

Wyn-Ro Developments Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2005



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COMPANIES HOUSE 31/03/2006

Company Registration No. 02384078

Wyn-Ro Developments Limited

DIRECTORS AND OFFICERS

DIRECTORS

V A Tchenguiz
R Tchenguiz

SECRETARY

M H P Ingham

COMPANY NUMBER

02384078 (England and Wales)

REGISTERED OFFICE

Ground Floor
Leconfield House
Curzon Street
London
W1J 5JA

AUDITORS

Baker Tilly
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

SOLICITORS

Olswang
90 High Holborn
London
WC1V 6XX

Wyn-Ro Developments Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Wyn-Ro Developments Limited for the year ended 31 May 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company, which has remained unchanged during the financial year, was property investment.

REVIEW OF THE BUSINESS

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2005 were satisfactory.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS

The following directors have held office since 1 June 2004:

V A Tchenguiz
R Tchenguiz

DIRECTORS' INTERESTS IN SHARES

The directors at 31 May 2005 had no 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 ultimate holding company, Rotch Property Group Limited, are set out in the directors' report of that company.

INVESTMENT PROPERTY

The investment property held at 31 May 2005 was valued as at that date at £1,283,000 by the directors. The increase in value during the year amounted to £196,000 as set out in note 6.

AUDITORS

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Baker Tilly, will be deemed to be reappointed for each succeeding financial year.

On behalf of the board



R Tchenguiz
Director

30 March 2006

Wyn-Ro Developments Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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;
- 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WYN-RO DEVELOPMENTS LIMITED

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

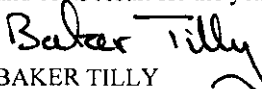
Basis of opinion

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 as at 31 May 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

30 March 2006

Wyn-Ro Developments Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2005

	<i>Notes</i>	2005 £	2004 £
RENT RECEIVABLE		111,000	111,000
Other operating expenses	1	(6,860)	(8,110)
OPERATING PROFIT		104,140	102,890
Interest payable and similar charges	2	(50,313)	(183,203)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	53,827	(80,313)
Taxation	5	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	12	53,827	(80,313)

All amounts derive from continuing activities.

Wyn-Ro Developments Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 May 2005

	<i>Notes</i>	2005 £	2004 £
Profit/(loss) for the financial year		53,827	(80,313)
Unrealised surplus on revaluation of properties	6	196,000	15,000
Total gains and losses recognised since last financial statements		<u>249,827</u>	<u>(65,313)</u>

Wyn-Ro Developments Limited

BALANCE SHEET

31 May 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	6	1,283,000	1,087,000
CURRENT ASSETS			
Debtors	7	310,528	256,834
CREDITORS: Amounts falling due within one year	8	(48,569)	(44,545)
NET CURRENT ASSETS		261,959	212,289
TOTAL ASSETS LESS CURRENT LIABILITIES		1,544,959	1,299,289
CREDITORS: Amounts falling due after more than one year	9	(782,331)	(786,488)
NET ASSETS		762,628	512,801
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Revaluation reserve	12	703,525	507,525
Profit and loss account	12	59,101	5,274
EQUITY SHAREHOLDERS' FUNDS	13	762,628	512,801

Approved by the board on 30 March 2006

R Tchenguiz

Director



Wyn-Ro Developments Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

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

INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No.19, investment properties are revalued annually on an open market basis and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment may be a departure from the requirements of the Companies Act concerning the 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 give a true and fair view. Depreciation or amortisation is only one of the 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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement, as more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.

