

WEST PIONEER PROPERTIES LIMITED



West Pioneer Properties Limited

ANNUAL REPORT 2007

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West Pioneer Properties Limited

REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD 5TH SEPTEMBER 2006 TO 31ST MARCH 2007

The directors are pleased to present their First report with the financial statements of the Company for the period 5th September 2006 to 31st March 2007.

INCORPORATION

The company was incorporated in the British Virgin Islands under the BVI Business Companies Act 2004 on September 5, 2006 as a company limited by shares with the name of “West Brick Holdings Limited”. The Company changed its name to “West Pioneer Properties Limited” on October 3, 2006.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of construction and development of shopping malls in India through its subsidiary company Westfield Retail Private Limited.

FINANCIALS

The results for the period under review and the financial position of the Company are as shown in the annexed financial statements alongwith the Auditors’ Report thereon.

DIVIDENDS

In view of losses during the period under review, the Directors recommend no Dividends to be distributed for the period ended 31 March 2007.

BUSINESS REVIEW

The Company is focused to achieve its objective of becoming a leading shopping mall and mixed mall/hotel owner and operator in west and southern India.

Our Kalyan Project is progressing well and we were pleased to be able to close the acquisition of further land in Aurangabad earlier in the year where we intend to develop a mixed mall/hotel property. We believe that both Kalyan and Aurangabad are excellent locations consistent with our strategy to open “consumer-centric” shopping centres in “Tier II cities” in west and southern India where we believe there is potential for a rapid growth in middle class income groups and land prices have not yet appreciated to the levels seen in the larger Indian cities. We are also in advanced discussions to acquire further land parcels in other areas which meet our investment criteria and price targets and look forward to making further announcements in the future.

These are truly exciting times in the economic and business landscape of India and we believe that West Pioneer is establishing a strong platform to capitalize on the continued growth in the Indian economy which grew at 9.4% in the year to March 2007. Economic growth is precipitating a burgeoning middle class which in turn is leading to the well documented increasing demand for organized retail space.

Kalyan Project

Construction of our shopping mall development in Kalyan continues on schedule with approximately 55 percent of construction of Phase I completed. We are pleased that the project remains on schedule with Phase I, comprising approximately 500,000 sq.ft. of gross leaseable area, on track to becoming operational by the end of 2007. We also expect to commence construction of Phase II, comprising approximately 250,000 sq. ft. of gross leaseable area, by the end of this year with completion by the end of 2008.

We have also managed to secure retailers for both Phase I and Phase II with approximately 60% and 10%, respectively of gross leaseable area pre-let to anchor and other strategic tenants.

Aurangabad

Following the announcement in January 2007 of the agreement to acquire approximately 750,000 sq. ft. of land in Aurangabad, the Company is progressing as planned with the project, which is intended to be a mixed-use shopping mall/hotel development. A preliminary survey of the land has been completed and the necessary permissions are being filed with all permissions expected to be obtained prior to the end of 2007. There is considerable interest from retailers to lease space within the site and currently we are in advanced negotiations with two potential anchor tenants.

Other initiatives

We continue to pursue land acquisitions in other strategic locations in Tier II cities in west and southern of India and are confident of achieving our target of at least 4 million sq. ft. of gross leaseable retail space within 5-7 years.

We are, in particular, in advanced discussions to acquire land parcels in Pune and Nashik and have also commenced preliminary negotiations on specific locations in Indore and Nagpur. While we are at the preliminary due diligence stage and so there is no guarantee that we will acquire land at any of these specific locations, we remain focused and hopeful that we will be able to report news of further additions to our portfolio in the near future.

This has been a momentous period for West Pioneer and the Directors would like to thank the outstanding management team, external advisors and our shareholders for assisting and supporting us during the period under review.

SUBSIDIARIES

The Company has two subsidiary companies as mentioned under;

West Brick Investment Ltd. – Mauritius

Westfield Retail Pvt. Ltd. - India

DIRECTORS

The directors who have held office during the period from September 5 2006 to the date of this report are as follows:

- Amit Jatia
- Jayant Sohonie
- Simon Reid
- Mihir Thacker
- Ian Greenstreet
- Hemendra Kumar Narharilal Patel – Resigned as Director on November 3, 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 International Financial Reporting Standards as adopted for use in the European Union. 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. 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

M/s Ernst & Young, Chartered Accountants having their office at 6th floor, Express Towers, Nariman Point, Mumbai 400021 were appointed the Statutory Auditors of the Company to conduct the audit of the Company for the financial year 2006-2007.

FOR AND ON BEHALF OF THE BOARD:

.....
Amit Jatia – Chairman

Date :

Place:

Independent Auditors' Report

To
The Shareholders
West Pioneer Properties Limited

We have audited the accompanying financial statements of West Pioneer Properties Limited ('the Company') and its subsidiaries ('the Group'), which comprises the consolidated balance sheet as at 31st March 2007, and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the period then ended and a summary of significant accounting policies and other explanatory notes. The corresponding figures for the previous year are unaudited.

