

Company No: 2384078

**WYN-RO DEVELOPMENTS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MAY 1998**



**WYN-RO DEVELOPMENTS LIMITED**

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## **WYN-RO DEVELOPMENTS LIMITED**

### **OFFICERS AND ADVISERS**

<b>Directors</b>	R Tchenguiz BS V A Tchenguiz BSc, MBA
<b>Secretary</b>	M H P Ingham FCA
<b>Auditors</b>	Baker Tilly The Clock House 140 London Road Guildford Surrey GU1 1UW
<b>Solicitors</b>	Julian Holy 31 Brechin Place London SW7 4QD
<b>Registered Office</b>	18 Upper Grosvenor Street London W1X 9PB

## **WYN-RO DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT**

The Directors submit their annual report and the audited financial statements for the year ended 31st May 1998.

#### **Statement of 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 and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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 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.

#### **Activity**

The principal activity of the Company which has remained unchanged during the year was property investment.

#### **Business review and future developments**

The Directors consider that the result for the year and the financial position of the company at the year end was satisfactory given the support of the ultimate holding company.

#### **Dividends**

The Directors do not recommend the payment of a dividend.

#### **Investment properties**

The investment properties held at 31st May 1998 were valued as at that date at £700,000 by the Directors, which resulted in a revaluation surplus for the year of £5,000 as set out in note 6.

#### **Directors and their interests**

The Directors who served during the year were:-

R Tchenguiz  
V A Tchenguiz

None of the directors had a beneficial interest in the share capital of the Company at any time during the year.

The interests of the Directors in the share capital of the United Kingdom holding company, Rotch Property Group Limited, are set out in the Directors' report of that company.

## **WYN-RO DEVELOPMENTS LIMITED**

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

#### **Year 2000**

The impact of the year 2000 is being addressed at a group level, as all systems are common to group companies. All computer systems, telecommunications and other technical equipment are being assessed. Many of the group systems are already compliant and the Directors anticipate that the programme will be completed by early 1999.

#### **Auditors**

Pursuant to an elective resolution the Company has elected not to re-appoint its auditors annually and Baker Tilly, Chartered Accountants, will therefore continue in office in accordance with the provisions of section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD



**R Tchenguiz**  
Director

16 March 1999

## **WYN-RO DEVELOPMENTS LIMITED**

### **REPORT OF THE AUDITORS TO THE MEMBERS OF WYN-RO DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies as set out on page 7.

#### **Respective responsibilities of Directors and auditors**

As described in the Directors' report, 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.

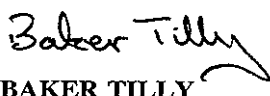
#### **Basis of opinion**

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, are consistently applied and are 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 31st May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**BAKER TILLY**

Chartered Accountants  
and Registered Auditors

The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

16 March 1999

**WYN-RO DEVELOPMENTS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MAY 1998**

	Notes	1998 £	1997 £
Turnover		54,646	9,705
Administrative expenses	3	(4,549)	(6,169)
Interest receivable		1,745	-
Interest payable	4	(50,245)	(6,542)
Profit/(loss) on ordinary activities before taxation		<u>1,597</u>	<u>(3,006)</u>
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year	12	<u>£ 1,597</u>	<u>£ (3,006)</u>

The profit for the financial year derives from continuing activities.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

Profit/(loss) for the financial year		1,597	(3,006)
Unrealised surplus on valuation of properties	6	5,000	115,525
Total recognised gains and losses for the year		<u>£ 6,597</u>	<u>£ 112,519</u>

# WYN-RO DEVELOPMENTS LIMITED

## BALANCE SHEET

AT 31ST MAY 1998

	Notes	£	1998 £	£	1997 £
<b>Fixed assets</b>					
Tangible fixed assets	6		700,000		695,000
<b>Current assets</b>					
Debtors	7	22,033		9,990	
Cash at bank		-		22,031	
		<u>22,033</u>		<u>32,021</u>	
Creditors: Amounts falling due within one year	8	(102,842)		(110,014)	
<b>Net current liabilities</b>			<u>(80,809)</u>		<u>(77,993)</u>
<b>Total assets less current liabilities</b>			<u>619,191</u>		<u>617,007</u>
Creditors: Amounts falling due after more than one year	9		(500,073)		(504,486)
<b>Net assets</b>			<u>£ 119,118</u>		<u>£ 112,521</u>
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Revaluation reserve	12		120,525		115,525
Profit and loss account	12		(1,409)		(3,006)
<b>Shareholders' funds</b>	12		<u>£ 119,118</u>		<u>£112,521</u>

Approved by the Board on 16 March 1999 and signed on its behalf by



R Tchenguiz  
Director

# WYN-RO DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

### 1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

#### Basis of accounting

The financial statements have been prepared under the historical cost convention with the exception of land and buildings which are stated at revalued amounts.

#### Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking.

#### Investment properties

In accordance with Statement of Standard Accounting Practice No 19:

- investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards certain of the Company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets.

