



## **PROSPECTUS**

# **WEST HAMILTON HOLDINGS LIMITED**

## **RIGHTS OFFERING OF 1,443,910 NEW SHARES**

TO ELIGIBLE SHAREHOLDERS TO PURCHASE ONE NEW SHARE FOR EVERY ONE SHARE  
REGISTERED IN THEIR NAME AS AT JULY 4th, 2011  
AT A PRICE OF BD\$6.50

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction where such an offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus includes particulars given in compliance with the Listing Regulations of the Bermuda Stock Exchange for the purpose of giving information with regard to the Issuer. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

THIS OFFERING IS UNDERWRITTEN BY

## **BERMUDA COMMERCIAL BANK LIMITED**



PROSPECTUS DATED  
July 4th, 2011

## IMPORTANT NOTICE

**If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.**

THE DISTRIBUTION OF THIS DOCUMENT AND THE OFFERING OF THE RIGHTS AND NEW SHARES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED. ACCORDINGLY PERSONS IN WHOSE POSSESSION THIS DOCUMENT COMES ARE REQUIRED BY WEST HAMILTON HOLDINGS LIMITED TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION WHERE SUCH AN OFFER IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

NEW SHARES OFFERED PURSUANT TO THIS OFFERING HAVE NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY COUNTRY OUTSIDE OF BERMUDA. IN PARTICULAR, THE RIGHTS OFFERED HEREBY HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND MAY NOT BE OFFERED WITHIN THE UNITED STATES EXCEPT IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. AN OFFER OR SALE OF THE RIGHTS OR NEW SHARES WITHIN THE UNITED STATES OF AMERICA BY A DEALER (WHETHER OR NOT PARTICIPATING IN THE RIGHTS OFFERING) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

The New Shares to be issued are offered on the basis of the information and representations contained in this document and any further information given or representations made by any person may not be relied upon as having been authorized by the Company or its Directors. Neither the delivery of this document nor the allotment of the Rights or the issue of the New Shares shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date thereof.

**Application has been made to the Bermuda Stock Exchange for the Rights and the New Shares to be listed thereon. The issued and outstanding Shares are currently listed on the Bermuda Stock Exchange.**

**The Bermuda Stock Exchange assumes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.**

This document contains forward looking statements relating to the financial condition, results of operations, plans, objectives, future performance and business of the Issuer. Forward looking statements are made based on the Issuer's current expectations and beliefs concerning future developments and their potential effects upon the issuer. There can be no assurances that future developments affecting the Issuer will be those anticipated by management. These forward looking statements are not guarantees of future performance and involve risks and uncertainties and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in the forward-looking statements, including the performance of financial markets and interest rate fluctuations, defaults, competition in products lines and for personnel, the impact of changes to regulations or accounting practices, adverse litigation results, changes in tax laws, changes to political and economic conditions in Bermuda and globally, changes in commercial and residential real estate markets and changes in capital and credit markets in Bermuda.

A copy of this document has been delivered to the Registrar of Companies in Bermuda for filing as a prospectus pursuant to the Companies Act 1981 of Bermuda. In accepting this document for filing, the Registrar of Companies in Bermuda accepts no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed with regard to them.

Pursuant to a general permission issued by the Bermuda Monetary Authority ("BMA") on June 1 2005, no further permission of the BMA is required for the issue of New Shares provided the Company complies, at all times, with the provisions of the Third Schedule to the Companies Act 1981 of Bermuda (requirements as to local ownership).

