

WINCHBOURNE LIMITED

Company No: 807607

FINANCIAL STATEMENTS

for the year ended

30 JUNE 2001

**COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1S 2HL**



WINCHBOURNE LIMITED

DIRECTORS

Abraham Gluck
Harold Gluck

SECRETARY

Abraham Gluck

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

AUDITORS

Cohen Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1S 2HL

WINCHBOURNE LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

Page

1 - 2	Directors' Report
3	Accountants' Report
4	Profit and Loss Account
5	Statement of Total Recognised Gains and Losses
5	Reconciliation of Movement in Shareholders' Fund
6 - 7	Balance Sheet
8 - 13	Notes to the Financial Statements

WINCHBOURNE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the Financial Statements of the Company for the year ended 30 June 2001.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company is property investment which remained unchanged during the year and no change is envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Company's activities for the year ended 30 June 2001, are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors do not recommend the payment of a dividend for the year under review.

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Note 7 to the Financial Statements.

LAND AND BUILDINGS

The Company's investment properties are included in the Balance Sheet at Directors' valuation.

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL

The Directors who served during the year and their interests in the Share Capital of the Company are as follows:

		Number of Ordinary Shares	
		2001	2000
Mr Abraham Gluck	- Beneficial Interest	15	15
	- Non-Beneficial Interest	20	20
Mr Harold Gluck	- Beneficial Interest	10	10
	- Non-Beneficial Interest	10	10

Mr A Gluck and Mr H Gluck are deemed to have a beneficial interest in their respective wives' Shareholdings.

The Articles of Association do not require Directors to retire by rotation.

No Director has a Service Contract with the Company.

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 its profit for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent

WINCHBOURNE LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES (Continued)

- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) 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 maintaining 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.

DONATIONS

During the year the Company made a charitable donation under Gift Aid of £4,000 (gross) (2000:£6,000). No political contributions were made.

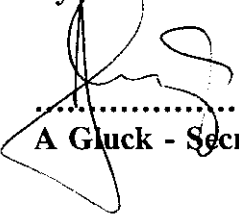
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co are willing to continue in office. A resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



.....
A Gluck - Secretary

18 October 2001

WINCHBOURNE LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS

As described on the Balance Sheet you are responsible for the preparation of the Financial Statements for the year ended 30 June 2001, and you consider that the company is exempt from an audit and a report under section 249A(1) of the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited accounts from the accounting records and information and explanations supplied to us.



Cohen Arnold & Co.
Chartered Accountants
13-17 New Burlington Place
Regent Street, London W1S 2HL

18th Oct 2001

WINCHBOURNE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2001

	Notes	<u>2001</u> £	<u>2000</u> £
Net Rental Income	3	37,778	46,011
Administrative and Other Expenses	4	(14,002)	(19,212)
OPERATING PROFIT		23,776	26,799
Interest Receivable		6	4,000
Interest Payable	5	(13,819)	(11,052)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,963	19,747
Taxation	6	(743)	(3,000)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9,220	16,747
Retained Profit Brought Forward		93,997	77,250
RETAINED PROFIT CARRIED FORWARD		£103,217	£93,997

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The notes on pages 8 to 13 form part of these Financial Statements.

WINCHBOURNE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30TH JUNE 2001

	<u>2001</u> £	<u>2000</u> £
Profit for the Year after Tax	9,220	16,747
Unrealised Surplus on Revaluation of Investment Properties	27,500	23,314
Total Recognised Gains For the Year	<u>£36,720</u>	<u>£40,061</u>

WINCHBOURNE LIMITED

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 30TH JUNE 2001

	<u>2001</u> £	<u>2000</u> £
Profit for the Year after Tax	9,220	16,747
Other Recognised Gains Relating to the Year	27,500	23,314
Net Increases in Shareholders' Funds	36,720	40,061
Shareholders' Funds Brought Forward	587,911	547,850
	<u>£624,631</u>	<u>£587,911</u>