This report is made solely to the Company's members. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31st March 2007, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

For Ernst & Young

Date: May 10,2007

WEST PIONEER PROPERTIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2007

**Consolidated Financial Statements of West Pioneer Properties Limited for the year ended
31st March 2007**

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West Pioneer Properties Limited**CONSOLIDATED INCOME STATEMENT
for the year ended 31st March 2007**

	Notes	2007 \$	2006 \$
Revenues		-	-
Cost of revenues		-	-
Gross Profit		-	-
Other income	8	351,083	13,968
Administrative expenses	8	(741,632)	(4,195)
Selling & Distribution Costs	8	(4,150)	-
Other Expenses	8	-	(10,314)
Finance revenue	8	308,628	-
Finance costs	8	(14,376)	-
Profit/(Loss) before tax		(100,447)	(541)
Income tax expense	9	3,558	594
Profit/(Loss) before tax		(104,005)	(1,135)
Attributable to:			
Equity holders		(104,005)	(1,135)
Earnings per share	10	(0.004)	(0.113)
Basic and Diluted EPS on profit for the year			

West Pioneer Properties Limited

CONSOLIDATED BALANCE SHEET

At 31st March

	Notes	2007 \$	2006 \$
ASSETS			
Non current assets			
Property, plant and equipment	11	7,038,465	962,595
Intangible assets	12	4,340	-
Prepayments		6,006,363	64,219
Other assets	14	867,224	-
		13,916,392	1,026,814
Current assets			
Investments	13	24,419,085	135,110
Other receivables	15	190,765	4,167
Prepayments		43,365	316
Cash and cash equivalents	16	7,831,087	(17,308)
		32,484,302	122,285
TOTAL ASSETS		46,400,694	1,149,099
EQUITY AND LIABILITIES			
Equity attributable to the equity holders			
Issued capital	17	7,502,267	2,267
Share premium	17	34,525,188	-
Retained earnings		(105,140)	(1,135)
Other reserves	17	650,094	(6)
		42,572,409	1,126
Non current liabilities			
Preference share capital		-	829,410
Interest bearing loans and borrowings	18	2,468,599	-
Other liabilities		454,259	154,165
Provisions		767	-
Employee benefit liability	19	407	191
		2,924,032	983,766
Current liabilities			
Trade and other payables	20	776,480	151,133
Other liabilities		124,067	12,484
Income taxes payable	9	3,706	590
		904,253	164,207
TOTAL EQUITY AND LIABILITIES		46,400,694	1,149,099

West Pioneer Properties Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March 2007

	Issued capital	Share premium	Retained earnings	Other reserves	Total equity
	\$	\$	\$	\$	\$
Balance as at 1st April 2005	2,256	-	-	28	2,284
Net Profit for the year	-	-	(1,135)	-	(1,135)
Foreign currency translation reserve	-	-	-	(34)	(34)
Total income and expense for the year	-	-	(1,135)	(34)	(1,169)
Issue of share capital during the year	11	-	-	-	11
Balance as at 31st March 2006	2,267	-	(1,135)	(6)	1,126
Balance as at 1st April 2006	2,267	-	(1,135)	(6)	1,126
Net Profit for the year	-	-	(104,005)	-	(104,005)
Foreign currency translation reserve	-	-	-	650,100	650,100
Total income and expense for the year	-	-	(105,140)	650,094	546,095
Issue of share capital as on 5 th September 2006	10	-	-	-	10
Issue of share capital as on 21 st November 2006	4,999,990	-	-	-	4,999,990
Issue of share capital as on 13 th December 2006	2,500,000	37,500,000	-	-	40,000,000
Share issue expenses	-	(2,974,812)	-	-	(2,974,812)
Balance as at 31st March 2007	7,502,267	34,525,188	(105,140)	650,094	42,572,409

West Pioneer Properties Limited**CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31st March**

	2007	2006
Operating activities		
Profit/(Loss) before tax from continuing operations	(100,447)	(541)
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and impairment of property, plant and equipment	3,871	904
Amortisation of Preliminary Expenses	-	5,689
(Increase)/decrease in fair value of investment properties	(52,090)	(141)
Net gain on sale of investments	(1,267)	(3,325)
Dividend income	(297,726)	(10,502)
Interest Income	(308,628)	-
Interest expense	14,376	-
(Increase)/decrease in other assets (non-current)	(103,253)	(452)
(Increase)/decrease in prepayments (current)	(9,139)	(318)
(Increase)/ decrease in other receivables	175,280	(3,408)
Increase/(decrease) in trade and other payables	324,184	5,296
Increase/(decrease) in other liabilities current	185,884	6,443
Increase/(decrease) in other liabilities non current	42,082	48,816
Income tax paid	(2,747)	(339)
Net cash flows from operating activities	<u>(129,620)</u>	<u>48,122</u>
Investing activities		
Proceeds from sale of held-for-trading investments	13,851,196	652,429
Purchase of property, plant and equipment & intangible assets	(34,706)	(10,187)
Purchase of held-for-trading investments	(37,284,008)	(454,168)
(Increase)/decrease in prepayments	(6,464,639)	(64,696)
Increase/(decrease) in trade & other payables relating to construction costs	441,989	259,590
Investment in construction costs	(5,781,277)	(960,224)
Net gain on sale of investments	1,267	3,325
Dividend income	121,947	10,502
Interest received	308,628	-
Net cash flows used in investing activities	<u>(34,839,603)</u>	<u>(563,429)</u>
Financing activities		
Proceeds from issue of shares	45,000,000	11
Transaction costs of issue of shares	(2,974,318)	-
Proceeds from issue/ (redemption) of preference share capital	(817,680)	383,921
Proceeds from borrowings	2,369,855	-
Interest paid	(14,376)	-
Net cash flows used in financing activities	<u>43,563,481</u>	<u>383,932</u>
Net increase/(decrease) in cash and cash equivalents	8,594,258	(131,375)
Net foreign exchange difference	(745,863)	(1,146)
Closing cash and cash equivalents – Opening balance	(17,308)	115,213
Closing cash and cash equivalents at 31 st March	<u>7,831,087</u>	<u>(17,308)</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

