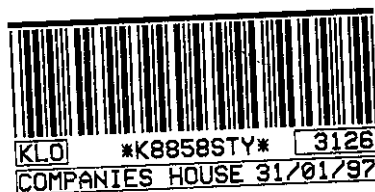


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Westmount London Limited
Annual report
for the year ended 31 March 1996

Registered no: 2601874



Westmount London Limited

Annual report for the year ended 31 March 1996

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	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

Westmount London Limited

1

Directors and advisers

Directors

E Zakay

S Zakay

Secretary

C Moharm

Registered office

Meares House
194/196 Finchley Road
LONDON
NW3 6BX

Registered Auditors

H.W. Fisher & Company
Acre House
11 - 15 William Road
London
NW1 3ER

Bankers

Barclays Bank Plc
Piccadilly Business Centre
160 Piccadilly
LONDON
W1A 2AB

Directors' report for the year ended 31 March 1996

The directors present their report and the audited financial statements for the year ended 31 March 1996.

Principal activities

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

Review of business

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

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

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

Directors' and their interests in shares of the company

The directors who served during the year were as follows:

S Zakay
E Zakay

The directors did not have any beneficial interests in the shares of the company at 31 March 1996 or at any time during the year.

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

Westmount London Limited

3

Directors' report for the year ended 31 March 1996

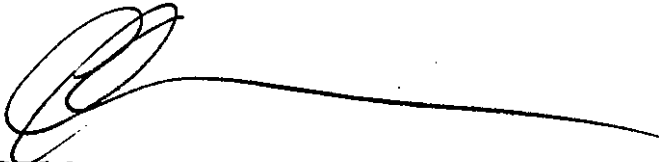
Taxation status

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

Coopers & Lybrand resigned as auditors during the year. H.W. Fisher & Company were appointed in their place.

By order of the board

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a long horizontal line extending to the right.

C Moharm

Company Secretary

27 January 1997

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.

Report of the auditors to the members of Westmount London Limited

We have audited the financial statements on pages 6 to 13, which have been prepared under the historical cost convention as modified by the revaluation of investment properties and the accounting policies set out on pages 9 and 10.

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.

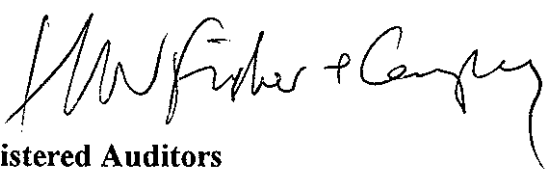
Basis of opinion

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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


H.W. Fisher & Company
Chartered Accountants and Registered Auditors
11-15 William Road
London
NW1 3ER

27 January 1997.

Westmount London Limited

6

Profit and loss account for the year ended 31 March 1996

	Notes	1996 £	1995 £
Turnover	2	350,072	352,822
Administrative expenses		(14,288)	(13,009)
Operating profit		335,784	339,813
Interest receivable		2,632	1,021
Interest payable	5	(313,280)	(315,274)
Profit on ordinary activities before taxation	3	25,136	25,560
Taxation	6	(6,326)	-
Retained profit for the financial year	14	18,810	25,560

All expenses and profits derive from continuing operations.

Westmount London Limited

7

Statement of total recognised gains and losses for the year ended 31 March 1996

	Notes	1996 £	1995 £
Profit for the financial year		18,810	25,560
Unrealised surplus on revaluation of property	13	300,000	-
Total profits recognised since last annual report		318,810	25,560

Westmount London Limited

8

Balance sheet at 31 March 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	7	<u>4,800,000</u>	<u>4,500,000</u>
Current assets			
Cash at bank and in hand		<u>117,693</u>	<u>81,920</u>
		<u>117,693</u>	<u>81,920</u>
Creditors: amounts falling due within one year	8	<u>(991,358)</u>	<u>(974,395)</u>
Net current liabilities		<u>(873,665)</u>	<u>(892,475)</u>
Total assets less current liabilities		<u>3,926,335</u>	<u>3,607,525</u>
Creditors: amounts falling due after more than one year	9	<u>(3,520,000)</u>	<u>(3,520,000)</u>
Net assets		<u><u>406,335</u></u>	<u><u>87,525</u></u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Revaluation reserve	13	365,762	65,762
Profit and loss account	13	<u>39,573</u>	<u>20,763</u>
Equity shareholders' funds	12	<u><u>406,335</u></u>	<u><u>87,525</u></u>

The financial statements on pages 6 to 13 were approved by the board of directors on 27
January 1997 and were signed on its behalf by:


E Zakay
Director

**Notes to the financial statements
for the year ended 31 March 1996**

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.

Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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.

Notes to the financial statements for the year ended 31 March 1996

(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

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

3 Profit on ordinary activities before taxation is stated after charging:

	1996 £	1995 £
Auditors' remuneration	<u>1,308</u>	<u>716</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 (1995: £ Nil).

5 Interest Payable

	1996 £	1995 £
On loans repayable after 5 years by instalments	<u>313,280</u>	<u>315,274</u>

6 Taxation

Tax charge on profit from ordinary activities in the year £6,326 (1995: £Nil).

Notes to the financial statements for the year ended 31 March 1996

7 Tangible fixed assets

	1996 £	1995 £
Investment property - freehold land and buildings		
Valuation		
At 1 April 1995	4,500,000	4,500,000
Revaluation (note 13)	300,000	-
At 31 March 1996	4,800,000	4,500,000

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 directors of the company, on an open market basis, at 31 March 1996.

Had the property not been revalued it would have been included at a net book value of £4,258,612 (assuming a depreciation rate of 2%.)

8 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts due to group undertakings	860,978	860,585
Other creditors	30,979	15,314
Bank overdraft	-	12,171
Deferred income	88,051	80,842
Taxation	6,326	-
Accruals	5,024	5,483
	991,358	974,395

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

Notes to the financial statements for the year ended 31 March 1996

9 Creditors: amounts falling due after more than one year

	1996 £	1995 £
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.

Loan Maturity Analysis

	1996 £	1995 £
Between two and five years	176,000	88,000
In five years or more	<u>3,344,000</u>	<u>3,432,000</u>
	<u>3,520,000</u>	<u>3,520,000</u>

10 Deferred taxation

No provision has been made for the potential tax liability of £28,283 (1995:£21,702) 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.

11 Called up share capital

	1996 £	1995 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Notes to the financial statements for the year ended 31 March 1996

12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Opening shareholders' funds	87,525	61,965
Retained profit for the financial year	18,810	25,560
Movement in revaluation reserve	300,000	-
Closing shareholders' funds	<u>406,335</u>	<u>87,525</u>

13 Reserves

	Profit and loss account £	Revaluation reserve £
At 1 April 1995	20,763	65,762
Retained profit for the year	18,810	-
Revaluation	-	300,000
At 31 March 1996	<u>39,573</u>	<u>365,762</u>

14 Ultimate parent company

The company's ultimate parent company is Topland Group Plc. Copies of the consolidated accounts of Topland Group Plc can be obtained from the Registered Office.