

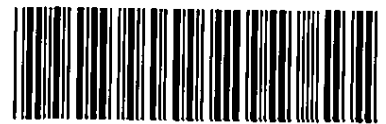
# Wyn-Ro Developments Limited

## FINANCIAL STATEMENTS

for the year ended

31 May 2007

WEDNESDAY



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26/03/2008  
COMPANIES HOUSE

Company Registration No 02384078

# Wyn-Ro Developments Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

R Tchenguiz  
V A Tchenguiz

### SECRETARY

M H P Ingham

### COMPANY NUMBER

02384078 (England and Wales)

### REGISTERED OFFICE

4th Floor  
Leconfield House  
Curzon Street  
London  
W1J 5JA

### AUDITOR

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

### SOLICITOR

Olswang  
90 High Holborn  
London  
WC1V 6XX

# Wyn-Ro Developments Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Wyn-Ro Developments Limited for the year ended 31 May 2007

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity is the letting of investment property. There were no additions or disposals of investment property during the year.

The investment property held at 31 May 2007 was valued as at that date at £1,326,000 by the directors. The decrease in value during the year amounted to £24,000 as set out in Note 6.

Rent reviews for the two leases are every 15 and 21 years. The rent review due as at 10 January 2007 has yet to be determined.

There have been no changes in tenancy during the year.

In the opinion of the directors the result for the year and the financial position of the company at 31 May 2007 were satisfactory.

### KEY PERFORMANCE INDICATORS

The directors use the following key indicators to measure performance:

	<u>2007</u>	<u>2006</u>
Percentage change in net assets	3%	1%
Ratio of loan to property value	82%	78%
Interest rental cover	202%	212%

### RISKS AND UNCERTAINTIES

It is the company's policy that no trading in financial instruments shall be undertaken. The company only enters into derivative contracts as part of its risk mitigation strategy.

The company is exposed to interest rate risks, tenant credit risk, cashflow risks and market value risks and details of its mitigation approaches are as follows:

#### Interest rate risk

The risk has been mitigated by the company only being party to fixed interest rate loans.

#### Tenant credit risk

The risk has been mitigated by the company only taking on appropriate tenants with credit checks undertaken by Prime Estates Management Limited, a fellow group company. In the main, tenants must be categorised as AAA by rating agencies or be a Government organisation.

# Wyn-Ro Developments Limited

## DIRECTORS' REPORT (CONTINUED)

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### Cashflow risk

The company minimises its cashflow risk of non performance on its loan agreements by minimising its tenant credit risk and by employing Prime Estates Management Limited, a fellow group company, as its management agents utilising their specialist skills to ensure collection of rent takes place on time

### Market value risk

The company's investment property values are determined by market forces outside of the company's control

The company is not exposed to a loan default resulting from a fall in property values as the loan agreement is predicated on contractual cash flows and does not include a loan to value covenant

### DIVIDENDS

The directors do not recommend payment of a dividend

### DIRECTORS

The following directors have held office since 1 June 2006

R Tchenguiz

V A Tchenguiz

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

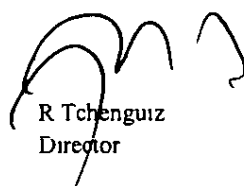
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

### AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office

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 UK Audit LLP, will be deemed to be reappointed for each succeeding financial year

On behalf of the board



R Tchenguiz  
Director

25 January 2008

# Wyn-Ro Developments Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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 requirements of 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 AUDITOR'S REPORT TO THE MEMBERS OF WYN-RO DEVELOPMENTS LIMITED

We have audited the financial statements on pages 6 to 13

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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 May 2007 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*Baker Tilly UK Audit LLP*

BAKER TILLY UK AUDIT LLP

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

25 January 2008

# Wyn-Ro Developments Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2007

	<i>Notes</i>	2007 £	2006 £
RENT RECEIVABLE		111,000	111,000
Other operating expenses	1	<u>(7,375)</u>	<u>(6,875)</u>
OPERATING PROFIT		103,625	104,125
Interest payable and similar charges	2	<u>(54,940)</u>	<u>(161,143)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	48,685	(57,018)
Taxation	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	12	<u><u>48,685</u></u>	<u><u>(57,018)</u></u>

All amounts derive from continuing activities

# Wyn-Ro Developments Limited

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 May 2007

	<i>Notes</i>	2007 £	2006 £
Profit/(loss) for the financial year		48,685	(57,018)
Unrealised (deficit)/surplus on revaluation of properties	6	(24,000)	67,000
Total gains and losses recognised since last financial statements		<u>24,685</u>	<u>9,982</u>



# Wyn-Ro Developments Limited

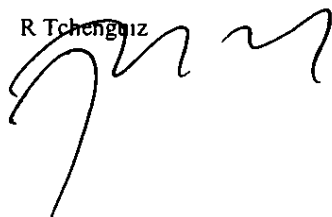
## BALANCE SHEET

31 May 2007

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>1,326,000</u>	<u>1,350,000</u>
<b>CURRENT ASSETS</b>			
Debtors	7	605,352	528,958
CREDITORS Amounts falling due within one year	8	<u>(55,652)</u>	<u>(66,908)</u>
<b>NET CURRENT ASSETS</b>		<u>549,700</u>	<u>462,050</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,875,700</u>	<u>1,812,050</u>
CREDITORS Amounts falling due after more than one year	9	<u>(1,078,405)</u>	<u>(1,039,440)</u>
<b>NET ASSETS</b>		<u><u>797,295</u></u>	<u><u>772,610</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Revaluation reserve	12	746,525	770,525
Profit and loss account	12	<u>50,768</u>	<u>2,083</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u><u>797,295</u></u>	<u><u>772,610</u></u>

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 25 January 2008 and are signed on its behalf by

R Tchenguiz



Director

# Wyn-Ro Developments Limited

## ACCOUNTING POLICIES

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### 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 is 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.