1. Corporate information

West Pioneer Properties Limited is a limited company, incorporated on 5th September 2006 and domiciled at CCS Management Limited, Sea Meadow House, Blackburne Highway, Road Town, Tortola, British Virgin Islands, whose shares are publicly traded on the Alternative Investment Market (AIM) at London Stock Exchange. The consolidated financial statements of West Pioneer Properties Limited ('the Company') and its subsidiaries ('the Group') for the year ended 31st March 2007 were authorised for issue in accordance with a resolution of the Company's directors on 10th May 2007. Winmore Investments Limited is the holding company of the Company.

The Company has a wholly owned subsidiary, West Brick Investment Limited, Mauritius (WBIL). WBIL has, under a joint venture agreement with Westfield Retail Private Limited (WRPL), subscribed to 99.73% of the equity shares of WRPL for United States Dollars 5 million on 25th November 2006. WRPL thus became a subsidiary of the Company. The Company and WBIL are investment holding companies, having no other business activities. WRPL a company incorporated on 9th December 2004 in India is involved in construction and managing of shopping malls in India. Both WBIL and WRPL are unlisted. All these companies are entities under common control.

2. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for held-for-trading investments that have been measured at fair value. The financial information is presented in United States Dollars (\$) and all values are rounded to the nearest \$ except when otherwise indicated. This financial information has been prepared solely for reporting to the AIM under Rule 19 of the AIM Rules for Companies issued in February 2007.

Statement of compliance

The consolidated financial statements of the Group are the first annual financial statements which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

Basis of consolidation

The consolidated financial statements comprise the consolidated balance sheet of the Company, WBIL and WRPL as at 31st March 2007 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year ended 31st March 2007 and a summary of significant accounting policies and other explanatory notes. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, under consistent accounting policies.

The prior period comparatives represent the balance sheet and the income statement, statement of changes in equity and cash flow statement of WRPL, since the Company and WBIL were incorporated during the current year. As all the companies are entities under common control, the Company has adopted the pooling of interest method for the recording of this transaction and hence, the consolidated financial statements are presented as if the entities had always been combined in the prior year. Thus, the consolidated financial statements also include the balance sheet of WRPL as at 31st March 2006 and the income statement, statement of changes in equity and cash flow statement of WRPL for the year ended 31st March 2006. The prior period comparatives have not been audited under IFRS.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

3. Segmental reporting

As mentioned above, the Company and WBIL are investment holding companies.

WRPL is involved in construction of shopping malls and leasing commercial space therein. WRPL's risks and return are affected predominantly by only this one business segment. Currently, WRPL is in process of constructing a mall at Kalyan, Maharashtra State (Western India) and will start earning lease rentals upon completion of the project.

Thus there are no reportable segments for the Group.

4. Significant accounting estimates and assumptions

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Estimates are based upon management's best assessment of the current business environment. Actual results could differ from these estimates.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 9.

Post employment benefits

The cost of defined retirement benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to long term nature of these plans, such estimates are subject to significant uncertainty. The net employee liability at 31st March 2007 is \$ 407 (31st March 2006 - \$ 191). Further details are contained in Note 19.

5. Summary of significant accounting policies

Foreign currency translation

The consolidated financial statements are presented in United States Dollars (\$), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to income statement. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. The carrying amounts of the assets and liabilities acquired under the business combination of entities under common control and

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

accounted under pooling of interest method are translated at the exchange rate applicable on the relevant date.

The functional currency of WRPL is Indian Rupees (INR). As at the reporting date, the assets and liabilities of this subsidiary are translated into the presentation currency of the Company (\$) at the rate of exchange ruling at the balance sheet date and the amounts in the income statements are translated at the average rate for the year. The exchange difference arising on the translation is taken directly to balance sheet as a separate component of equity.

Property, plant and equipment

Property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment in value. Depreciation is calculated on straight line basis considering management's estimate of the useful life of the assets.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs

Borrowing costs directly attributable to construction of the assets are capitalised. Amount of borrowing costs incurred till date and capitalised under Capital work-in-progress as expenses incurred during construction period is \$ 50,001 (31st March 2006 - \$ Nil).

Business combinations involving entities under common control

Business combination involving entities under common control is accounted for, using the pooling of interest method. This involves recognising the assets and liabilities of the investee company at their carrying amounts. No adjustments are made to reflect fair values or to recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

Investments and other financial assets

Financial assets in the scope of IAS-39 are classified as either financial assets at fair value through profit and loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. When the financial assets are recognised initially, they are measured at fair value, plus, in case of investments not at fair value through profit and loss, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in profit and loss.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

As at 31st March 2007, the amount of financial assets that have been designated as at fair value through profit and loss is \$ 24,419,085 (31st March 2006 - \$ 135,110).

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through an amortisation process.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Interest-bearing loans and borrowings

All loans and borrowings are recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the amortisation process.

Redeemable non-cumulative preference share capital

Preference share capital is recognised as a liability in the balance sheet, net of transaction costs. The corresponding dividends on those shares are charged as interest expense in the income statement.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee benefits

WRPL operates one defined benefit plan towards retirement in form of gratuity. This benefit is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of the previous reporting year exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less past service cost not yet recognised.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a. There is a change in contractual terms, other than a renewal or extension of the arrangement.
- b. A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term.
- c. There is a change in the determination of whether fulfilment is dependant on a specified asset.
- d. There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c) or d) and at the date of renewal or extension period for scenario b).

