

2601874

Westmount London Limited

Report and Financial Statements

Year Ended

31 May 2001



BDO

BDO Stoy Hayward
Chartered Accountants

Westmount London Limited

Annual report and financial statements for the year ended 31 May 2001

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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, 8 Baker Street, London, W1U 3LL

Bankers

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

Westmount London Limited

Report of the directors for the year ended 31 May 2001

The directors present their report together with the audited financial statements for the year ended 31 May 2001.

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year.

The directors do not recommend payment of a dividend for the year (2000 - £NIL).

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:

	Ordinary shares of £1 each	
	31 May 2001	31 May 2000
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 judgments 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 2001 (*Continued*)

Auditors

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

By order of the board

C Moharm


Secretary

22nd October 2001

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 2001 on pages 6 to 12 which have been prepared under the accounting policies set out therein.

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.

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

22 October 2001

Westmount London Limited

Profit and loss account for the year ended 31 May 2001

	Note	2001 £	2000 £
Turnover	2	516,308	375,000
Administrative expenses		79,902	12,319
Operating profit	3	436,406	362,681
Interest receivable and similar income	6	3,918	1,142
Interest payable and similar charges	7	(1,307,933)	(314,157)
(Loss)/profit on ordinary activities before and after taxation		(867,609)	49,666

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

Westmount London Limited

Balance sheet at 31 May 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	9		6,500,000		6,500,000
Current assets					
Debtors	10	-		155,000	
Cash at bank and in hand		92,601		11,764	
		<u>92,601</u>		<u>166,764</u>	
Creditors: amounts falling due within one year	11	5,124,563		987,117	
Net current liabilities			<u>(5,031,962)</u>		<u>(820,353)</u>
Total assets less current liabilities			1,468,038		5,679,647
Creditors: amounts falling due after more than one year	12		-		3,344,000
			<u>1,468,038</u>		<u>2,335,647</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Revaluation reserve	15		2,065,762		2,065,762
Profit and loss account	15		(598,724)		268,885
			<u>1,468,038</u>		<u>2,335,647</u>
Equity shareholders' funds			<u>1,468,038</u>		<u>2,335,647</u>

The financial statements were approved by the Board on 22nd October 2001.


E Zakay
Director

The notes on pages 8 to 12 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:

Tangible fixed assets

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

Investment properties

The 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.

Turnover

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

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

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 the company is a 100% owned subsidiary of Topland Group Plc which prepares consolidated financial statements.

Related party disclosure

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosure', 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.

Westmount London Limited

Notes forming part of the financial statements for the year ended 31 May 2001 (Continued)

2 Turnover

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

3 Operating profit

This is arrived at after charging:

	2001 £	2000 £
Auditors' remuneration - audit services	7,142	4,068
	<u>7,142</u>	<u>4,068</u>

4 Employees

There were no persons employed by the company during the year (2000 - NIL).

5 Directors' remuneration

No director received any emoluments during the current year (2000 - £NIL).

6 Other interest receivable and similar income

	2001 £	2000 £
Bank deposits	3,918	1,142
	<u>3,918</u>	<u>1,142</u>

7 Interest payable and similar charges

	2001 £	2000 £
Bank loans and overdrafts	327,933	314,157
Loans from group companies	980,000	-
	<u>1,307,933</u>	<u>314,157</u>

8 Taxation

Due to the availability of group relief there is no tax payable on the result for the year (2000 - £NIL).

Westmount London Limited

Notes forming part of the financial statements for the year ended 31 May 2001 (Continued)

9 Tangible fixed assets

	Investment properties - freehold land and buildings £
<i>Cost or Valuation</i>	
At 1 June 2000 and 31 May 2001	6,500,000
<i>Net book value</i>	
At 31 May 2000 and 31 May 2001	6,500,000

The investment properties were valued as at 31 May 2000 by the directors on an open market basis.

The historical cost of the property is £4,434,238.

10 Debtors

	2001 £	2000 £
Amounts owed by group undertakings	-	155,000

All amounts fall due for payment within one year.

11 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts (secured)	5,000,000	88,000
Amounts owed to group undertakings	978	800,978
Taxation and social security	17,185	16,230
Accruals and deferred income	106,400	81,909
	<u>5,124,563</u>	<u>987,117</u>

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

12 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Bank loans	-	3,344,000

Maturity of debt:

	2001 £	2000 £
In one year or less, or on demand	5,000,000	88,000
In more than one year but not more than two years	-	88,000
In more than two years but not more than five years	-	3,256,000
	<u>5,000,000</u>	<u>3,432,000</u>

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

The bank loan is repayable in full in 2001. Interest is payable at 7.75% per annum.

13 Deferred taxation

No provision has been made for the potential tax liability of £367,479 (2000 - £399,275) which would arise if investment properties were sold at their revalued amounts, as the directors do not intend to dispose of the properties in the foreseeable future.

14 Share capital

	2001 £	2000 £	Authorised 2001 £	Allotted, called up and fully paid 2000 £
<i>Equity share capital</i>				
1,000 shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Westmount London Limited

Notes forming part of the financial statements for the year ended 31 May 2001 *(Continued)*

15 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 June 2000	2,065,762	268,885
Loss for the year	-	(867,609)
	<hr/>	<hr/>
At 31 May 2001	2,065,762	(598,724)
	<hr/>	<hr/>

16 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
(Loss)/profit for the year	(867,609)	49,666
Opening shareholders' funds	2,335,647	2,285,981
	<hr/>	<hr/>
Closing shareholders' funds	1,468,038	2,335,647
	<hr/>	<hr/>

17 Ultimate parent company and parent undertaking of larger group

The smallest and largest group in which the results of the company are consolidated is that headed by Topland Group Plc, incorporated in England. The consolidated accounts are available to the public and may be obtained from 64-65 Grosvenor Street, London, W1X 9DB.

The immediate parent company is Westmount Group plc, a company incorporated in England.

The ultimate parent company is New Liberty Limited, a company incorporated in the British Virgin Islands.