## TABLE OF CONTENTS

	PAGE
DEFINITIONS .....	4
SUMMARY OF THE RIGHTS OFFERING .....	6
TIMETABLE OF PRINCIPAL EVENTS .....	10
DIRECTORS AND OFFICERS .....	11
MANAGEMENT .....	11
SIGNIFICANT SHAREHOLDINGS .....	12
DIRECTORS AND OFFICERS SHAREHOLDINGS .....	13
THE COMPANY .....	14
DESCRIPTION OF RIGHTS AND RESTRICTIONS .....	16
DESCRIPTION OF THE SHARES .....	18
CAPITAL STRUCTURE .....	18
BERMUDA REGULATION .....	19
COSTS OF THE ISSUE .....	19
RISK FACTORS .....	20
GENERAL INFORMATION .....	21
FINANCIAL INFORMATION .....	25

## DEFINITIONS

**The following definitions apply throughout this Prospectus, save where the context requires otherwise:**

“BD\$”, “Dollars” or “\$”	Bermuda dollars, the lawful currency of Bermuda.
“the Company” or “ the Issuer”	West Hamilton Holdings Limited, a Bermuda local company incorporated by registration under the Companies Act.
“Belvedere Building”	the building known as “The Belvedere Building” and located at 69 Pitts Bay Road, Pembroke, HM 08.
“Belvedere Site”	means the land located at 71 Pitts Bay Road, Pembroke, HM 08.
“BSD”	The Bermuda Securities Depository Service operated by the BSX or BSD Nominee Limited, the nominee appointed by the BSD for the purpose of acting as nominee company shareholder for the BSD.
“BSX”	the Bermuda Stock Exchange.
“Business Day”	a day other than Saturday, Sunday or any day that is a public holiday in Bermuda.
“Closing Date”	July 22 at 5:00 p.m. (Bermuda time).
“Companies Act”	The Companies Act 1981 of Bermuda as amended from time to time.
“Directors” or “Board”	the members of the Board of Directors of the Company.
“Eligible Shareholders”	Shareholders whose Registered Address is in Bermuda.
“Gross Offering Proceeds”	the Offer Price times the number of New Shares issued.
“Ineligible Shareholders”	those Shareholders who are not Eligible Shareholders.
“Letter of Allotment”	the Letter of Allotment mailed to each Eligible Shareholder with this Prospectus that details, and is evidence of, the Eligible Shareholder’s Rights to purchase New Shares in accordance with the terms of the Rights Offering.
“Net Offering Proceeds”	Gross Offering Proceeds minus fees and expenses.
“New Shares”	the Shares to be issued upon the closing of the Rights Offering Period.
“Non-Resident Rights”	Rights accruing to Ineligible Shareholders.
“Offer Price”	BD\$6.50.
“Record Date”	5:00 p.m. (Bermuda time) on July 4, 2011.
“Registered Address”	the address of a Shareholder as recorded in the Register of Members.
“Register of Members”	the register of members of the Company.

“Registrar”	Waterstreet Corporate Services Limited.
“Right”	the transferable right to subscribe for one New Share for every one Share held as at the Record Date in accordance with the terms of the Rights Offering and “Rights” shall be construed accordingly.
“Rights Offering” or “Offering”	the issue of Rights to Eligible Shareholders to subscribe for New Shares of the Company at the Offer Price.
“Rights Offering Period”	the period commencing at 9:00 a.m. (Bermuda time) on July 5, 2011 and expiring at 5:00 p.m. (Bermuda time) on the Closing Date.
“Rights Transferee”	any person who has an address in Bermuda to whom the Eligible Shareholder has transferred the whole or part of his Rights under the Offering.
“Shareholders”	the persons who are recorded in the Register of Members as the owners of Shares as at the Record Date.
“Shares”	the common shares of par value BD\$1.00 each in the Company and “Share” shall be construed accordingly.
“Subscription Form”	the document, as described in this Prospectus, that must be completed, signed and delivered, together with the required subscription price, before 5:00 p.m. (Bermuda time) on the Closing Date in order for the Eligible Shareholder or Rights Transferee to exercise the Rights under the Rights Offering.
“Unallocated New Shares”	New Shares available for subscription upon the exercise of Rights but which are not allotted as a result of the relevant Rights not being exercised within the Rights Offering Period.
“Underwriting Agreement”	the underwriting agreement dated June 27, 2011 between the Company and the Underwriter.
“Unexercised Rights”	Rights which have not been exercised before 5:00 p.m. (Bermuda time) on the Closing Date by Eligible Shareholders and/or Rights Transferees and in respect of which the Rights <b>expire worthless</b> .
“Underwriter”	Bermuda Commercial Bank Limited.
“West Hamilton Group of Companies”	West Hamilton Holdings Limited and its subsidiaries West Hamilton Limited and Belvedere Place A Limited.