Group as a lessee

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and taxes or duties. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

6. Future changes in accounting policies

During the year, the IASB and IFRIC have issued the following standards and interpretations.

	<i>Effective date, periods commencing</i>
International Financial Reporting Standards (IFRS)	
IFRS 8 Operating Segments	1 January 2009
IFRS 7 Financial Instruments: Disclosures	1 January 2007
IAS 1 Amendment – Capital disclosures	1 January 2007
International Financial Reporting Interpretations Committee (IFRIC)	
IFRIC 12 Service concession agreements	1 January 2008
IFRIC 8 Scope of IFRS 2	1 May 2006
IFRIC 9 Reassessment of Embedded Derivatives	1 June 2006
IFRIC 10 Interim Financial Reporting and Impairment	1 November 2006
IFRIC 11 IFRS 2 – Group and Treasury Share Transactions	1 March 2007

The above standards are effective after 31st March 2007 and thus not applicable and adopted. The Company does not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial information in the period of initial application.

7. Business combination

On 25th November 2006, the Company, through its wholly owned subsidiary WBIL, subscribed to 99.73% of the voting shares of WRPL.

The business combination is accounted under the pooling of interest method, since the entities involved in business combination are entities under common control.

The consolidated financial statements are presented in the manner that the entities were always combined.

Accordingly, the assets and liabilities of WRPL are consolidated at their respective carrying values and there are no adjustments arising out of business combination.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007
8. Other income and expensesFor the year ended 31st March:

	2007	2006
	\$	\$
Other income		
Change in fair value of investments (Note 13)	52,090	141
Dividend earned on investments	297,726	10,502
Profit on sale of investments (net of loss)	1,267	3,325
Total	351,083	13,968
Administrative expenses		
Employee costs	265,763	-
Legal & professional fees	193,148	2,913
General expenses	278,850	10,692
Depreciation and amortization	3,871	904
Total	741,632	14,509
Selling and distribution expenses		
Selling & Distribution Expenses	4,150	-
Total	4,150	-
Finance revenue		
Bank interest	308,628	-
	308,628	-
Finance costs		
Bank service charges	1,488	-
Interest expense	12,888	-
Total	14,376	-

9. Income taxes

The Company and WBIL are companies incorporated and registered in tax-free jurisdictions. Thus, there are no tax implications. WRPL is incorporated and registered in India and subject to the Indian Income Tax Act, 1961.

However, during the period, WRPL is in the construction phase and not commenced its business operations. Thus the expenses incurred are prior to commencement of business and are not allowed as deductible expenses while determining taxable income under the Indian Income tax law.

Current tax expense is recognized on the income chargeable to tax. There are no temporary differences and accordingly, no deferred tax expense is recognized in the consolidated income statement.

West Pioneer Properties Limited**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

The components of the tax expense are as follows:

	2007	31st March 2006
	\$	\$
Current tax expense	3,558	594
Deferred tax expense on origination and reversal of temporary differences	-	-
	<u>3,558</u>	<u>594</u>
Income taxes payable	3,706	590

The current tax expense comprises of income tax.

Reconciliation between the tax expense of WRPL and the product of the accounting profit multiplied by the WRPL's domestic tax rate for the year ended 31st March 2007 and 2006 is as follows:

	2007	2006
	\$	\$
Accounting profit before tax	(136,987)	(541)
WRPL's average statutory tax rate	33.66%	33.66%
Tax at the statutory income tax rate	<u>(46,110)</u>	<u>(182)</u>
Impact of income taxed at reduced rates	-	99
Non-deductible expenses	167,566	2,512
Other permanent differences	(117,898)	(1,835)
Effective income tax	<u>3,558</u>	<u>594</u>
Effective income tax rate	-2.6%	-109.8%

10. Earnings per share

Basic earning per share amounts are calculated by dividing net profit/ (loss) after tax for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. There are no dilutive potential ordinary shares.

The following reflects the income and share data used in the earning per share computations for the year ended on 31st March:

	2007	2006
	\$	\$
Loss attributable to equity holders	(104,005)	(1,135)
Number of Shares:		
Weighted average number of shares for:	25,215,551	10,005
Basic and diluted earning per share	(0.004)	(0.113)

There have been no other transactions involving ordinary shares between the reporting dates and the date of the compilation of the financial information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007
11. Property, plant and equipment

	Office Equipment \$	Office Furniture \$	Computers \$	Vehicles \$	Capital Work-in- progress \$	Total \$
Cost or Valuation:						
At 1 st April 2005	-	-	-	-	-	-
Additions	1,382	655	8,098	52	961,289	971,476
Disposals	-	-	-	-	-	-
Depreciation charge for the year	74	655	926	52	-	1,707
Exchange adjustment	(10)	-	(53)	-	(7,111)	(7,174)
As at 31st March 2006	1,298	-	7,119	-	954,178	962,595
At 1 st April 2006	1,298	-	7,119	-	954,178	962,595
Additions	20,495	2,168	7,669	-	5,771,699	5,802,031
Disposals	-	-	-	-	-	-
Depreciation charge for the year	3,254	1,825	2,502	-	-	7,581
Exchange adjustment	753	15	407	-	280,245	281,420
As at 31st March 2007	19,292	358	12,693	0	7,006,122	7,038,465

