

Company Registered No: 3016931

TERRACE HILL ESTATES LIMITED

FINANCIAL STATEMENTS

31ST JULY 1996



***Saffery Champness***

CHARTERED ACCOUNTANTS

**TERRACE HILL ESTATES LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

N J C Turnbull  
D A Prowse  
R E Lane  
P A J Leech  
H Llewellyn

**SECRETARY**

T Walsh

**REGISTERED OFFICE**

1 Portland Place  
London W1N 3AA

**REGISTERED AUDITORS**

Saffery Champness  
Chartered Accountants  
Fairfax House  
Fulwood Place  
Gray's Inn  
London WC1V 6UB

**TERRACE HILL ESTATES LIMITED****REPORT OF THE DIRECTORS**

The Directors submit their first report and the financial statements for the eighteen month period ended 31st July, 1996.

**RESULTS**

The profit and loss account shows a profit after taxation of £8,090. The Directors do not recommend the payment of a dividend.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is property development and investment holding company. The Directors do not currently envisage any major changes in the activities of the company.

**INCORPORATION**

The company was incorporated on 1st February 1995 and began trading on 1st July 1995.

**DIRECTORS AND THEIR INTERESTS**

The Directors who served during the period together with their interests in the share capital at 31st July, 1996 were as follows:

Ordinary Shares £1 each

R F M Adair	(appointed 1st February 1995 resigned 13th December 1995)	-
N J C Turnbull	(appointed 1st July 1995)	-
D A Prowse	(appointed 1st July 1995)	-
R E Lane	(appointed 9th February 1996)	-
P A J Leech	(appointed 15th February 1996)	-
H Llewellyn	(appointed 26th March 1996)	-

R F M Adair has an interest in the share capital of the company by virtue of his interest in the share capital of Westview Group Limited the ultimate parent company.

**TERRACE HILL ESTATES LIMITED**

**REPORT OF THE DIRECTORS (continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF  
THE FINANCIAL STATEMENTS**

Company law requires the Directors to prepare financial statements for each financial period 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 apply them consistently;

Make judgements and estimates that are reasonable and prudent;

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.

**REGISTERED AUDITORS**

Saffery Champness, Chartered Accountants, were appointed to fill the vacancy created by incorporation, and have indicated their willingness to continue in office. A resolution to re-appoint them will be put to the members at the Annual General Meeting.

On behalf of the Board



T Walsh  
Secretary

Date: 18 February 1997

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**

**TERRACE HILL ESTATES LIMITED**

We have audited the financial statements on pages 5 to 10.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 3, the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

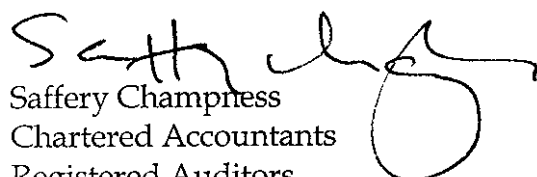
**BASIS OF OPINION**

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 the information in the financial statements.

**OPINION**

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31st July, 1996 and of the profit of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Saffery Champness  
Chartered Accountants  
Registered Auditors

Fairfax House  
Fulwood Place  
Gray's Inn  
London WC1V 6UB

Date: 20th February 1997

**TERRACE HILL ESTATES LIMITED****PROFIT AND LOSS ACCOUNT****for the eighteen month period ended 31st July, 1996**

		<b><u>18 months to</u></b> <b><u>31st July</u></b> <b><u>1996</u></b> <b><u>£</u></b>
	<b><u>Note</u></b>	
<b>TURNOVER</b>	2	727,973
Cost of sales		(693,965)
<b>GROSS PROFIT</b>		34,008
Administrative expenses		(25,918)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	8,090
Taxation	4	-
<b>RETAINED PROFIT FOR THE PERIOD</b>	10	£8,090

The company has no recognised gains or losses other than those stated in the Profit and Loss Account.

All the activities of the company during the period are continuing activities.

The accompanying notes form an integral part of this Profit and Loss Account.

**TERRACE HILL ESTATES LIMITED****BALANCE SHEET****at 31st July, 1996**

	<u>Note</u>	<u>31st July</u> <u>1996</u> <u>£</u>
<b>FIXED ASSETS</b>		
Investments	5	102
<b>CURRENT ASSETS</b>		
Work in progress	6	115,422
Debtors	7	347,986
		<u>463,408</u>
<b>CREDITORS</b>		
Amounts falling due within one year	8	455,419
		<u>7,989</u>
<b>NET CURRENT ASSETS</b>		
<b>NET ASSETS</b>		<u>£8,091</u>
<b>CAPITAL AND RESERVES</b>		
Called-up share capital	9	1
Profit and loss account	10	8,090
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	<u>£8,091</u>

Approved by the Board on: 18th February 1997



N J C Turnbull  
Director

The accompanying notes form an integral part of this Balance Sheet.