WINCHBOURNE LIMITED

BALANCE SHEET AS AT 30 JUNE 2001

	Notes	£	<u>2001</u>	£	£	<u>2000</u>	£
FIXED ASSETS							
Tangible Assets	7			589,874			558,958
CURRENT ASSETS							
Debtors	8	230,440			117,814		
Cash at Bank		2,716			18,157		
			233,156			135,971	
CREDITORS: Amounts falling due within one year	9	(27,611)			(22,084)		
NET CURRENT ASSETS				205,545			113,887
TOTAL ASSETS LESS CURRENT LIABILITIES				795,419			672,845
CREDITORS: Amounts falling after one year	10			(170,788)			(84,934)
NET ASSETS				£624,631			£587,911
CAPITAL AND RESERVES							
Called up Share Capital	11			100			100
Profit and Loss Account				103,217			93,997
Other Reserves	12			521,314			493,814
				£624,631			£587,911

The immediately following page forms an integral part of this Balance Sheet.

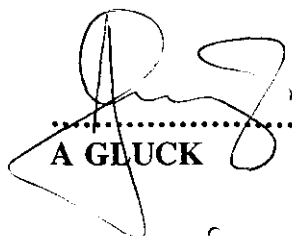
WINCHBOURNE LIMITED

BALANCE SHEET AS AT 30 JUNE 2001

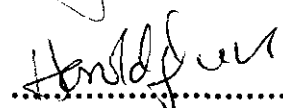
The Directors confirm that for the year ended 30 June 2001 the Company is entitled to exemption from audit under the provisions of Section 249A (1) Companies Act 1985 (the Act) and that no member or members have requested an audit pursuant to the provisions of Section 249B (2) of the Act.

The Directors acknowledge their responsibilities for ensuring that the Company maintains accounting records which comply with Section 221 of the Act and for preparing Accounts which give a true and fair view of the state of affairs of the Company at the end of its Financial Period and of its results for the Financial Period in accordance with the provisions of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to Financial Statements.

The Financial Statements were approved by the Board on 18 Oct 2001 and signed on its behalf by


.....
A GLUCK

DIRECTORS


.....
H GLUCK

The notes on pages 8 to 13 form part of these Financial Statements.

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

1.2 INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at directors valuation which is in accordance with Statement of Standard Accounting Practice No.19, which requires such properties to be stated at their open market value.

1.3 DEPRECIATION

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of Freehold investment properties nor on Leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the Directors consider that this Accounting Policy results in the Financial Statements giving a true and fair view.

Leases having an unexpired term of less than twenty years are amortised evenly over the remaining period of the lease.

Items of furniture and fittings are capitalised in the year in which they are acquired and depreciated at the rate of 25% per annum on the reducing balance method to write off their value over their anticipated useful life.

1.4 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and Disposals are considered to have taken place at the date of legal completion and are included in the Financial Statements accordingly.

1.5 CASH FLOW STATEMENT

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

2. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities.

3. TURNOVER AND NET RENTAL INCOME

The Turnover of the Company is represented by Rents and Charges Received in respect of its Investment Properties.

The Net Rental Income is as comprised as follows:

	<u>2001</u>	<u>2000</u>
	£	£
Rents and Charges Receivable	62,658	64,369
Property Outgoings	(24,880)	(18,358)
	£37,778	£46,011

4. ADMINISTRATIVE AND OTHER EXPENSES

	<u>2001</u>	<u>2000</u>
	£	£
Director's Remuneration	2,564	1,282
Wages and Salaries	6,410	6,090
Auditor's Remuneration	4,113	5,612
Legal and Professional Fees	162	162
Gift Aid Payment	4,000	6,000
Bank Charges	73	66
Travel and subsistence	30	-
Corporate Management fees - Paid	2,350	-
Corporate Management Fees - Received	(5,700)	-
	£14,002	£19,212

WINCHBOURNE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

5. INTEREST PAYABLE

	<u>2001</u>	<u>2000</u>
	£	£
On loan repayable within 5 years:		
Bank Overdrafts	18	886
Interest On Overdue Tax	-	1
On loan repayable after 5 years:		
Bank Loan	13,488	7,026
Cost of Obtaining Finance	313	3,139
	£13,819	£11,052