Notes:

1. The useful lives of property, plant and equipment are estimated as follows:

Assets	Years
Computers	4
Office equipments	5
Office furniture	5
Vehicles	5

2. Computers include owned computers, servers and laptops. Office equipments include printers, telephone systems, air conditioners, other equipments and generator.
3. None of the assets were impaired during the year.
4. All the property, plant and equipment of Kalyan project, which is under construction is subject to first charge to secure the term loan facility availed by WRPL from the State Bank of India. (Refer Note: 18)
5. Management estimates that the residual value of all major categories of fixed assets is not likely to be material at the end of their useful lives and hence the same have been estimated at nil residual value.
6. WRPL has contractual commitments amounting to \$ 6,595,714 (31st March 2006 - \$ 3,824,255) towards construction and for the acquisition of property, plant and equipment for the project under construction.

West Pioneer Properties Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March 2007

7. Components of capital work-in-progress which is expenses incurred during construction period is as follows:

	\$	\$
Construction costs (includes civil work, material costs etc.)	4,725,845	392,090
Consultancy	559,487	271,888
Costs for obtaining construction permits	160,579	69,987
Other costs directly related to construction	156,423	13,892
Employee costs	205,342	64,603
Finance costs	57,323	-
Leasehold land rental expense capitalized	229,382	111,314
Other overheads	115,325	30,404
Capital and other advances directly related to construction	796,416	-
Total	7,006,122	954,178

8. Amount of depreciation for the year ended 31st March 2007 and 2006 of WRPL, which is capitalized under capital work-in-progress, is \$ 3,869 and \$ 803 respectively.
9. The gross carrying amount of fully depreciated property, plant and equipment that is still in use as at 31st March 2007 is \$ 3,132 (31st March 2006 - \$ 724).

12. Intangible assets

Computer Software - Acquired

	\$
Cost:	
At 1 st April 2006	-
Additions	4,420
Exchange adjustment	82
As at 31st March 2007	4,502
Amortization:	
At 1 st April 2006	-
Amortization charge for the year	159
Exchange adjustment	3
As at 31st March 2007	162
Net Book Value:	
At 1 st April 2006	-
As at 31st March 2007	4,340

1. These intangible assets are computer software used in WRPL's operations. These are amortised evenly over their useful life of 4 years.
2. There are no contractual commitments for acquisition of intangibles.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007
13. Held-for-trading investments

	As at 31 st March	
	2007	2006
	\$	\$
Investment in Fixed Maturity Plans of Mutual funds	1,309,840	135,110
Investment in Floating Maturity Plans of Mutual funds	23,109,245	-
Total	24,419,085	135,110

The above investments are held-for-trading investments with a maturity from one month to three months. However, the investments can be redeemed and liquidated at any point of time till maturity.

The above investments are valued at the fair value through profit and loss account.

14. Other assets (non-current)

	At 31 st March	
	2007	2006
	\$	\$
Deposit for leasehold land	759,669	-
Deposit for office premises	41,943	-
Deposit for electricity	63,586	-
Other deposits	2,026	-
Total	867,224	-

15. Other Receivables

Advances taxes	6,600	3,719
Advances to suppliers	806	-
Other advances	183,359	448
Total	190,765	4,167

16. Cash and cash equivalents

Bank balances	777,545	(17,308)
Short term deposits	7,053,542	-
Total	7,831,087	(17,308)

Cash at banks earns interest at floating rate based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

The above are also considered as cash and cash equivalents for consolidated cash flow statement for the year ended 31st March 2007 and 2006.

West Pioneer Properties Limited

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

17. Issued capital and reserves

Issued capital:

Equity Share Capital

	Number	Amount (\$)
Issued and fully paid up capital:		
At 1 st April 2005	10,000	2,256
Issued on 23 rd February, 2006 and fully paid	50	11
At 31st March 2006	10,050	2,267
Issued on 5 th September 2006	1	10
Split of Face Value from \$10 to \$ 0.10 on 21 st November 2006	100	-
Issued on 21 st November 2006 and fully paid	49,999,900	4,999,990
Issued on 13 th December 2006 and fully paid	25,000,000	2,500,000
At 31st March 2007	75,010,050	7,502,267

The Company has no authorized share capital but is authorized to issue 1,000,000,000 ordinary shares with a par value of \$ 0.10 of a single class with a single series.

Preference Share Capital

	Number	Amount (\$)
Issued and fully paid up capital:		
At 1 st April 2005	20,00,000	4,48,330
Issued during the year	17,00,000	3,81,080
At 31st March 2006	37,00,000	8,29,410
Redeemed during the year	37,00,000	8,29,410
At 31st March 2007	Nil	Nil

Share premium:

	Number	Amount (\$)
At 1 st April 2006	-	-
Received on issue of share capital on 13 th December 2006	25,000,000	37,500,000
Less: Share issue expenses	-	(2,974,812)
At 31st March 2007	25,000,000	34,525,188

Other reserve:

	Number	Amount (\$)
Foreign currency translation:		
At 1 st April 2005		28
During the period		(34)
At 31st March 2006		(6)
At 1 st April 2006		(6)
During the period		650,100
At 31st March 2007		650,094

The foreign currency translation reserve is used to record exchange differences arising from translation of the financial statements of WRPL, the foreign subsidiary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007
18. Interest bearing loans and borrowings

