

# **LONDON PROPERTY CONSTRUCTION LTD**

## **FINANCIAL STATEMENTS**

**31 DECEMBER 1994**

**Company Registration Number 01029101**



### **MICHAEL KING & CO**

**Chartered Accountants & Registered Auditors  
7 PORTLAND PLACE  
LONDON  
W1N 3AA**

# **LONDON PROPERTY CONSTRUCTION LTD**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1994**

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**LONDON PROPERTY CONSTRUCTION LTD**

**OFFICERS AND PROFESSIONAL ADVISERS**

**THE BOARD OF DIRECTORS**    MR DARIUSH TAHERNIA  
   MRS MARGIT IRENE JANOSSA

**COMPANY SECRETARY**        DARIUSH TAHERNIA

**REGISTERED OFFICE**        7 PORTLAND PLACE  
   2ND FLOOR  
   LONDON  
   W1N 3AA

**AUDITORS**                    MICHAEL KING & CO  
   Chartered Accountants & Registered Auditors  
   7 PORTLAND PLACE  
   LONDON  
   W1N 3AA

**BANKERS**                    ALLIED IRISH BANK  
   103 KILBURN HIGH ROAD  
   LONDON  
   NW6 6JQ

# **LONDON PROPERTY CONSTRUCTION LTD**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 1994**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 1994.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity is property construction, conversions and purchase of properties for resale.

### **RESULTS AND DIVIDENDS**

The trading results for the year, and company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	1994 £	1993 £
Dividends paid on ordinary shares	<u>7,035</u>	<u>8,248</u>

The balance of the profits for the year amounting to £27,839 will be added to reserves and carried forward to the following year.

### **THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At 31 Dec 94</b>	<b>At 1 Jan 94</b>
MR DARIUSH TAHERNIA	99	99
MRS MARGIT IRENE JANOSSA	<u>1</u>	<u>1</u>

## **LONDON PROPERTY CONSTRUCTION LTD**

### **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 1994**

#### **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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

#### **CLOSE COMPANY PROVISIONS**

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).


#### **AUDITORS**

A resolution to re-appoint MICHAEL KING & CO as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:

LONDON PROPERTY CONSTRUCTION LTD  
7 PORTLAND PLACE  
2ND FLOOR  
LONDON  
W1N 3AA

Signed on behalf of the directors



DARIUSH TAHERNIA  
Company secretary

Approved by the directors on .....19....

# MICHAEL KING & CO.

Chartered Accountants and Registered Auditors

7, Portland Place  
London W1N 3AA  
Tel: 0171-631 0906 (6 lines)  
Fax: 0171-631 0363

**LONDON PROPERTY CONSTRUCTION LTD**

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## **AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 31 DECEMBER 1994**

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the accounting policies set out on page 7.

### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described in the directors' report, the directors of the company are responsible for the preparation of the 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**

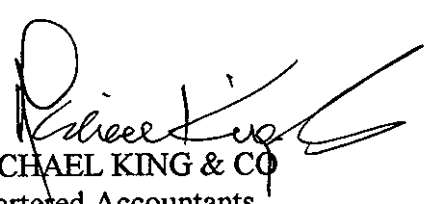
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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.

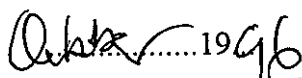
### **OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1994 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

7 PORTLAND PLACE  
LONDON  
W1N 3AA

  
MICHAEL KING & CO  
Chartered Accountants  
& Registered Auditors



 1996

**LONDON PROPERTY CONSTRUCTION LTD****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 1994**

	Note	1994 £	1993 £
<b>TURNOVER</b>	<b>2.</b>	297,971	112,090
Cost of sales		(267,784)	(89,390)
<b>GROSS PROFIT</b>		30,187	22,700
Administrative expenses		(30,885)	(24,112)
Other operating income	<b>3.</b>	60,898	51,718
<b>OPERATING PROFIT</b>	<b>4.</b>	60,200	50,306
Interest payable and similar charges	<b>6.</b>	(20,757)	(14,494)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		39,443	35,812
Tax on profit on ordinary activities	<b>7.</b>	(4,569)	(9,474)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		34,874	26,338
Dividends	<b>8.</b>	(7,035)	(8,248)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		27,839	18,090
Balance brought forward		43,225	25,135
<b>BALANCE CARRIED FORWARD</b>		71,064	43,225

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

## LONDON PROPERTY CONSTRUCTION LTD

## BALANCE SHEET

31 DECEMBER 1994

	Note	1994		1993	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9.		-		-
Investments	10.		175,927		31,640
			<u>175,927</u>		<u>31,640</u>
<b>CURRENT ASSETS</b>					
Stocks	11.	152,623		202,867	
Debtors	12.	14,204		6,632	
Cash at bank and in hand		134		77	
		<u>166,961</u>		<u>209,576</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13.	(231,751)		(123,387)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(64,790)		86,189
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>111,137</u>		<u>117,829</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14.		(81,317)		(74,504)
<b>NET ASSETS</b>			<u>29,820</u>		<u>43,325</u>
<b>CAPITAL AND RESERVES</b>					
Equity share capital	16.		100		100
Other reserves	17.		(41,344)		-
Profit and loss account			71,064		43,225
<b>SHAREHOLDERS' FUNDS</b>			<u>29,820</u>		<u>43,325</u>

These financial statements were approved by the directors on the .....19..., and are signed on their behalf by:

Director MR DARIUSH TAHERNIA

# LONDON PROPERTY CONSTRUCTION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

### 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention using the following accounting policies:

#### Turnover

Turnover consists of properties sold during the year and excludes VAT.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Motor vehicles	20% straight line basis
Equipment	20% straight line basis

#### Stocks

Stock is valued at the lower of Cost and Net Realisable Value.