**TERRACE HILL ESTATES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the eighteen month period ended 31st July, 1996**

**1 ACCOUNTING POLICIES**

**a) BASIS OF ACCOUNTING**

These financial statements have been prepared under the historical cost convention and in accordance with the applicable accounting standards. The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from preparing group accounts under Section 228 of the Companies Act 1985, as it is a wholly owned subsidiary of Terrace Hill Limited incorporated in England.

**b) INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

Investment in subsidiary undertakings are stated at cost, less any provision for a permanent diminution in value.

**c) CASH FLOW STATEMENT**

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement as it is a wholly-owned subsidiary.

**d) TURNOVER**

Turnover represents amounts receivable during the period (excluding Value Added Tax) in respect of property sales and arise entirely in the United Kingdom. Commercial property sales are included on the basis of sales negotiated and agreed during the period (provided contracts are completed shortly after the period end).

**e) WORK IN PROGRESS**

Development work in progress is valued at the lower of cost and net realisable value. Interest costs and other attributable direct overheads are included in the value of stock and work in progress where appropriate.



**TERRACE HILL ESTATES LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**for the eighteen month period ended 31st July, 1996**

<b>2</b>	<b>TURNOVER</b>	<b><u>18 months to</u></b> <b><u>31st July</u></b> <b><u>1996</u></b> <b><u>£</u></b>
	Sales of property	<u>£727,973</u>
<b>3</b>	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	
	Profit on ordinary activities before taxation is stated after charging:-	<b><u>18 months to</u></b> <b><u>31st July</u></b> <b><u>1996</u></b> <b><u>£</u></b>
	Auditors' remuneration	<u>£2,000</u>
	No Director received any emoluments in respect of their services to the company. No other persons were employed by the company during the period.	
<b>4</b>	<b>TAXATION</b>	<b><u>18 months to</u></b> <b><u>31st July</u></b> <b><u>1996</u></b> <b><u>£</u></b>
	UK Corporation Tax at 33%	2,670
	Benefit of losses claimed under group relief	(2,670)
		<u>£ -</u>
<b>5</b>	<b>INVESTMENTS</b>	<b><u>31st July</u></b> <b><u>1996</u></b> <b><u>£</u></b>
	Investment in Subsidiary Undertakings	
	Share capital acquired	<u>102</u>
	Balance carried forward	<u>£102</u>

**TERRACE HILL ESTATES LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**for the eighteen month period ended 31st July, 1996****5 Investments in subsidiary undertakings (continued)**

The company's subsidiary undertakings which are registered in England 100% directly owned are as follows:

NAME OF COMPANY	NATURE OF BUSINESS
Terrace Hill (Paley Street) Limited	Property Investment
Linkactual Limited	Property Development

**6 WORK IN PROGRESS**

**31st July**  
**1996**  
**£**

Development work in progress £115,422

**7 DEBTORS**

**31st July**  
**1996**  
**£**

Due within one year:

Trade debtors 22,898

Amounts due from fellow subsidiary undertaking 325,000

Prepayments 88

**£347,986**

**8 CREDITORS**

**31st July**  
**1996**  
**£**

Amounts falling due within one year:-

Bank overdraft 96,498

Trade creditors 23,283

Amounts due to fellow subsidiary undertakings 200,765

Other creditors 82,981

Accruals 51,892

**£455,419**

**TERRACE HILL ESTATES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****for the eighteen month period ended 31st July, 1996**

<b>9</b>	<b>SHARE CAPITAL</b>	<b><u>31st July</u></b>
		<b><u>1996</u></b>
		<b><u>£</u></b>
	Authorised	
	100 ordinary shares of £1 each	£100
		<hr/>
	Allotted, called-up and fully paid	
	1 ordinary share of £1 each	£1
		<hr/>
<b>10</b>	<b>PROFIT AND LOSS ACCOUNT</b>	<b><u>31st July</u></b>
		<b><u>1996</u></b>
		<b><u>£</u></b>
	Profit for the period	8,090
		<hr/>
	Balance carried forward	£8,090
		<hr/>
<b>11</b>	<b>MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b><u>31st July</u></b>
		<b><u>1996</u></b>
		<b><u>£</u></b>
	Profit for the period	8,090
	New share capital subscribed	1
		<hr/>
	Closing shareholders' funds	£8,091
		<hr/>

**12 GUARANTEES AND FINANCIAL COMMITMENTS**

The company is a party to a guarantee arrangement securing the bank overdraft and loans of fellow subsidiaries. The company also guaranteed the development responsibilities of a fellow subsidiary which have expired since the period end.

There were no other guarantees or financial commitments authorised or contracted for at the period end.

**13 ULTIMATE PARENT COMPANY**

The ultimate parent company is Westview Group Limited which is registered in England and Wales.