Particulars	Effective interest rate%	Maturity	At 31st March 2007 \$	At 31st March 2006 \$
Non-Current:				
State Bank of India	1% below the State Bank Average Rate	March 2014	2,532,228	-
Less: Upfront loan processing fee (amortized)			(63,629)	-
Total			2,468,599	-

Terms and conditions of loans and borrowings:**State Bank of India**

The total loan sanctioned by the Bank amounts to \$ 11,740,331 is repayable in 24 quarterly installments of \$ 489,180 starting from June 2008 till March 2014. Of the total, \$ 2,532,228 has been withdrawn and outstanding as at 31st March 2007. The rate of interest payable on the loan is 1% below the State Bank Average Rate, with a minimum of 9.75% p.a. at monthly rests. As at 31st March 2007 the rate of interest was 11.25%. The loan is secured by a first charge on all the property, plant and equipment at Kalyan Project, which is under construction (Refer note 11).

The future payments for the repayment of loan withdrawn as at year end are disclosed as under:

	At 31st March 2007 \$
During 2007-08	Nil
During 2008-09	422,038
During 2009-10	422,038
During 2010-11	422,038
During 2011-12	422,038
During 2012-13	422,038
During 2013-14	422,038
Total future payments for loan drawn and outstanding as at 31st March 2007	2,532,228

At 31st March 2007, WRPL had available un-drawn committed borrowing facilities amounting to \$ 9,208,103 in respect of which all conditions precedent had been met.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007
19. Employment benefits

WRPL has a defined benefit plan towards retirement benefits viz. a gratuity plan, covering substantially all of its employees. This is the final salary plan. The benefit is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. The following tables summarize the components of the net benefit expense recognized in the income statement and the funded status and amounts recognized in the balance sheet for the gratuity plan:

Defined benefit plan – Gratuity

	2007	2006
	\$	\$
Net benefit expenses		
Current service cost	188	192
Interest cost	15	-
Foreign currency translation	14	(1)
Expense recognised in the P&L	217	191
Actual return on plan assets	-	-
Benefit liability		
Liability as at the end of the year	3,302	191
	3,302	191
Unrecognized actuarial loss as at the end of the year	(2,895)	-
Benefit liability	407	191
Changes in the present value of the defined benefit obligation are as follows:		
Liability at the beginning of the year	191	-
Interest cost	15	-
Current service cost	188	192
Actuarial loss	2,895	-
Foreign currency translation	13	(1)
Defined benefit obligation at the end of the year	3,302	191
Changes in the future value of the plan assets are as follows		
Fair value of asset at the beginning of the year	-	-
Fair value of asset at the end of the year	-	-
Total actuarial loss to be recognized	(2,895)	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

The assumptions used in accounting for the gratuity plan are set out as below:

	2007	2006
Discount rate	8.00%	8.00%
Future salary increases	5.00%	5.00%

WRPL evaluates these assumptions annually based on its long-term plans of growth and industry standards. Currently, there is no requirement for funding of the gratuity plan in India and, accordingly, WRPL's gratuity plan is unfunded at March 31, 2007. The unrecognized net actuarial loss at 31st March 2007 is \$ 2,895 (31st March 2006 - \$ 191).

**20. Trade and other payables
At 31st March**

	2007	2006
	\$	\$
Trade payables	288,742	146,513
Other payables	487,738	4,620
	776,480	151,133

Trade payables are non interest bearing and are normally settled within a year. Other payables including advance from customers are liabilities which were payable within one month from the balance sheet date.

21. Commitment and Contingencies**a. Guarantees**

The Company has not provided any guarantees during the year.

b. Contingencies

The Group does not have any contingencies outstanding at 31st March 2007 (31st March 2006 – \$ Nil), except for WRPL which is mentioned below:

Mr. Amit Jatia, a Director of WRPL and WRPL are defendants in a claim brought by MIP Metro Group Intellectual Property Gmbh. & Co. KG ('MIP Metro') which was initially filed on 7th July 2006. The claim relates to the intention by the Group to use the name 'Metro Junction' for its projects. MIP Metro has claimed that the use of 'Metro Junction' by WRPL infringes its registered trademarks and is seeking to have an injunction granted against WRPL restricting it from using this name as well as claiming damages from WRPL of \$ 46,040 (31st March 2006 – \$ Nil).

WRPL is contesting the claim and does not believe that the proceedings will have a material adverse impact on the Group.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007****c. Operating Lease Commitments***Group as lessee*

WRPL has entered into operating leases for leasehold land, residential and office premises.

Lease 1:

WRPL has obtained land under a lease arrangement with Hardcastle & Waud Manufacturing Company Limited, for a period of 99 years for its Kalyan Project ('the Property').