## SUMMARY OF THE RIGHTS OFFERING

<b>NEW SHARES</b>	At a Board meeting held on June 27, 2011 the Directors approved the issue of up to 1,443,910 New Shares to be allotted in accordance with the terms of the Rights Offering.
<b>RIGHTS OFFERING</b>	At a Board meeting held on June 27, 2011, the Directors approved an offering of Rights for New Shares of a par value of BD\$1.00 each to Eligible Shareholders on the basis that each Eligible Shareholder as at the Record Date be granted the transferable right to acquire one New Share for every one Share registered in their name on that date at a price of BD\$6.50 per New Share.
<b>OFFER PRICE</b>	BD\$6.50 per New Share.
<b>USE OF OFFERING PROCEEDS</b>	The Company intends to use approximately 77% of the Net Offering Proceeds to reduce the debt owing by the Company's subsidiary, Belvedere Place A Limited, and the remainder to fund renovations to the Belvedere Building.
<b>GROSS OFFERING PROCEEDS</b>	BD\$9,385,415.00.
<b>UNDERWRITING FINANCIAL ADVISORY AND AGENCY FEE</b>	The Underwriter will receive an underwriting fee of 1% of the Gross Offering Proceeds and a corporate finance fee of \$15,000. The underwriting fee and the corporate finance fee will be deducted from the Gross Offering Proceeds.
<b>OUT OF POCKET EXPENSES</b>	Out of pocket expenses incurred by the Company in connection with this Rights Offering, including legal fees, its auditors' fees, Registrar's fees, the Bermuda Stock Exchange listing fees, printing and presentation costs, and stamp duty are not expected to exceed BD\$200,000. All out-of-pocket expenses will be paid by the Company.
<b>NET OFFERING PROCEEDS</b>	Approximately BD\$9,076,561.
<b>ELIGIBLE SHAREHOLDERS</b>	The Rights Offering contained in this Prospectus is restricted to Eligible Shareholders. Eligible Shareholders are those shareholders whose Registered Address is in Bermuda.
<b>INELIGIBLE SHAREHOLDERS</b>	This Rights Offering is not being made to Ineligible Shareholders.
<b>OFFERING PERIOD</b>	Rights become effective as of 9:00 a.m. (Bermuda time), July 5, 2011 and may be exercised thereafter until 5:00 p.m. (Bermuda time) July 22, 2011.
<b>CLOSING DATE</b>	All Rights must be exercised by 5:00 p.m. (Bermuda time) on July 22, 2011. <b>If Rights are not exercised by that time, they shall expire worthless.</b> The Underwriter may, with the consent of the Issuer, extend the Rights Offering Period.
<b>LETTER OF ALLOTMENT</b>	A Letter of Allotment setting out the number of Rights that have been allotted to each Eligible Shareholder and the price that will be payable to purchase the New Shares if all the Rights are exercised is being distributed together with this Prospectus.

## **EXERCISE OF RIGHTS**

Eligible Shareholders may subscribe for New Shares under this Rights Offering by completing and signing the Subscription Form attached to the Letter of Allotment and by delivering the completed Subscription Form together with payment in full to the Underwriter not later than 5:00 p.m. (Bermuda time) on July 22, 2011. Rights which have not been exercised by the Closing Date are Unexercised Rights and shall **expire worthless**. The Underwriter may, with the consent of the Issuer, accept applications that are not completed strictly in accordance with the instructions in the Subscription Form.

## **NON-RESIDENT RIGHTS**

Rights accruing to Ineligible Shareholders may not be exercised or transferred and will be sold on a best-efforts basis by the Underwriter. The proceeds from such sale, based on the average price achieved, will be distributed pro-rata to Ineligible Shareholders.

