

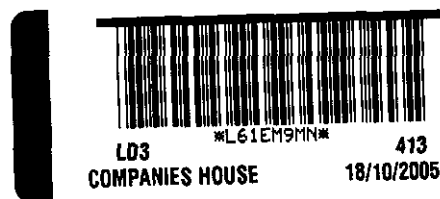
**REGISTRAR OF
COMPANIES**

Westmount London Limited

Report and Financial Statements

Year Ended

31 May 2005



BDO

BDO Stoy Hayward
Chartered Accountants

Westmount London Limited

Annual report and financial statements for the year ended 31 May 2005

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Directors

E Zakay
S Zakay

Secretary and registered office

C Moharm, 8 Baker Street, London, W1U 3LL

Company number

2601874

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

Bankers

Barclays Bank Plc, Pall Mall Corporate Group, 50 Pall Mall, London, SW1A 1QA

Westmount London Limited

Report of the directors for the year ended 31 May 2005

The directors present their report together with the audited financial statements for the year ended 31 May 2005.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

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

Principal activities, review of business and future developments

The company's principal activity is that of property investment.

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

Directors

The directors of the company during the year were:

E Zakay
S Zakay

The directors have no beneficial interest in the shares of the immediate or ultimate parent company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 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.

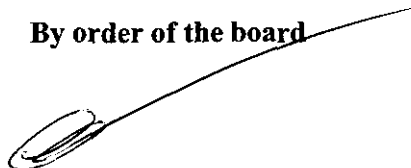
Westmount London Limited

Report of the directors for the year ended 31 May 2005 (*Continued*)

Auditors

The company has dispensed with the obligation to appoint auditors annually. BDO Stoy Hayward LLP have expressed their willingness to continue in office.

By order of the board

A handwritten signature in dark ink, appearing to be 'C Moharm', written over a horizontal line.

C Moharm
Secretary

Date: 6 October 2005

Westmount London Limited

Report of the independent auditors

To the shareholders of Westmount London Limited

We have audited the financial statements of Westmount London Limited for the year ended 31 May 2005 on pages 5 to 14 which have been prepared under the accounting policies set out on pages 8 to 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

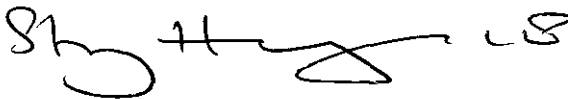
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Westmount London Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO 

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
London*

Date: 6 October 2005

Westmount London Limited**Profit and loss account for the year ended 31 May 2005**

	Note	2005 £	2004 £
Turnover	2	472,999	473,000
Administrative expenses		15,840	14,640
		<u>457,159</u>	<u>458,360</u>
Other operating income		1,852	-
Operating profit	3	459,011	458,360
Interest receivable and similar income		207	-
Interest payable and similar charges	6	(295,418)	(304,796)
		<u>163,800</u>	<u>153,564</u>
Profit on ordinary activities before taxation		163,800	153,564
Taxation on profit on ordinary activities	7	-	1,008
		<u>163,800</u>	<u>152,556</u>
Profit on ordinary activities after taxation	14	163,800	152,556

All amounts relate to continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

Westmount London Limited

Statement of total recognised gains and losses for the year ended 31 May 2005

	2005	2004
	£	£
Profit for the financial year	163,800	152,556
Unrealised surplus on revaluation of properties	250,000	1,000,000
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	413,800	1,152,556
	<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements.

Westmount London Limited

Balance sheet at 31 May 2005

	Note	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible assets	8		8,750,000		8,500,000
Current assets					
Debtors	9	421,088		425,993	
Creditors: amounts falling due within one year	10	<u>351,686</u>		<u>333,099</u>	
Net current assets			<u>69,402</u>		<u>92,894</u>
Total assets less current liabilities			<u>8,819,402</u>		<u>8,592,894</u>
Creditors: amounts falling due after more than one year	11		<u>4,521,487</u>		<u>4,708,779</u>
			<u>4,297,915</u>		<u>3,884,115</u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Revaluation reserve	14		4,315,762		4,065,762
Profit and loss account	14		(18,847)		(182,647)
Equity shareholders' funds	15		<u>4,297,915</u>		<u>3,884,115</u>

The financial statements were approved by the Board on 6 OCTOBER 2005


E Zakay
Director

The notes on pages 8 to 14 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Turnover

Turnover represents net rentals charged to outside customers at invoiced amounts less value added tax.

Tangible fixed assets

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

Investment properties

In accordance with Statement of Standard Accounting Practice 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are discounted.

1 Accounting policies (continued)

Lessor incentives

Lessor incentives include rent free periods and other incentives given to lessees on entering into lease agreements.