Wyn-Ro Developments Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2005

1. OTHER OPERATING EXPENSES	2005 £	2004 £
Administrative expenses	6,860	8,110
2. INTEREST PAYABLE AND SIMILAR CHARGES	2005 £	2004 £
Loan interest payable to group undertakings	50,098	47,564
Loan break costs	-	133,573
Amortisation of finance charges	215	2,000
Other interest	-	66
	50,313	183,203
3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2005 £	2004 £
Profit/(Loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	1,500	1,000
4. EMPLOYEES		
There were no employees during the year apart from the directors, who received no emoluments.		
5. TAXATION	2005 £	2004 £
Current tax charge	-	-
Factors affecting the tax charge for the year:		
Profit/(loss) on ordinary activities before taxation	53,827	(80,313)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	16,148	(24,094)
Effects of:		
Tax losses (utilised)/surrendered by way of group relief	(20,428)	24,094
UK transfer pricing	4,280	-
	(16,148)	24,094
Current tax charge	-	-

Wyn-Ro Developments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2005

6. TANGIBLE FIXED ASSETS

	<i>Investment property</i> £
Valuation	
1 June 2004	1,087,000
Revaluation surplus	196,000
31 May 2005	<u>1,283,000</u>

The property was valued as at 31 May 2005 at £1,283,000 (2004: £1,087,000) by the directors.

The original cost of the property was £579,475 (2004: £579,475).

Investment property at net book value comprises:	2005 £	2004 £
Freehold	<u>1,283,000</u>	<u>1,087,000</u>

7. DEBTORS	2005 £	2004 £
Due within one year:		
Trade debtors	32,019	22,031
Amounts owed by group undertakings	272,238	228,316
Prepayments and accrued income	6,271	6,487
	<u>310,528</u>	<u>256,834</u>

8. CREDITORS: Amounts falling due within one year	2005 £	2004 £
Loan from group undertaking (note 9)	4,156	3,512
Taxes and social security costs	6,305	5,999
Accruals and deferred income	38,108	35,034
	<u>48,569</u>	<u>44,545</u>

Wyn-Ro Developments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2005

9. CREDITORS: Amounts falling due after more than one year	2005 £	2004 £
Loan from group undertaking	782,331	786,488
Loan maturity analysis:		
In more than one year but not more than two years	4,427	4,157
In more than two years but not more than five years	15,088	14,165
In more than five years	762,816	768,166
	782,331	786,488

The group undertaking loan is repayable by instalments by 2020 and is financed by a loan from a third party to that group undertaking which is secured on the company's investment property and bears interest between 9.32% and 10.19% per annum. The loan is subject to cross-guarantees and cross-collateralisation of the underlying properties used as security for loans to other group and affiliated undertakings. The total value of the loans subject to this cross-collateralisation, including the company's loan, is £56,670,589 (2004: £89,037,287).

10. DEFERRED TAXATION

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 £1,283,000 (2004: £1,087,000). It is estimated that if this property were to be sold at that valuation the tax liability would amount to £171,422 (2004: £118,706).

11. SHARE CAPITAL	2005 £	2004 £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	2	2

12. STATEMENT OF MOVEMENT ON RESERVES

	Revaluation reserve £	Profit and loss account £
1 June 2004	507,525	5,274
Retained profit for the year	-	53,827
Revaluation during the year	196,000	-
31 May 2005	703,525	59,101

Wyn-Ro Developments Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2005

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	2005 £	2004 £
Profit/(Loss) for the financial year	53,827	(80,313)
Other recognised gains and losses	196,000	15,000
Net addition to/(depletion in) shareholders' funds	249,827	(65,313)
Opening shareholders' funds	512,801	578,114
Closing shareholders' funds	762,628	512,801

14. OWNERSHIP AND CONTROL

The company's immediate holding company is Rotch Properties Limited.

The parent undertaking of the smallest group for which group accounts are prepared and of which the company is a member is Rotch Properties Limited, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The parent undertaking of the largest group for which group accounts are prepared and of which the company is a member is Rotch Property Group Limited, the company's United Kingdom ultimate holding company, which is registered in England. Copies of these group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

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

The ultimate controlling party is the Tchenguiz Family Trust.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions with fellow group undertakings where more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.