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# Wyn-Ro Developments Limited

## FINANCIAL STATEMENTS

for the year ended

31 May 2000



Company Registration No. 2384078

# Wyn-Ro Developments Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

V A Tchenguiz

R Tchenguiz

### SECRETARY

M H P Ingham

### COMPANY NUMBER

2384078 (England)

### REGISTERED OFFICE

18 Upper Grosvenor Street

London

W1K 7PW

### AUDITORS

Baker Tilly

The Clock House

140 London Road

Guildford

Surrey GU1 1UW

### SOLICITORS

Julian Holy

31 Brechin Place

London

SW7 4QD

# 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 2000.

### 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 2000 were satisfactory given the support of the United Kingdom holding company.

### DIVIDENDS

The directors do not recommend payment of a dividend.

### DIRECTORS

The following directors have held office since 1 June 1999:-

V A Tchenguiz  
R Tchenguiz

### DIRECTORS' INTERESTS IN SHARES

The directors at 31 May 2000 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 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 2000 was valued as at that date at £860,000 by the directors. The increase in value during the year amounted to £160,000 as set out in note 6.

# Wyn-Ro Developments Limited

## DIRECTORS' REPORT

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### 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

12 January 2001

# Wyn-Ro Developments Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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.

## AUDITORS' REPORT TO THE SHAREHOLDERS OF WYN-RO DEVELOPMENTS LIMITED

We have audited the financial statements on pages 6 to 13.

### **Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of 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.

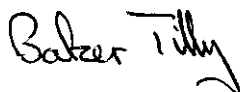
### **Basis of opinion**

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 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 2000 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

12 January 2001

# Wyn-Ro Developments Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2000

	<i>Notes</i>	2000 £	1999 £
RENT RECEIVABLE		54,430	54,500
Other operating expenses	1	(6,360)	(6,278)
OPERATING PROFIT		48,070	48,222
Interest payable and similar charges	2	(51,175)	(50,383)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(3,105)	(2,161)
Taxation	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	12	(3,105)	(2,161)

All amounts derive from continuing activities.

# Wyn-Ro Developments Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2000

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### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<i>Notes</i>	2000 £	1999 £
Loss for the financial year		(3,105)	(2,161)
Unrealised surplus on revaluation of property	6	160,000	5,000
Total gains and losses recognised since last financial statements		<u>156,895</u>	<u>2,839</u>



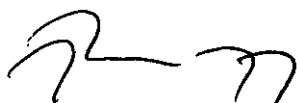
# Wyn-Ro Developments Limited

## BALANCE SHEET

31 May 2000

	<i>Notes</i>	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	6	860,000	700,000
<b>CURRENT ASSETS</b>			
Debtors	7	10,340	58,604
CREDITORS: Amounts falling due within one year	8	(99,184)	(139,978)
NET CURRENT LIABILITIES		(88,844)	(81,374)
TOTAL ASSETS LESS CURRENT LIABILITIES		771,156	618,626
CREDITORS: Amounts falling due after more than one year	9	(497,304)	(501,669)
NET ASSETS		273,852	116,957
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Revaluation reserve	12	280,525	120,525
Profit and loss account	12	(6,675)	(3,570)
EQUITY SHAREHOLDERS' FUNDS	13	273,852	116,957

Approved by the Board on 12 January 2001



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

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

### 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. 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 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 taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a material 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.

### CASH FLOW STATEMENT

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

# Wyn-Ro Developments Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2000

1. OTHER OPERATING EXPENSES	2000	1999
	£	£
Administrative expenses	6,360	6,278
	<u>          </u>	<u>          </u>
2. INTEREST PAYABLE	2000	1999
	£	£
On amounts payable to group undertakings	49,472	49,544
Other interest	1,703	839
	<u>          </u>	<u>          </u>
	51,175	50,383
	<u>          </u>	<u>          </u>
3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2000	1999
	£	£
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration	500	500
	<u>          </u>	<u>          </u>

#### 4. EMPLOYEES

There were no employees during the year apart from the directors, who received no emoluments.

#### 5. TAXATION

There is no current charge to taxation in view of the losses incurred.

# Wyn-Ro Developments Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2000

### 6. TANGIBLE FIXED ASSETS

	<i>Investment property £</i>
Cost or valuation	
1 June 1999	700,000
Revaluation surplus	160,000
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31 May 2000	860,000
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31 May 1999	700,000
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The property was valued as at 31 May 2000 at £860,000 (1999 £700,000) by the directors.

The original cost of the property was £579,475 (1999 £579,475).

Investment property at net book value comprises:

	2000 £	1999 £
Freehold	860,000	700,000
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### 7. DEBTORS

	2000 £	1999 £
Due within one year		
Trade debtors	9,988	22,031
Amounts owed by United Kingdom holding company	-	36,396
Amounts owed by group undertakings	2	2
Other debtors	350	175
	<hr/>	<hr/>
	10,340	58,604
	<hr/>	<hr/>

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

	2000 £	1999 £
Trade creditors	1,276	1,702
Amounts owed to United Kingdom holding company	54,166	-
Amounts owed to group undertakings	4,365	83,498
Taxes and social security costs	4,943	19,888
Accruals and deferred income	34,434	34,890
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	99,184	139,978
	<hr/>	<hr/>

# Wyn-Ro Developments Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2000

9. CREDITORS: Amounts falling due in more than one year	2000 £	1999 £
Amounts owed to group undertakings	497,304	501,669
Loan maturity analysis:		
Between one and two years	4,828	4,365
Between two and five years	17,769	16,069
In five years or more	474,707	481,235

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 £122,845,025 (1999: £90,324,824).

## 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 £860,000 (1999 £700,000). It is estimated that if this property were to be sold at that valuation the tax liability would amount to £68,000 (1999 £26,000).

11. SHARE CAPITAL	2000 £	1999 £
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 1999	120,525	(3,570)
Retained loss for the year	-	(3,105)
Revaluation during the year	160,000	-
31 May 2000	280,525	(6,675)

# Wyn-Ro Developments Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2000

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2000 £	1999 £
Loss for the financial year	(3,105)	(2,161)
Other recognised gains and losses	160,000	-
Net addition to/(depletion in) shareholders' funds	156,895	(2,161)
Opening shareholders' funds	116,957	119,118
Closing shareholders' funds	273,852	116,957

## 14. OWNERSHIP AND CONTROL

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

The company's closest intermediate holding company for which group accounts are drawn up is Rotch 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.

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 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.

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

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 is exempt from disclosing intra-group related party transactions under Financial Reporting Standard 8 by virtue of it being a wholly owned subsidiary undertaking of Rotch Properties Limited, for which group accounts are prepared.