The lease agreement was entered into on 5th May, 2005 for a period of 99 years based on which the rent payable for the Property is as follows:

Period	Rent in \$ per month
From 1 st May 2005 to 30 th April 2007	576
From 1 st May 2007 to 30 th April 2010	5,755
From 1 st May 2010 to 30 th April 2015	6,906
From 1 st May 2015 to 30 th April 2025	8,057
From 1 st May 2025 to 30 th April 2045	9,208
From 1 st May 2045 to 30 th April 2065	10,359
From 1 st May 2065 to 30 th April 2085	11,510
From 1 st May 2085 to 30 th April 2104	12,661

The key terms and conditions for the lease are as under:

- WRPL can assign the lease interest in land to other third party with prior permission of lessor. WRPL has right to mortgage the leasehold interest in the land
- WRPL may build structures as well as demolish present buildings on the property. WRPL has a right to sublease without the prior permission of the lessor. The income from sub-letting will belong to WRPL.
- WRPL is liable to pay and discharge all existing and future rates, taxes, cesses, assessments, dues and any other utility charges as levied and at the expiration or sooner determination of the term the lessor would have the rights over the land as well as any structures and buildings on the land.
- The lessor retains the right to any claim or remedy in respect of breach in the event of determination of the lease and/or re-entry of the property. Any buildings erected, or improvements carried out by WRPL will belong to the lessor following determination of the lease.
- The lessee has an option to renew the period of the lease for two successive terms of 99 years each on a written notice of 5 years in advance of the expiry of the period of the lease, when a fresh documentation in the nature of a fresh lease would be executed by both parties at the cost of WRPL. The lease rental for such extensions shall be at the then current rental values discounted by 20%.
- The lessee has an option (to be exercised in writing) during the band of 10 years namely, not earlier than May 1st 2020 and not later than April 30th 2030, to buy the land at the then current value of the land (such value not to be affected by the improvements, infrastructure provided/made by WRPL and the buildings constructed by WRPL upon the land, which would belong to WRPL), discounted by 20%.
- There is no contingent rent payable for this lease.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

The lease rental is accounted on straight line basis from the inception of the lease. The expenses incidentals to obtaining the lease are amortized over the lease term. The amortization is capitalised under Capital Work in Progress as expenditure incurred during construction period.

Amounts of the operating lease rental recognised as an expense but capitalised under Capital Work in Progress as expenditure incurred during construction period are as follows:

	For the year ended 31st March 2007	For the year ended 31st March 2006
	\$	\$
Lease rental for leasehold land – Amount paid during the period	6,630	6,210
Lease rental for leasehold land – Amount amortized for the period and capitalized under Capital-work-in -progress as expenses incurred during construction period	115,817	108,492

This is a non-cancellable lease and the future minimum lease payments are disclosed as under:

	At 31st March	
	2007	2006
	\$	\$
Not later than one year	63,881	-
Later than one years but not later than five years	385,589	-
Later than 5 years	11,480,951	-
Total future minimum payments	11,930,421	-

Lease 2:

During the current financial year, WRPL has entered into an agreement for lease of land at Aurangabad, India for construction and development of malls.

The terms of the agreement are as under:-

- The land consists of three plots which have been provided on lease of 95 years by the owner to intermediate third parties.
- WRPL has negotiated with the transferor to purchase and obtain in its favour, full and complete assignment of the leasehold interest of the entire land along with all the necessary approvals for development of the property for a comprehensive and composite lump sum consideration of \$13,812,155. The residual leasehold term is 71 years for one of the plots and 62 years for the other two plots.
- All the required security deposits that may be required to be paid to owner or any other authority have to be paid by WRPL.
- The stamp duty, registration charges and transfer fees required to be paid to owner for transfer and assignment of the land have to be borne by WRPL.
- The time frame for payment of the above consideration of \$13,812,155 is based on certain performances by the transferor which has been specified in the Memorandum of Agreed Terms.
- On 29th March 2007, WRPL has paid \$5,064,457 to the transferor for assignment of the land lease rights for one of the plots. The remaining amount is payable upon the assignment of the land lease of the other two plots.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

- The title of the land rests with the owner.
- Lessee has an option to renew the lease for a similar term on payment of a premium determined by the owner at the expiry of the lease term.

The premium paid for the assignment of the leasehold rights is amortized over the term of the lease.

This is a non-cancellable lease and the future minimum lease payments (including the amortization of prepaid lump sum consideration paid) are disclosed as under:

	At 31st March	
	2007	2006
	\$	\$
Not later than one year	77,312	-
Later than one years but not later than five years	309,248	-
Later than 5 years	5,102,604	-
Total future minimum payments	5,489,164	-

Lease 3:

During current financial year, WRPL has obtained residential premises on lease for a period of 2 years with effect from 27th January 2007. The rent payable for the premises is as follows:

Period	Rent in \$ per month
From 27 th January 2007 to 26 th January 2008	3,223
From 27 th January 2008 to 26 th January 2009	3,384

The key terms and conditions for the lease are as under:

- The lease is cancellable.
- The lease is renewable at the option of both the parties.
- The premises can be used only for residential purposes and not as a guest house or for any commercial purposes.
- The lease rentals for first 12 months are already paid in advance and grouped under prepayments.
- There is no contingent rent payable for this lease.

The lease rental is accounted on straight line basis from the inception of the lease.

Amounts of the operating lease rental recognised as an expense during the period are as follows:

	For the year ended 31st March 2007	For the year ended 31st March 2006
	\$	\$
Lease rental for residential premises	6,657	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

Lease 4:

During current financial year, WRPL has obtained office premises on lease for a period of 11 months with effect from 1st January 2007. The rent payable for the premises is as follows:

Period	Rent in \$ per month
From 1 st January 2007 to 30 th November 2007	3,303

The key terms and conditions for the lease are as under:

- The lease is cancellable.
- The lease is renewable at the option of both the parties.
- The premises can be used only for commercial purposes and not as a guest house or for any residential purposes.
- Interest-free security deposit paid for the lease amounts to \$ 39,640 and has been grouped under other assets.
- There is no contingent rent payable for this lease.

