

No. 1727185



TRANSWORLD LAND CO LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1989



GERALD EDELMAN

CHARTERED ACCOUNTANTS

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TRANSWORLD LAND CO LIMITED

ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1989

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| THE FOLLOWING SCHEDULES ARE FOR MANAGEMENT INFORMATION PURPOSES<br>ONLY AND DO NOT FORM PART OF THE STATUTORY ACCOUNTS: |             |
| COST OF SALES   | 8           |
| PROPERTY REVENUE ACCOUNT  | 8           |
| ADMINISTRATIVE EXPENSES   | 8           |

TRANSWORLD LAND CO LIMITED

REPORT OF THE DIRECTOR

The director submits his report and the audited accounts of the company for the year ended 31st August 1989.

ACTIVITY

The principal activity of the company is that of holding property.

RESULTS AND STATE OF AFFAIRS

The accounts on pages 3 to 7 set out the results for the year ended 31st August 1989 and reflect the state of the company's affairs at that date.

In the opinion of the director an independent valuation of the company's portfolio of property would show a substantial uplift in the net worth of the company.

DIVIDEND

The director does not propose the payment of a dividend in respect of the year.

HOLDING COMPANY

The company is a wholly-owned subsidiary of TWM Trading Limited, a company incorporated in England.

DIRECTOR AND HIS INTERESTS

The only member of the board during the year was Mr. D. Reuben. Mr. Reuben did not have any interest in the shares of the company.

The interests of Mr. Reuben in the shares of the holding company are disclosed in that company's accounts.

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting for the re-appointment of Gerald Edelman, who have expressed their willingness to continue in office as auditors for the ensuing year.

BY ORDER OF THE BOARD

24th November 1989

Dated .....

M.J. BOSMAN

.....

SECRETARY

REPORT OF THE AUDITORS

TO THE MEMBERS OF TRANSWORLD LAND CO LIMITED

We have audited the accounts set out on pages 3 to 7 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31st August 1989 and of the results and source and application of funds for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

25 Harley Street  
London W1N 2BR

GERALD EDELMAN  
CHARTERED ACCOUNTANTS

24th November 1989

TRANSWORLD LAND CO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1989

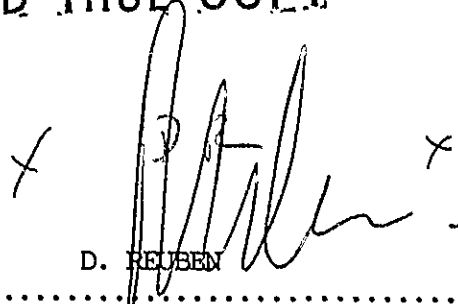
|  | <u>Note</u> | <u>1989</u> | <u>1988</u> |
|--|-------------|-------------|-------------|
|  |             | £           | £           |
| <u>Turnover</u>                                    | 2           | 1,135,000   | 1,260,700   |
| Cost of sales                                      |             | (728,474)   | (1,025,117) |
| <u>Gross profit</u>                                |             | 406,526     | 235,583     |
| Net property revenue                               |             | 1,026,932   | 1,065,236   |
|  |             | 1,433,458   | 1,300,819   |
| Administrative expenses                            |             | (62,891)    | (146,484)   |
| <u>Trading profit</u>                              | 3           | 1,370,567   | 1,154,335   |
| Interest receivable                                | 5           | 480,126     | 45,427      |
| Interest payable                                   | 6           | (1,946,604) | (1,454,651) |
|  |             | (1,466,478) | (1,409,224) |
| <u>Loss on ordinary activities before taxation</u> |             | (95,911)    | (254,889)   |
| Taxation   | 7           | -           | (24,058)    |
| <u>Net loss for the year</u>                       |             | £ (95,911)  | £ (278,947) |

TRANSWORLD LAND CO LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1989

|  | <u>Note</u> | <u>1989</u>  | <u>1988</u>  |
|--|-------------|--------------|--------------|
|  |             | £            | £            |
| <u>FIXED ASSET</u>   |             |              |              |
| Investment   | 8           | 6,805        | 6,805        |
| <u>CURRENT ASSETS</u>  |             |              |              |
| Stock of property  |             | 18,394,169   | 14,943,405   |
| Debtors  | 9           | 2,774,391    | 744,193      |
| Cash at bank and in hand                                       |             | 3,083        | 66,137       |
|  |             | <hr/>        | <hr/>        |
|  |             | 21,171,643   | 15,753,735   |
| <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>          | 10          | (8,498,560)  | (3,446,991)  |
|  |             | <hr/>        | <hr/>        |
| <u>NET CURRENT ASSETS</u>                                      |             | 12,673,083   | 12,306,744   |
|  |             | <hr/>        | <hr/>        |
| <u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>                   |             | 12,679,888   | 12,313,549   |
|  |             | <hr/>        | <hr/>        |
| <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u> | 11          | (12,962,250) | (12,500,000) |
|  |             | <hr/>        | <hr/>        |
|  |             | £ (282,362)  | £ (186,451)  |
|  |             | <hr/>        | <hr/>        |
| <u>CAPITAL AND RESERVES</u>                                    |             |              |              |
| Called up share capital  | 12          | 100          | 100          |
| Profit and loss account  | 13          | (282,462)    | (186,551)    |
|  |             | <hr/>        | <hr/>        |
|  |             | £ (282,362)  | £ (186,451)  |
|  |             | <hr/>        | <hr/>        |

CERTIFIED TRUE COPY

  
 D. REUBEN  
 .....DIRECTOR

24th November 1989  
 Dated.....