6. TAXATION

	<u>2001</u>	<u>2000</u>
	£	£
Taxation based on the profit for the year:		
Corporation Tax Provision	749	£3,000
Over provision in previous year	(6)	-
	£743	£3,000

7. TANGIBLE FIXED ASSETS

	<u>Freehold</u>	<u>Furniture & Fittings</u>	<u>Total</u>
	£	£	£
Investment Properties			
- at Cost or Valuation			
At 1 July 2000	551,000	28,402	579,402
Additions at Cost	-	7,207	7,207
Revaluation Surplus	27,500	-	27,500
At 30 June 2001	£578,500	£35,609	£613,109

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

7. TANGIBLE FIXED ASSETS (Continued)

	<u>Freehold</u> £	<u>Furniture & Fittings</u> £	<u>Total</u> £
Depreciation:			
At 1 July 2000	-	20,444	20,444
Charge for the Year	-	3,791	3,791
At 30 June 2001	£-	£24,235	£24,235
Net Book Value:			
At 30 June 2001	£578,500	£11,374	£589,874
At 30 June 2000	£551,000	£7,958	£558,958

In accordance with the company's stated accounting policy (see note 1.3) no depreciation has been provided in respect of freehold or long-leasehold properties which are held for investment purposes.

The historical cost of the properties is £57,186 (2000 : £57,186)

8. DEBTORS

	<u>2001</u> £	<u>2000</u> £
Amounts due from Associated Undertakings	220,984	117,095
Sundry Debtors	9,456	719
	£230,440	£117,814

Amounts due from Associated Undertakings represent loans to various Companies of which, Messrs A and H Gluck, the directors and shareholders of the Reporting Entity, are directors and shareholders.

The above loans are interest free and effectively repayable on demand.

WINCHBOURNE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2001</u> £	<u>2000</u> £
Current Instalment of Term Loan	19,000	7,000
Corporation Tax	749	3,000
Other Creditors and Accruals	5,623	10,198
Other Taxes	2,239	1,886
	£27,611	£22,084

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>Interest Rate</u>	<u>2001</u> £	<u>2000</u> £
<u>Bank Loan:</u>			
Amounts repayable between 1st July 2002 and 30th June 2006	Variable	76,000	28,000
Amounts repayable after 30th June 2006	Variable	94,788	56,934
		£170,788	£84,934

The loan is secured by legal charges over certain of the Company's Investment Properties.

11. CALLED UP SHARE CAPITAL

	<u>2001</u> £	<u>2000</u> £
<u>Authorised:</u>		
100 Ordinary Shares of £1 each	100	100
<u>Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100

WINCHBOURNE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

12. OTHER RESERVES

	Revaluation Reserve £	Total £
At 1 July 2000	493,814	493,814
Transfer during the year	27,500	27,500
At 30 June 2001	£521,314	£521,314

13. DIRECTORS' INTEREST IN CONTRACTS

Management of the Company's properties, administration, Corporate Services are carried out at normal commercial rates by Taskpoint Management Limited. During the year, £11,685 (2000: £11,046) was paid to Taskpoint Management Limited.

Included in Administration expenses is an amount of £5,700 received from HillTop Estates Limited for Corporate management services provided at normal commercial terms.

Mr A Gluck is a director and shareholder of both Taskpoint Management Limited and HillTop Estates Limited.

14. CONTROLLING PARTIES

Mr A Gluck and Mr H Gluck together with their families own a controlling interest in the issued share capital of the company.

15. CONTINGENT LIABILITIES

The Company together with several companies under common management is party to a cross-guarantee in respect of the loan facilities in a principal sum of up to £2m. As at 30th June 2001, the Contingent liability amounted to £1.8m.

The Company has charged its properties at 1-10 Worcester House as part security for the bank loan facilities above and the book value of the properties charges as at 30th June 2001 is approximately £578,500.

No amounts are anticipated to become payable under the guarantees.