Amount of the operating lease rental recognised as an expense during the period is as follows:

	For the year ended 31st March 2007	For the year ended 31st March 2006
	\$	\$
Lease rental for office premises	9,729	-

Group as lessor

WRPL has entered into agreed Heads of Term with prospective retailers for approximately 60 percent of the gross leasable area of Phase I and 10 percent of the gross leasable area of Phase II of its Kalyan project. WRPL has not entered into any lease arrangements in the current year since the mall is still under construction.

22. Related parties

The financial statements of the Group include financial statements of the Company and the subsidiaries listed in the following table:

	Country of incorporation	%age Equity Interest
West Brick Investment Limited	Mauritius	100%
Westfield Retail Private Limited	India	99.73%

Winmore Investments Limited, who owns 66.7% of the equity shares of the Company, is the parent company.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007**

The following table provides the total amount of transactions, which have been entered into with the related parties during the year ended 31st March 2007 & also the outstanding balances as at 31st March 2007.

Related Party:	2007	2006
	\$	\$
Transactions with parent company		
a. Winmore Investments Limited		
Consultancy fees payable	38,927	-
Amount owed to related party	38,927	-
Transactions with other related parties		
a. Hardcastle Restaurants Private Limited		
Receipt of deposit for premises to be leased	-	4,483
Reimbursement of expenses by WRPL	2,186	-
Amount due to related party	4,604	4,483
b. Hardcastle & Waud Manufacturing Company Ltd.		
Reimbursement of expenses by WRPL	19,686	132,894
Payment of lease rent for Kalyan land by WRPL	6,331	-
Receipt of share application money	575,506	-
Repayment of share application money	575,506	-
Repayment of preference share capital	368,324	-
Subscription of preference share capital	-	358,664
Amount due from related party	Nil	448
c. Vishwas Investment & Trading Company Private Limited		
Reimbursement of expenses	1,429	-
Payment of office premises rent	9,910	-
Repayment of share application money	633,057	-
Security deposit paid	39,641	-
Receipt of share application money	633,057	-
Amount due from related party	39,641	Nil
Transactions with key managerial personnel		
Short-term employee benefits	189,034	17,867
Post - employment benefits	98	54
Amount owed to related party	189,067	17,921

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March 2007

Related Party:	2007 \$	2006 \$
Transactions with relatives of Director		
a. Lalitadevi Jatia		
Receipt of share subscription money	-	11
Amount due from related party	-	-

Other related parties:

The ultimate controlling Party

Winmore Investments Limited, a company owned by affiliates of Jatia family.

Enterprises with common directorships

a. Hardcastle Restaurants Private Limited

Amit Jatia, Director in WRPL is the Managing Director of this Company.

Enterprises over which significant influence exercised by the Jatia family:

a. Hardcastle & Waud Manufacturing Company Ltd.

Amit Jatia and Anurag Jatia, Directors of WRPL are from the same family which has a majority ownership in this Company.

b. Vishwas Investment & Trading Company Private Limited

Amit Jatia and Anurag Jatia, Directors of WRPL are from the same family which has a majority ownership in this Company.

Parties who are relatives of Directors

a. Lalitadevi Jatia

She is grandmother of Anurag & Amit Jatia, Directors of WRPL

Terms and conditions of transactions with related parties:

The transaction for the lease obtained from Hardcastle & Waud Manufacturing Company Limited by WRPL, a subsidiary during May 2005, is of specialized nature for which there are no comparable rates available. Other transactions for the related parties were made at normal market prices. Outstanding balances at the year end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2007 and 2006, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

23. Financial risk management objectives and policies

The Group's principal financial instruments comprise of cash, interest bearing term loan from bank and interest free security deposits from retailers. The main purpose of these financial instruments is to raise finance for the Group's capital expenditure and operations, apart from ensuring that the retailers comply with the terms of the arrangements entered into by WRPL with them for use of retail space in its malls. The Group has various financial assets such as cash and short – term deposits with banks and investments in units of mutual funds.

There is no trading in the financial instruments except for held-for-trading investments.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The policies for managing each of these risks are summarized below:

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through borrowings and internal accruals. The Group monitors its risk to shortage of funds using periodic review of forecast budgets and the strategic plan.

Foreign currency risk

The Group does not have significant foreign currency transactions and thus, there is no foreign currency risk.

Credit risk

The Group services only recognised and creditworthy third parties. WRPL has a policy to generally take bank guarantees for the amounts advanced to third parties. WRPL is taking refundable interest free security deposits ranging between three to nine months of license fee amounts from various retailers against which WRPL has a right on default to set off dues of license fees, utility charges and other charges.

With respect to the other credit risks arising from the financial assets of the Group, which comprise of the bank balances in the current account, investments, other assets and other receivables, the Group's exposure arising from the default of the counter parties, with a maximum exposure of \$107,812 at 31st March 2007 (31st March 2006 – \$ Nil)

During the year ended 31st March 2007, WRPL has paid an amount of \$ 759,669 as advance against land at Aurangabad, Maharashtra State, India which is adjustable against the transfer of title of the two land parcels. Both the parties to the arrangement are bound to perform the deliverables.

There are no significant concentrations of credit risk within the Group.

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Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the WRPL's bank line of credit. The Group earns interest on short-term deposits with banks and on investments with mutual funds at floating rates. WRPL is exposed to the risk of increase in rate of interest on the line of credit from the lending bank.

24. Events after the balance sheet date

There are no events after the balance sheet date which affects the financial information of the Group.