TRANSWORLD LAND CO LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST AUGUST 1989

| <u>SOURCE OF FUNDS</u>                      | <u>1989</u><br>£  | <u>1988</u><br>£   |
|---|-------------------|--------------------|
| Loss on ordinary activities before taxation | (95,911)          | (254,889)          |
| <u>TOTAL REQUIRED TO FINANCE OPERATIONS</u> | <u>(95,911)</u>   | <u>(254,889)</u>   |
| <br><u>APPLICATION OF FUNDS</u>             |                   |                    |
| Taxation paid                               | -                 | (24,058)           |
|   | <u>£ (95,911)</u> | <u>£ (278,947)</u> |
| <br><u>MOVEMENTS IN WORKING CAPITAL</u>     |                   |                    |
| Stock of property                           | 3,450,764         | 1,890,723          |
| Debtors                                     | 2,030,198         | 714,223            |
| Creditors                                   | 2,248,431         | 550,214            |
| Movement in net liquid funds:               |                   |                    |
| Cash at bank and in hand                    | (63,054)          | 64,793             |
| Bank loans and overdrafts                   | (7,762,250)       | (3,498,900)        |
|   | <u>£ (95,911)</u> | <u>£ (278,947)</u> |

TRANSWORLD LAND CO LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1989

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the company are as follows:-

a) Convention

The accounts have been prepared in accordance with the historical cost convention.

b) Stocks

Stocks are valued at the lower of cost and net realisable value.

2. TURNOVER

Turnover comprises gross proceeds from the sale of properties.

3. TRADING PROFIT

The trading profit is stated after charging:

|                        | <u>1989</u><br>£  | <u>1988</u><br>£  |
|------------------------|-------------------|-------------------|
| Auditors' remuneration | 3,000             | 3,000             |
| Wages and salaries     | 51,615            | 36,677            |
| Social security costs  | -                 | 3,833             |
|                        | <u>          </u> | <u>          </u> |

4. DIRECTOR'S REMUNERATION

The director did not receive any remuneration during the year.

5. INTEREST RECEIVABLE

|                |                   |                   |
|----------------|-------------------|-------------------|
| Bank interest  | 115,969           | -                 |
| Other interest | 364,157           | 45,427            |
|                | <u>          </u> | <u>          </u> |
|                | £ 480,126         | £ 45,427          |
|                | <u>          </u> | <u>          </u> |

6. INTEREST PAYABLE

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Bank interest             | 1,701,506         | 1,146,430         |
| Interest to group company | 235,978           | 308,221           |
| Other interest            | 9,120             | -                 |
|                           | <u>          </u> | <u>          </u> |
|                           | £1,946,604        | £1,454,651        |
|                           | <u>          </u> | <u>          </u> |

The company and other companies in the group have jointly elected under S247 ICTA 1988 for the payment of group interest without deduction of tax.

7. TAXATION

|   |                   |                   |
|---|-------------------|-------------------|
| Underprovision in respect of a prior year | £ -               | £ 24,058          |
|   | <u>          </u> | <u>          </u> |



TRANSWORLD LAND CO LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31ST AUGUST 1989 (CONTINUED)

| 8. <u>FIXED ASSET INVESTMENT</u>  | <u>1989</u> | <u>1988</u> |
|---|-------------|-------------|
| <u>Shares at cost</u>   |             |             |
| Unquoted investment   | £ 6,805     | £ 6,805     |
|   | <hr/>       | <hr/>       |
| 9. <u>DEBTORS</u>   | £           | £           |
| Amount due from holding company   | 2,049,547   | -           |
| Amount due from related company   | 405,648     | 408,151     |
| Other debtors   | 264,587     | 277,302     |
| Prepayments and accrued income  | 54,609      | 58,740      |
|   | <hr/>       | <hr/>       |
|   | £2,774,391  | £ 744,193   |
|   | <hr/>       | <hr/>       |
| 10. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>                                     |             |             |
| Bank loan (see note 11)   | 7,300,000   | -           |
| Amount due to holding company   | -           | 2,729,010   |
| Other creditors   | 526,680     | 507,623     |
| Accruals and deferred income  | 671,880     | 210,358     |
|   | <hr/>       | <hr/>       |
|   | £ 8,498,560 | £ 3,446,991 |
|   | <hr/>       | <hr/>       |
| 11. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>                            |             |             |
| Bank loan   | £12,962,250 | £12,500,000 |
|   | <hr/>       | <hr/>       |
| The bank borrowings are secured by a first legal charge over the company's stock of property. |             |             |
| 12. <u>CALLED UP SHARE CAPITAL</u>  |             |             |
| <u>Authorised</u>   |             |             |
| Ordinary shares of £1 each  | £ 1,000     | £ 1,000     |
|   | <hr/>       | <hr/>       |
| <u>Issued and fully paid</u>  |             |             |
| Ordinary shares of £1 each  | £ 100       | £ 100       |
|   | <hr/>       | <hr/>       |
| 13. <u>PROFIT AND LOSS ACCOUNT</u>  |             |             |
| Balance at 31st August 1988   | (186,551)   | 92,396      |
| Net loss for the year   | (95,911)    | (278,947)   |
|   | <hr/>       | <hr/>       |
| Balance at 31st August 1989   | £ (282,462) | £ (186,551) |
|   | <hr/>       | <hr/>       |