

**WESTMOUNT LONDON LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2010**

Company number 2601874

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## **WESTMOUNT LONDON LIMITED**

### **Annual report and financial statements For the year ended 31 May 2010**

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#### **Contents**

##### **Page:**

1	Report of the directors
2	Independent auditor's report
3	Profit and loss account
4	Statement of total recognised gains and losses
5	Balance sheet
6	Notes forming part of the financial statements

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#### **Directors**

E Zakay  
C E Bush  
R W Jones

#### **Secretary and registered office**

C F Moharm, 55 Baker Street, London, W1U 7EU

#### **Company number**

2601874

#### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

#### **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 2010**

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The directors present their report together with the audited financial statements for the year ended 31 May 2010

#### **Results and dividends**

The profit and loss account is set out on page 3 and shows the profit for the year. The directors do not recommend the payment of a final dividend for the year (2009 £nil)

#### **Principal activities, review of the business and future developments**

The company's principal activity is that of property investment. Both the level of investment 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  
C E Bush  
R W Jones (appointed 10 May 2010)

#### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The directors are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 period. In preparing these 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 show and explain the company's transactions, 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.

#### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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

This report of the directors has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

#### **By order of the Board**



C F Moharm  
Secretary

4 October 2010

## **WESTMOUNT LONDON LIMITED**

### **Independent auditor's report**

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#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTMOUNT LONDON LIMITED**

We have audited the financial statements of Westmount London Limited for the year ended 31 May 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanation we require for our audit.

*BDO LLP*

Geraint Jones (Senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

4 October 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**WESTMOUNT LONDON LIMITED****Profit and loss account  
For the year ended 31 May 2010**

	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Turnover</b>	2	<b>585,600</b>	592,760
Property expenses		<b>(14,640)</b>	(14,640)
Administrative expenses		<b>(2,072)</b>	(2,057)
<b>Operating profit</b>	3	<b>568,888</b>	576,063
Interest payable and similar charges	6	<b>(495,478)</b>	(502,469)
<b>Profit on ordinary activities before taxation</b>		<b>73,410</b>	73,594
Taxation on profit on ordinary activities	7	-	-
<b>Profit on ordinary activities after taxation</b>	14	<b>73,410</b>	73,594

All amounts relate to continuing activities

The notes on pages 6 to 10 form part of these financial statements

**WESTMOUNT LONDON LIMITED**

**Statement of total recognised gains and losses  
For the year ended 31 May 2010**

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	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Statement of total recognised gains and losses</b>		
Profit for the financial year	<b>73,410</b>	73,594
Unrealised deficit on revaluation of properties	-	(3,013,000)
Total recognised gains and losses for the financial year	<b><u>73,410</u></b>	<b><u>(2,939,406)</u></b>

The notes on pages 6 to 10 form part of these financial statements

**WESTMOUNT LONDON LIMITED**

**Balance sheet  
As at 31 May 2010**

	<b>Note</b>	<b>2010 £</b>	<b>2010 £</b>	<b>2009 £</b>	<b>2009 £</b>
<b>Fixed assets</b>					
Tangible assets	8		<b>10,000,000</b>		10,000,000
<b>Current assets</b>					
Debtors amounts falling due within one year	9	<b>810,063</b>		866,876	
Debtors amounts falling due after one year	9	<b>4,000,000</b>		4,000,000	
		<b>4,810,063</b>		<b>4,866,876</b>	
<b>Creditors, amounts falling due within one year</b>	10	<b>(251,557)</b>		<b>(245,638)</b>	
<b>Net current assets</b>			<b>4,558,506</b>		4,621,238
<b>Total assets less current liabilities</b>			<b>14,558,506</b>		14,621,238
<b>Creditors: amounts falling due after more than one year</b>	11		<b>(8,703,590)</b>		(8,839,732)
<b>Net assets</b>			<b>5,854,916</b>		5,781,506
<b>Capital and reserves</b>					
Called up share capital	13		<b>1,000</b>		1,000
Revaluation reserve	14		<b>5,565,762</b>		5,565,762
Profit and loss account	14		<b>288,154</b>		214,744
<b>Shareholders' funds</b>	15		<b>5,854,916</b>		5,781,506

These financial statements were approved by the board of directors and authorised for issue on 4 October 2010

E Zakay  
Director



Company number 2601874

The notes on pages 6 to 10 form part of these financial statements

## **WESTMOUNT LONDON LIMITED**

### **Notes forming part of the financial statements For the year ended 31 May 2010**

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#### **1 Accounting policies**

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

In order to show a true and fair view the company's accounting policy in respect of investment properties departs from the requirements of the Companies Act 2006. Details of this departure are given below