Costs includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

### 3. OTHER OPERATING INCOME

	1994 £	1993 £
Rent receivable	47,987	51,718
Profit/Loss on Jnt Venture	12,911	-
	<u>60,898</u>	<u>51,718</u>

### 4. OPERATING PROFIT

Operating profit is stated after charging:

	1994 £	1993 £
Directors' emoluments	-	-
Auditors' fees	2,790	2,645
Hire of equipment	-	251
	<u>-</u>	<u>251</u>

# LONDON PROPERTY CONSTRUCTION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

### 4. OPERATING PROFIT (*continued*)

#### Auditors' fees

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	1994 £	1993 £
Audit	<u>2,790</u>	<u>2,645</u>

### 5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	1994 £	1993 £
Interest payable on bank borrowing	14,118	7,302
Interest on other loans	<u>6,588</u>	<u>7,192</u>
	<u>20,706</u>	<u>14,494</u>

### 7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1994 £	1993 £
Corporation tax based on the results for the year at 25% (1993 - 25%)	<u>4,569</u>	<u>9,474</u>

# LONDON PROPERTY CONSTRUCTION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

### 8. DIVIDENDS

The following dividends have been paid during the year:

	1994 £	1993 £
Dividends paid on ordinary shares	<u>7,035</u>	<u>8,248</u>

### 9. TANGIBLE FIXED ASSETS

	Motor Vehicle	Equipment	Total
	£	£	£
<b>COST</b>			
At 1 January 1994			
and 31 December 1994	<u>5,780</u>	<u>520</u>	<u>6,300</u>
<b>DEPRECIATION</b>			
At 1 January 1994	<u>5,780</u>	<u>520</u>	<u>6,300</u>
At 31 December 1994	<u>5,780</u>	<u>520</u>	<u>6,300</u>
<b>NET BOOK VALUE</b>			
At 31 December 1994	<u>-</u>	<u>-</u>	<u>-</u>

Tangible fixed asset held by the company are fully depreciated and are of negligible values. Hence no write back been done.

### 10. INVESTMENTS

	Total £
<b>COST</b>	
At 1 January 1994	<u>175,927</u>
At 31 December 1994	<u>175,927</u>
<b>NET BOOK VALUE</b>	
At 31 December 1994	<u>175,927</u>
At 1 January 1994	<u>175,927</u>

## LONDON PROPERTY CONSTRUCTION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

10. INVESTMENTS *(continued)*

The fixed asset investment include one property which was previously put under the heading of stock. This property is being held for the purpose of its rental income for the time being and is additionally fully charged to Allied Irish Bank for Bank Loan and overdraft facilities.

Hence the above reason required this transfer.

## 11. STOCKS

	1994 £	1993 £
Stock	228,505	278,750
GLC grant	<u>(75,882)</u>	<u>(75,882)</u>
	<u>152,623</u>	<u>202,868</u>

The properties included in "Stock Work In Progress" are fully charged to Allied Irish Bank for the purposes of additional bank loan and overdraft facilities.

## 12. DEBTORS

	1994 £	1993 £
Other debtors	10,832	5,018
ACT recoverable against future taxation	<u>3,372</u>	<u>1,614</u>
	<u>14,204</u>	<u>6,632</u>

## 13. CREDITORS: Amounts falling due within one year

	1994		1993	
	£	£	£	£
Bank loans and overdrafts		208,239		103,763
Trade creditors		-		1,366
Other creditors including taxation and Social Security:				
Taxation and				
Social Security:	15,752		11,209	
Other creditors	<u>4,250</u>		<u>-</u>	
		20,002		11,209
Accruals and deferred income		<u>3,510</u>		<u>7,049</u>
		<u>231,751</u>		<u>123,387</u>

# LONDON PROPERTY CONSTRUCTION LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

### 14. CREDITORS: Amounts falling due after more than one year

	1994 £	1993 £
Bank loans and overdrafts	<u>81,317</u>	<u>74,504</u>

### 15. CONTINGENCIES

There exist a contingent liability against the company in relation to two properties included in stock.

The amount being claimed against the company is put at £30,000.

The director is pursuing a counter-claim which relate to bad workmanship carried out at those properties. Assurances been given that those claims are very remote.

### 16. SHARE CAPITAL

#### Authorised share capital:

	1994 £	1993 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### Allotted, called up and fully paid:

	1994 £	1993 £
Ordinary share capital	<u>100</u>	<u>100</u>

### 17. OTHER RESERVES

	1994 £	1993 £
Other reserves:		
Movement for the financial period	<u>(41,344)</u>	<u>-</u>
Balance carried forward	<u>(41,344)</u>	<u>-</u>

# **LONDON PROPERTY CONSTRUCTION LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1994**

### **18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1994 £	1993 £
Profit for the financial period	34,874	26,338
Dividends	<u>( 7,035)</u>	<u>(8,248)</u>
	27,839	18,090
Opening shareholders' equity funds	<u>43,325</u>	<u>25,235</u>
Closing shareholders' equity funds	<u>71,164</u>	<u>43,325</u>