No provision is made for deferred tax on unrealised gains recognised on revaluing property to its market value.

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.

### RENT RECEIVABLE

Rental income from investment properties leased out under operating leases is recognised in the profit and loss account on a straight line basis over the term of the lease. Contingent rents such as turnover rents and indexed rents are recognised as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

**Wyn-Ro Developments Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 May 2007**

1	OTHER OPERATING EXPENSES	2007 £	2006 £
	Administrative expenses	7,375	6,875
2	INTEREST PAYABLE AND SIMILAR CHARGES	2007 £	2006 £
	Loan interest payable to group undertakings	54,685	52,114
	Amortisation of finance costs	255	199
	Unamortised finance costs expensed on loan redemption	-	6,121
	Loan and interest rate swap break costs	-	102,709
		54,940	161,143
3	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
	Profit/(Loss) on ordinary activities before taxation is stated after charging Auditor's remuneration	2,000	1,500
	Auditor's remuneration is due to Baker Tilly UK Audit LLP for 2007 (2006 due to Baker Tilly Chartered Accountants)		
4	EMPLOYEES		
	There were no employees during the year apart from the directors, who received no emoluments		
5	TAXATION	2007 £	2006 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	48,685	(57,018)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 30.00%)	14,606	(17,105)
	Effects of		
	Group relief	(24,125)	10,798
	UK transfer pricing	9,519	6,307
		(14,606)	17,105
	Current tax charge	-	-

# Wyn-Ro Developments Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2007

### 6 TANGIBLE FIXED ASSETS

	<i>Investment property</i> £
Valuation	
1 June 2006	1,350,000
Revaluation (deficit)	(24,000)
31 May 2007	<u>1,326,000</u>

The property was valued as at 31 May 2007 at £1,326,000 (2006 £1,350,000) by the directors

The original cost of the property was £579,475 (2006 £579,475)

Investment property at net book value comprises	2007 £	2006 £
Freehold	<u>1,326,000</u>	<u>1,350,000</u>

### 7 DEBTORS

	2007 £	2006 £
Due within one year		
Trade debtors	32,019	32,019
Amounts owed by group undertakings	565,475	492,231
Prepayments and accrued income	7,858	4,708
	<u>605,352</u>	<u>528,958</u>

### 8 CREDITORS Amounts falling due within one year

	2007 £	2006 £
Loan from group undertaking (note 9)	10,140	21,591
Taxes and social security costs	6,306	6,305
Accruals and deferred income	39,206	39,012
	<u>55,652</u>	<u>66,908</u>

# Wyn-Ro Developments Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2007

9 CREDITORS Amounts falling due after more than one year	2007 £	2006 £
Loan from group undertaking	<u>1,078,405</u>	<u>1,039,440</u>
Loan maturity analysis		
In more than one year but not more than two years	10,696	-
In more than two years but not more than five years	35,725	-
In more than five years	<u>1,031,984</u>	<u>1,039,440</u>
	<u>1,078,405</u>	<u>1,039,440</u>

The group undertaking loan is repayable by instalments by February 2032 and bears interest at 5.36% (2006 5.36%) per annum. It is financed by a loan from a third party to that group undertaking, which is secured on the company's freehold property, and is subject to cross-guarantees and cross-collateralisation of the underlying properties used as security with other group loans. During the year, additional funding became available under the existing loan facility following the restructuring of the portfolio financed under this facility. The total value of the group loans subject to this cross-collateralisation as at 31 May 2007, including the company's loan, is £11,909,172 (2006 £19,357,517).

### 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 £1,326,000 (2006 £1,350,000). It is estimated that if this property were to be sold at that valuation the tax liability would amount to £168,502 (2006 £185,089).

11 SHARE CAPITAL	2007 £	2006 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 12 STATEMENT OF MOVEMENT ON RESERVES

	Revaluation reserve £	Profit and loss account £
1 June 2006	770,525	2,083
Retained profit for the year	-	48,685
Revaluation during the year	<u>(24,000)</u>	<u>-</u>
31 May 2007	<u>746,525</u>	<u>50,768</u>

# Wyn-Ro Developments Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 May 2007

13 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	2007 £	2006 £
Result for the financial year	48,685	(57,018)
Other recognised gains and losses	(24,000)	67,000
Net addition to shareholders' funds	24,685	9,982
Opening shareholders' funds	772,610	762,628
Closing shareholders' funds	797,295	772,610

## 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