

WG PROPERTIES LIMITED

ANNUAL REPORT AND ACCOUNTS

- for the year ended -

31 OCTOBER 2001



WG PROPERTIES LIMITED

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WG PROPERTIES LIMITED

COMPANY INFORMATION

DIRECTORS

H A Atashroo
A F Atashroo
N Rohani-Najafabadi

SECRETARY

H A Atashroo

REGISTERED OFFICE

2(b) Inworth Street
London
SW11 3EP

COMPANY NUMBER

3772636 (England)

WG PROPERTIES LIMITED

REPORT OF THE DIRECTOR

The Directors present their Annual Report together with the Accounts for the year ended 31 October 2001. The comparatives are for the period 26 July 1999 to 31 October 2000.

RESULTS

The results for the period are set out below:	<u>2001</u>	<u>26/7/1999 to 31/10/2000</u>
Profit for the year before Taxation	26,917	25,781
Taxation	(6,023)	(4,658)
	-----	-----
Retained profit for the year	<u>£20,894</u>	<u>£21,123</u>

REVIEW OF ACTIVITIES

The principal activity of the Company is that of investing, renovating and managing properties.

DIRECTOR

The Directors during the year and their beneficial interests in the Company's shares at the dates specified were as follows: -

	<u>31 October 2001</u> <u>Ordinary Shares</u> <u>of £1 each</u>	<u>1 November 2000</u> <u>Ordinary Shares</u> <u>of £1 each</u>
A F Atashroo	375	375
H A Atashroo	375	375
N Rohani-Najafabadi	250	250
	=====	=====

This report has been prepared taking advantage of the exemptions applicable to small companies contained in Part VII of the Companies Act 1985.

By Order of the Board



A F Atashroo
Director

Date: 26 August 2002

WG PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

- for the year ended -

31 OCTOBER 2001

	<u>Note</u>	<u>2001</u>	<u>26/7/1999 to</u> <u>31/10/2000</u>
Turnover	2	66,000	82,500
Administrative Expenses		(7,565)	(12,432)
Operating Profit		58,435	70,068
Interest Payable	3	(31,518)	(44,287)
Profit on Ordinary Activities before Taxation	2	26,917	25,781
Taxation on Profit on Ordinary Activities	4	(6,023)	(4,658)
Retained profit for the Period		£20,894	£21,123

WG PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

- for the year ended -

31 OCTOBER 2001

	<u>Note</u>	<u>2001</u>	<u>26/7/1999 to</u> <u>31/10/2000</u>
Retained Profit for the year		20,894	21,123
Unrealised Surplus on Revaluation of Property	9	-	97,591
		-----	-----
Total recognised Gains for the year		<u>£20,894</u>	<u>£118,714</u>

WG PROPERTIES LIMITED

BALANCE SHEET AT 31 OCTOBER 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible	5	750,000	750,000
<u>CURRENT ASSETS</u>			
Cash at Bank and in Hand		34,966	8,769
<u>CREDITORS – Amounts Falling Due Within One Year</u>	6	(51,039)	(35,084)
<u>NET CURRENT ASSETS</u>		(16,073)	(26,315)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		733,927	723,685
<u>CREDITORS – Amounts Falling Due After One Year</u>	7	(593,319)	(603,971)
		<u>£140,608</u>	<u>£119,714</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	8	1,000	1,000
Revaluation Reserves	9	97,591	97,591
Profit and Loss Account	9	42,017	21,123
		<u>£140,608</u>	<u>£119,714</u>

WG PROPERTIES LIMITED

BALANCE SHEET AT 31 OCTOBER 2001

The Company was entitled to exemptions from audit conferred by Section 249A(1) Companies Act 1985 for the year ended 31 October 2001. No notice has been deposited from members requiring an audit under Section 249B(2) in relation to these Accounts.

The Directors acknowledge their responsibilities for:

- i) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss, in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the Company.

These Accounts have been prepared taking advantage of the exemptions applicable to small companies contained in Part VII of the Companies Act 1985 and were approved by the Director on 26 August 2002.



A F Atashroo

Director

WG PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Accounting Convention

The Accounts are prepared under the Historical Cost Convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

This represents rental income receivable during the period.

2 RENTAL INCOME AND DISCLOSABLE EXPENSES

The rental income and profit before taxation is attributable to the main activity of the company, which arose wholly in the United Kingdom.

3 INTEREST PAYABLE

	<u>2001</u>	<u>2000</u>
On Bank loan wholly repayable after five years	<u>£31,518</u>	<u>£44,287</u>

4 TAXATION

	<u>2001</u>	<u>2000</u>
United Kingdom Corporation Tax at 20% based on profit for the period.	5,960	4,658
Under provision for previous year	63	-
	<u>£6,023</u>	<u>£4,658</u>

WG PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

5 TANGIBLE FIXED ASSETS

	<u>Long- leasehold Property</u>
Valuation at 1 November 2000	750,000
Valuation at 31 October 2001	<u>£750,000</u>

On 7 April 2000, the long-leasehold premises were valued on an open market basis by Glennys, an independent firm of Chartered Surveyors.

6 CREDITORS

	<u>2001</u>	<u>2000</u>
<u>Amounts Falling Due Within One Year</u>		
Bank Loan	22,579	16,926
Corporation Tax	5,960	4,658
Accruals and Other Creditors	22,500	13,500
	<u>£51,039</u>	<u>£35,084</u>

7 CREDITORS

	<u>2001</u>	<u>2000</u>
<u>Amounts Falling Due After One Year</u>		
Bank Loan	327,708	381,361
Amounts Due to the Directors	265,610	222,610
	<u>£593,318</u>	<u>£603,971</u>

Bank Loan - Amount repayable:

In 1 year or less	22,579	16,926
Between 1 and 2 years	24,319	18,314
Between 2 and 5 years	83,523	116,717
After 5 years	219,866	246,330
	<u>£350,287</u>	<u>£398,287</u>

The Bank Loan is secured on the Leasehold property and is repayable over 15 years. The current portion of the loan amounting to £22,579 is shown in Amounts Falling Due Within One Year.

WG PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

8 SHARE CAPITAL

	<u>2001</u>	<u>2000</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
<u>Issued, Called Up and Fully Paid</u>	<u>2001</u>	<u>2000</u>
Ordinary Shares of £1 each	<u>£1,000</u>	<u>£1,000</u>

9 RESERVES

	<u>Profit And Loss Account</u>	<u>Revaluation Reserves</u>
Balance at 1 November 2000	21,123	97,591
Retained profit for the year	20,894	-
	-----	-----
Balance at 31 October 2001	<u>£42,017</u>	<u>£97,591</u>

10 RELATED PARTY TRANSACTIONS

Mr A. F. Atashroo and Mr H. A. Atashroo have given personal guarantees for a bank loan of £420,000.

WG Properties Ltd granted a 21-year lease to Watergraphic Ltd, a company in which Mr H. A. Atashroo is a director and a major shareholder. The current rent has been agreed at £66,000 per annum. This has been determined on a commercial basis by independent Chartered Surveyors.

Administrative Expenses include £7,500 (£7,500 for period ended 31 October 2000) in respect of Management Charges payable to Watergraphic Ltd.

Additional related party information is give in notes 6 and 7 to the accounts.