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WG PROPERTIES LIMITED

REPORT AND ACCOUNTS

- for the year ended -

31 October 2004



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WG PROPERTIES LIMITED

CONTENTS

	<u>Page</u>
Company Information	2
Report of the Directors	3
Profit and Loss Account	4
Statement of Total Recognised Gains and Losses	5
Balance Sheet	6
Notes to the Accounts	10
Schedule to the Profit and Loss Account	12

WG PROPERTIES LIMITED

COMPANY INFORMATION

DIRECTORS

H A Atashroo
A F Atashroo
N Rohani-Najafabadi

SECRETARY

H A Atashroo

REGISTERED OFFICE

5 Calico Row
Plantation Wharf
London SW11 3TW

COMPANY NUMBER

3772636 (England)

WG PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report together with the Accounts for the year ended 31 October 2004.

RESULTS

	<u>2004</u>	<u>2003</u>
The results for the period are set out below:		
Profit for the year before Taxation	159,178	62,297
Taxation	(31,506)	(3,706)
	-----	-----
Retained profit for the year	<u>£127,672</u>	<u>£58,591</u>

REVIEW OF ACTIVITIES

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

DIRECTORS

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

	<u>31 October 2004</u>	<u>1 November</u> <u>2003</u>
	<u>Ordinary Shares</u> <u>of £1 each</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

The directors' report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small Companies.

By Order of the Board



A F Atashroo
Director

Date: 22 August 2005

WG PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

- for the year ended -

31 OCTOBER 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
Turnover	2	203,438	126,132
Administrative Expenses		(12,349)	(46,731)
Operating Profit		191,089	79,401
Interest Payable	4	(31,911)	(41,876)
Profit on Ordinary Activities before Taxation	2	159,178	37,525
Gain on Disposal of Long-term Lease	3	-	24,772
		159,178	62,297
Taxation on Profit on Ordinary Activities	5	(31,506)	(3,706)
Retained profit for the year		£127,672	£58,591

WG PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

- for the year ended -

31 OCTOBER 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
Retained Profit for the year		127,672	58,591
Unrealised Surplus on Revaluation of Investment Properties	10	109,202	-
Transfer from unrealised to realised Profit On Disposal of Investment Property		-	2,321
		-----	-----
Total recognised Gains for the year		£236,874	£60,912
		=====	=====

WG PROPERTIES LIMITED

BALANCE SHEET AT 31 OCTOBER 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible	6	1,700,000	1,590,798
<u>CURRENT ASSETS</u>			
Cash at Bank and in Hand		24,853	12,011
Other Debtors		13,656	130,266
<u>CREDITORS – Amounts</u>			
<u>Falling Due Within One Year</u>	7	(173,662)	(123,603)
		-----	-----
<u>NET CURRENT ASSETS</u>		(135,133)	18,674
		-----	-----
<u>TOTAL ASSETS LESS</u>			
<u>CURRENT LIABILITIES</u>		1,564,867	1,609,472
<u>CREDITORS – Amounts</u>			
<u>Falling Due After One Year</u>	8	(766,926)	(1,048,425)
		-----	-----
		£797,921	£561,047
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	9	1,000	1,000
Revaluation Reserves	10	524,303	415,101
Profit and Loss Account	10	272,618	144,946
		-----	-----
		£797,921	£561,047
		=====	=====

WG PROPERTIES LIMITED

BALANCE SHEET AT 31 OCTOBER 2004

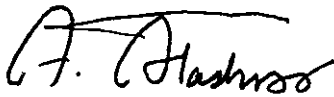
The Company was entitled to exemptions from audit conferred by Section 249A (1) Companies Act 1985 for the year ended 31 October 2004. No notice has been deposited from members requiring an audit under Section 249B (2) in relation to these Accounts.

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.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the Board on 22 August 2005.



MR A F ATASHROO
Director

WG PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

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

a) Accounting Convention

The Accounts are prepared under the Historical Cost Convention as modified to include the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Turnover

This represents rental income receivable during the period.

c) Deferred Taxation

No provision has been made for deferred taxation on the revaluation of the company's investment properties arising on their disposals, as these will continue to be needed for the purposes of the present activities.

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.