Incentive payments to new tenants to occupy the company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are then charged to the profit and loss account evenly over the period to the earlier of the first rent review to the prevailing market rate and the lease end date. Where lessor incentives relate to investment properties the properties are carried at open market value less the amount of the unamortised incentive.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Topland Group Plc and the company is included in consolidated financial statements.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Topland Group Plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2005 £	2004 £
This is arrived at after charging:		
Audit services	2,641	2,809
	<hr/>	<hr/>

Westmount London Limited**Notes forming part of the financial statements for the year ended 31 May 2005 (Continued)**

4 Employees

There were no persons employed by the company during the year (2004 - nil).

5 Directors' remuneration

No director received any emoluments during the year (2004 - £nil).

6 Interest payable and similar charges

	2005 £	2004 £
Bank loans and overdrafts	295,418	304,602
Other interest payable	-	194
	<hr/>	<hr/>
	295,418	304,796
	<hr/>	<hr/>

7 Taxation on profit on ordinary activities

	2005 £	2004 £
<i>UK Corporation tax</i>		
Adjustment in respect of previous periods	-	1,008
	<hr/>	<hr/>
<i>Tax reconciliation:</i>		
	2005 £	2004 £
Profit on ordinary activities before tax	163,800	153,564
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 - 30%)	49,140	46,069
Effect of:		
Expenses not deductible for tax purposes	-	59
Marginal rate relief	-	(40)
Group relief	(49,140)	(46,088)
Adjustment to tax charge in respect of previous periods	-	1,008
	<hr/>	<hr/>
Current tax charge for period	-	1,008
	<hr/>	<hr/>

Westmount London Limited

Notes forming part of the financial statements for the year ended 31 May 2005 (Continued)

7 Taxation on profit on ordinary activities (continued)

Factors that may affect future tax charges

Tax payments may continue to be reduced in future due to the utilisation of group tax losses.

8 Tangible fixed assets

	Investment properties - freehold land and buildings £
<i>Cost or valuation</i>	
At 1 June 2004	8,500,000
Revaluation surplus	250,000
	<hr/>
At 31 May 2005	8,750,000
	<hr/>
At 31 May 2004	8,500,000
	<hr/>

The investment properties were valued as at 31 May 2005 by the directors on an open market value basis. Selling costs have not been deducted as there is no intention to sell the properties.

The historical cost of the property is £4,434,238 (2004: £4,434,238).

9 Debtors

	2005 £	2004 £
Trade debtors	-	695
Amounts owed by group undertakings	421,088	425,298
	<hr/>	<hr/>
	421,088	425,993
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Westmount London Limited

Notes forming part of the financial statements for the year ended 31 May 2005 (Continued)

10 Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loans (secured)	187,292	176,283
Accruals and deferred income	164,394	156,816
	<u>351,686</u>	<u>333,099</u>

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

11 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank loans	4,521,487	4,708,779
	<u>4,521,487</u>	<u>4,708,779</u>
Maturity of debt:		
	Loans and overdrafts 2005 £	Loans and overdrafts 2004 £
In one year or less, or on demand	187,292	176,283
	<u>187,292</u>	<u>176,283</u>
In more than one year but not more than two years	198,987	187,291
In more than two years but not more than five years	674,668	635,015
In more than five years	3,647,832	3,886,473
	<u>4,521,487</u>	<u>4,708,779</u>

The loans are secured by a first legal mortgage over the investment properties and a floating charge over the assets of the company. Additionally the lender has legal assignment over the rental income of the properties.

Loans are repayable in instalments and £2,500,000 is repayable in 2014 as a lump sum. Interest is payable at 6.15% per annum.

Westmount London Limited

Notes forming part of the financial statements for the year ended 31 May 2005 (Continued)

12 Deferred taxation

No provision has been made for the potential tax liability of £826,653 (2004: £804,077) which would arise if the investment properties were sold at their revalued amounts.

13 Share capital

	2005	Authorised 2004	Allotted, called up and fully paid 2005	2004
	£	£	£	£
<i>Equity share capital</i>				
Ordinary shares of £1 each	1,000,000	1,000,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 June 2004	4,065,762	(182,647)
Revaluation surplus	250,000	-
Profit for the year	-	163,800
	<u> </u>	<u> </u>
At 31 May 2005	4,315,762	(18,847)
	<u> </u>	<u> </u>

15 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the year	163,800	152,556
Revaluation surplus relating to the year	250,000	1,000,000
	<u> </u>	<u> </u>
Net additions to shareholders' funds	413,800	1,152,556
Opening shareholders' funds	3,884,115	2,731,559
	<u> </u>	<u> </u>
Closing shareholders' funds	4,297,915	3,884,115
	<u> </u>	<u> </u>

16 Ultimate parent company

The largest group in which the results of the company are consolidated is that headed by Topland Group Holdings Limited, incorporated in the British Virgin Islands. The smallest group in which they are consolidated is that headed by Topland Group Plc.

The immediate parent company is Westmount Group Plc.

The ultimate parent company and controlling party is Topland Group Holdings International Limited, a company incorporated in the British Virgin Islands.