The following principal accounting policies have been applied

##### *Turnover*

Turnover represents net rental and related income receivable 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 2006 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 are discounted

##### *Lessor incentives*

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

Lessor incentives 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 rent 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

##### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting

##### *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



**WESTMOUNT LONDON LIMITED****Notes forming part of the financial statements (continued)**  
**For the year ended 31 May 2010****1 Accounting policies (continued)***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 100% of the voting rights in the company are controlled within the 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

<b>3 Operating profit</b>	2010 £	2009 £
This has been arrived at after charging		
Auditors' remuneration		
- audit	<b>848</b>	858
- tax compliance services	<b>1,224</b>	1,199
	<u>          </u>	<u>          </u>

**4 Employees**

There were no persons employed by the company in the year (2009 £nil)

**5 Directors**

No director received any emoluments during the year (2009 £nil)

<b>6 Interest payable and similar charges</b>	2010 £	2009 £
Bank loans and overdrafts	<b>495,478</b>	502,469
	<u>          </u>	<u>          </u>

**7 Taxation on profit on ordinary activities**

No taxation charge arises on the profit for the year

	2010 £	2009 £
<i>Tax reconciliation</i>		
Profit on ordinary activities before taxation	<b>73,410</b>	73,594
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 28%)	<b>20,555</b>	20,606
Effects of		
Group relief	<b>(155,448)</b>	(157,413)
Transfer pricing adjustments	<b>134,893</b>	136,807
	<u>          </u>	<u>          </u>
Current tax charge for year	<u>          </u>	<u>          </u>

# WESTMOUNT LONDON LIMITED

## Notes forming part of the financial statements (continued) For the year ended 31 May 2010

<b>8 Tangible fixed assets</b>	Investment properties freehold land and buildings £
Cost or valuation	
At 1 June 2009 and 31 May 2010	<b>10,000,000</b>

The investment property was valued as at 31 May 2010 by the directors on an open market basis. Selling costs have not been deducted because there is no intention to sell the property.

The historical cost of the property is £4,434,238 (2009 £4,434,238)

<b>9 Debtors</b>	2010 £	2009 £
Amounts falling due within one year		
Trade debtors	<b>21,133</b>	20,599
Amounts owed by group undertakings	<b>788,930</b>	846,277
	<b>810,063</b>	866,876
Amounts falling due after one year		
Amounts owed by group undertakings	<b>4,000,000</b>	4,000,000

Amounts owed by group undertakings bear no interest and the £4,000,000 due after one year is repayable in full in February 2014

<b>10 Creditors: amounts falling due within one year</b>	2010 £	2009 £
Bank loan (secured)	<b>136,142</b>	128,819
Accruals and deferred income	<b>115,415</b>	116,819
	<b>251,557</b>	245,638

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

# WESTMOUNT LONDON LIMITED

## Notes forming part of the financial statements (continued) For the year ended 31 May 2010

<b>11 Creditors: amounts falling due after more than one year</b>	2010 £	2009 £
Bank loan	<b>8,703,590</b>	8,839,732
Maturity of debt		
In one year	<b>136,142</b>	128,819
Between one and two years	<b>143,880</b>	136,142
Between two and five years	<b>482,598</b>	456,641
After more than five years	<b>8,077,112</b>	8,246,949
	<b>8,703,590</b>	8,839,732

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

The loan is repayable in instalments and £6,525,974 is repayable in 2031 as a lump sum. Interest is payable at 5.57% per annum.

## 12 Deferred taxation

No provision has been made for the potential tax liability of £846,314 (2009: £940,678) which would arise if the investment property was sold at its revalued amount.

<b>13 Share capital</b>	2010 £	2009 £
Authorised 1,000,000 ordinary shares of £1 each	<b>1,000,000</b>	1,000,000
Allotted, called up and fully paid 1,000 ordinary shares of £1 each	<b>1,000</b>	1,000

## 14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 June 2009	5,565,762	214,744
Profit for the year	-	73,410
At 31 May 2010	<b>5,565,762</b>	<b>288,154</b>

**WESTMOUNT LONDON LIMITED**

**Notes forming part of the financial statements (continued)**  
**For the year ended 31 May 2010**

<b>15 Reconciliation of movements in shareholders' funds</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit for the year	<b>73,410</b>	73,594
Revaluation deficit	-	(3,013,000)
Net additions to/(deductions from) shareholders' funds	<b>73,410</b>	(2,939,406)
Opening shareholders' funds	<b>5,781,506</b>	8,720,912
Closing shareholders' funds	<b>5,854,916</b>	5,781,506

**16 Ultimate parent company**

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

The immediate parent company is Topland Group Plc.

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