Operating profit is stated after charging:-

	<u>2004</u>	<u>2003</u>
	£	£
Auditors' Remuneration	-	881
Directors' Remuneration	-	-
	=====	=====

3 GAIN ON DISPOSAL OF LONG-TERM LEASE

Sale Proceeds on Disposal of 51 Danebury Avenue, London SW15		137,500
Less: Incidental cost of sale		
Auctioner's Commission	3,724	
Legal Expenses	3,957	
Others	47	

		(7,728)

		129,772
Less: Carrying value		105,000

Gain on Disposal of the Long-Term Lease		24,772
		=====

WG PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

4 INTEREST PAYABLE

	<u>2004</u>	<u>2003</u>
On Bank loans wholly repayable after five years	31,911	41,876
Interest on late payment of Corporation Tax	-	46
	<u>£31,911</u>	<u>£41,922</u>

5 TAXATION

	<u>2004</u>	<u>2003</u>
	£	£
United Kingdom Corporation Tax at 20% (2003:18%) based on profit for the period.	£31,506	3,706
	<u>£31,506</u>	<u>£3,706</u>

6 TANGIBLE FIXED ASSETS

INVESTMENT PROPERTIES

Cost or Valuation:	<u>Long- leasehold Property</u>	<u>Freehold Property</u>	<u>Total</u>
	£	£	£
Balance at 1 November 2003	1,340,798	250,000	1,590,798
Surplus on Revaluation	85,000	24,202	109,202
Balance at 31 October 2004	<u>1,425,798</u>	<u>274,202</u>	<u>1,700,000</u>

Investment properties are not being depreciated.

In December 2004, all the investment properties were revalued on an open market basis by Lamberts, an independent firm of Chartered Surveyors.

The directors consider the professionally revalued amounts to fairly represent the values as at 31 October 2004.

On a historical costs basis, freehold and leasehold land and buildings would have been included as follows:-

	<u>2004</u>	<u>2003</u>
	£	£
Cost	<u>1,195,631</u>	<u>1,195,631</u>

WG PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

7 CREDITORS

	<u>2004</u>	<u>2003</u>
<u>Amounts Falling Due Within One Year</u>		
Bank Loan	26,987	64,636
Corporation Tax	35,212	3,706
Accruals and Other Creditors	4,381	4,586
Amounts owed to related undertakings	107,082	50,675
	-----	-----
	£173,642	£123,603
	=====	=====

8 CREDITORS

	<u>2004</u>	<u>2003</u>
<u>Amounts Falling Due After One Year</u>		
Bank Loan	616,590	616,972
Amounts Due to the Directors	150,336	431,453
	-----	-----
	£766,926	£1,048,425
	=====	=====

Bank Loan - Amount repayable:

	<u>2004</u>	<u>2003</u>
In 1 year or less	26,987	64,636
Between 1 and 2 years	28,672	64,636
Between 2 and 5 years	172,589	193,908
After 5 years	415,329	358,428
	-----	-----
	£643,577	£681,608
	=====	=====

The Bank Loan is secured on freehold and leasehold properties and is repayable over 15 years.
The current portion of the loan amounting to £26,987 is shown in Amounts Falling Due Within One Year.

The directors' loans are unsecured.

9 SHARE CAPITAL

	<u>2004</u>	<u>2003</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====
<u>Issued, Called Up and Fully Paid</u>	<u>2004</u>	<u>2003</u>
Ordinary Shares of £1 each	£1,000	£1,000
	=====	=====

WG PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

10 RESERVES

	<u>Profit And Loss Account</u>	<u>Revaluation Reserves</u>
Balance at 1 November 2003	144,946	415,101
Realised on Disposal	-	-
Retained profit for the year	127,672	109,202
	-----	-----
Balance at 31 October 2004	<u>£272,618</u>	<u>£524,303</u>

11 RELATED PARTY TRANSACTIONS

The company was controlled throughout the current and previous year by Messrs HA and AF Atashroo by virtue of their share holdings as shown in the Directors' Report.

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 £95,000 per annum. This has been determined on a commercial basis by independent Chartered Surveyors. The rent increase has been backdated to last review date on 25/06/2002.

Administrative Expenses include £10,200 (£9,000 for year ended 31 October 2003) in respect of Management Charges payable to Watergraphic Ltd. Balance due to Watergraphic Ltd at 31/10/2004 :£107,082 (at 31/10/03 was £50,675).

During the year the company received the rents of £25,000 and £20,782 from Logtill Ltd and Jewelfind Ltd respectively, companies in which Mr. H A Atashroo has controlling interests. No balances were outstanding from these companies at the year end.

Additional related party information is give in notes 7 and 8 to the accounts.

WG Properties Ltd charged £60,000 to Watergraphic Ltd for the management of the factory premises.