However, these properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to show a true and fair view. Depreciation or amortisation 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.

#### Deferred taxation

Deferred taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a liability will become payable within the foreseeable future.

No provision is made for any liability to tax that would arise in the event of the sale of the investment property at the value at which it is stated in the financial statements. However, an estimate of this liability is disclosed in note 10.

### 2. Employees and Directors

There were no employees other than the Directors, who received no emoluments.

### 3. Administrative expenses

Administrative expenses include  
Auditors' emoluments

1998                      1997

£ 500                      £ 500

=====

# WYN-RO DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MAY 1998

4. Interest payable	1998	1997
	£	£
On group loans	50,039	6,542
Other interest	206	-
	<u>£ 50,245</u>	<u>£ 6,542</u>

#### 5. Taxation

There is no liability to corporation tax in view of the availability of group relief.

#### 6. Tangible fixed assets

**Freehold  
investment  
property  
£**

##### Valuation

1st June 1997	695,000
Revaluation surplus (note 12)	5,000

**31st May 1998** **£ 700,000**

The investment property held at 31st May 1998 was valued as at that date at £700,000 by the Directors.

The original cost of the property was £579,475.

7. Debtors	1998	1997
	£	£
Due within one year:		
Trade debtors	22,031	9,988
Amount owed by parent undertaking	2	2
	<u>£ 22,033</u>	<u>£ 9,990</u>

8. Creditors: Amounts falling due within one year	1998	1997
	£	£
Amount owed to United Kingdom holding company	10,230	69,150
Amounts owed to fellow subsidiary	44,339	3,989
Other taxation and social security costs	14,238	3,030
Accruals and deferred income	34,035	33,845
	<u>£ 102,842</u>	<u>£ 110,014</u>

# WYN-RO DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST MAY 1998

<b>9. Creditors: Amounts falling due after more than one year</b>	<b>1998</b>	<b>1997</b>
Amounts owed to fellow subsidiary	<b>£ 500,073</b>	<b>£ 504,486</b>
	<u>          </u>	<u>          </u>

This represents amounts owed to a fellow subsidiary, Rotch Financial Limited, a subsidiary of Rotch Property Group Limited, which has procured this finance to acquire the Company's investment property. The loans procured, which bear interest at 10.19% and 9.32%, are to be amortised by rents receivable net of interest payable by July 2020.

The Company's investment property is subject to cross guarantees and is cross collateralised with other properties owned by the Rotch Property Group Limited group of companies and which are used as security for loans to that group. The total value of the loans subject to this cross collateralisation of the underlying securities, including this Company's loan, amounted to £67,749,492.

#### 10. Provision for liabilities and charges

No provision for deferred taxation has been made in respect of the property held as an investment, which is included in these financial statements at a valuation of £700,000. It is estimated that if the property were to be sold at that valuation the tax liability would amount to £29,000 (1997:£34,000).

<b>11. Share capital</b>	<b>1998</b>	<b>1997</b>
Authorised, allotted, called up and fully paid: 1,000 ordinary shares of £1 each	<b>£ 1,000</b>	<b>£ 1,000</b>
	<u>          </u>	<u>          </u>
Authorised, allotted, called up and fully paid: 2 ordinary shares of £1 each	<b>£ 2</b>	<b>£ 2</b>
	<u>          </u>	<u>          </u>

#### 12. Reserves and reconciliation of movements in shareholders' funds

	<b>Share capital £</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
Opening shareholders' funds	2	115,525	(3,006)	112,521
Profit for the year	-	-	1,597	1,597
Revaluation in year (note 6)	-	5,000	-	5,000
<b>Closing shareholders' funds</b>	<b>£ 2</b>	<b>£ 120,525</b>	<b>£ (1,409)</b>	<b>£ 119,118</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 13. Ultimate holding company

The Directors regard the ultimate holding company to be Vin-Rotch Properties Limited Inc., a company incorporated in the Republic of Panama.

## **WYN-RO DEVELOPMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31ST MAY 1998**

##### **14. Intermediate holding company**

The Company's closest intermediate holding company for which group accounts are drawn up is Wyn-Ro Properties Limited, which is registered in England. This parent undertaking is the holding company of the smallest group for which group accounts are prepared and of which the Company is a member. Copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

##### **15. United Kingdom holding company**

The Company's ultimate United Kingdom holding company for which group accounts are drawn up is Rotch Property Group Limited, which is registered in England. This parent undertaking is the holding company of the largest group for which accounts are prepared and of which the Company is a member. Copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

In view of the Company's deficiency of current assets, this holding company has agreed to provide financial support as and when required to enable the Company to meet its external obligations.

##### **16. Related party transactions**

The Company is exempt from disclosing intra-group related party transactions under Financial Reporting Standard 8 by the virtue of it being a wholly owned subsidiary undertaking of Wyn-Ro Properties Ltd for which group accounts are prepared.

##### **17. Ultimate controlling party**

The Company's ultimate controlling party is the Tchenguiz Family Trust.