Closing shareholders' funds	87,525	61,965
	<u> </u>	<u> </u>

14 Reserves

	Profit and loss account £	Revaluation reserve £
At 1 April 1994	(4,797)	65,762
Retained profit for the year	25,560	-
	<u> </u>	<u> </u>
At 31 March 1995	20,763	65,762
	<u> </u>	<u> </u>

15 Immediate and ultimate parent company

The company's immediate parent company is Westmount Group Plc, registered in England and Wales.

The company's ultimate parent company is Topland Group Plc, registered in England and Wales. Copies of the consolidated accounts of Topland Group Plc can be obtained from The Secretary, Meares House, 194/196 Finchley Road, London NW3 6BX.