## **MINIMUM SUBSCRIPTION**

There is no minimum subscription for New Shares under this Rights Offering. Eligible Shareholders may subscribe to purchase up to the maximum number of New Shares to which they are entitled under this Rights Offering.

## **OVERSEAS REGISTRATION**

New Shares offered pursuant to this Offering have not been registered under the securities laws of any country outside of Bermuda. In particular, the Rights offered hereby have not been nor will they be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered within the United States except in transactions exempt from the registration requirements of the U.S Securities Act. An offer or sale of the rights or New Shares within the United States of America by a dealer (whether or not participating in the Rights Offering) may violate the registration requirements of the U.S. Securities Act.

## **TRANSFERABILITY OF RIGHTS**

The Rights arising hereunder may be transferred in whole or in part (but not fractions) to any person who has an address in Bermuda (including an Eligible Shareholder) by completing and signing Section 2 on the Subscription Form.

Shareholders whose shares are not deposited with the BSD will be required to 'dematerialise' their Rights before they are able to sell them through the BSX. Dematerialisation is the process of transferring legal title to the BSD, and involves the execution of a transfer form in favour of the BSD. Beneficial ownership of the Rights does not change.

Allocation of New Shares to Rights Transferees is subject at all times to the terms and conditions contained in this Prospectus and compliance by the Company with its Bye-laws, the BSX rules pertaining to the listing of the Rights and the provisions contained in the Third Schedule to The Companies Act.

## **UNALLOCATED NEW SHARES**

If not all the Rights are exercised, the resulting Unallocated New Shares will be offered to those Eligible Shareholders who have exercised **all** the Rights issued to them in the Letter of Allotment **and** who have completed Section 3 on the Subscription Form (indicating thereon the maximum number of Unallocated New Shares that they are willing to purchase) **and** who have paid for the full value of the Unallocated New Shares that they are subscribing for.

To the extent that there are sufficient Unallocated New Shares to satisfy the demand for them, all subscriptions for Unallocated New Shares will be satisfied in full.

In the event that the applications for Unallocated New Shares exceed the Unallocated New Shares available (an “Oversubscription”), Unallocated New Shares will be allotted on a pro-rata basis (rounded to the nearest whole number), taking into account the relative sizes of the shareholdings of the applicants as at the Record Date. Only Rights Transferees who are also Eligible Shareholders are eligible to receive additional Unallocated New Shares in the case of an Oversubscription.

Payment **by separate cheque or bank draft** for the total amount of the Unallocated New Shares subscribed (calculated by multiplying the total number of Unallocated New Shares requested by the Offer Price) must be remitted to the Underwriter before the Closing Date. Funds in respect of unsuccessful applications will be returned by electronic transfer within seven (7) business days of the Closing Date. The amount of any overpayment arising as a result of an Oversubscription will also be returned by electronic transfer within seven (7) business days of the Closing Date.

#### **PAYMENTS**

Cheques or bank drafts should be made payable to West Hamilton Holdings Limited and may be deposited in the designated “West Hamilton Rights Offering Drop Box” located on the ground floor of Bermuda Commercial Bank Building, 19 Par-la-Ville Road, Hamilton HM FX or may be mailed to the following address: Bermuda Commercial Bank Limited, 19 Par-la-Ville Road, Hamilton, HM FX Attn: West Hamilton Rights Offering. Once subscriptions are received by the Underwriter, they are irrevocable and cannot be withdrawn.

#### **HELPDESK**

All queries regarding the Rights Offering should be directed to the “West Hamilton Helpdesk Hotline” at (441) 295-5985 between the hours of 9:00 a.m. and 4:30 p.m. (Bermuda time), Monday to Friday. Alternatively, Eligible Shareholders and Rights Transferees may visit the “West Hamilton Helpdesk” on the ground floor of The Belvedere Building, 69 Pitts Bay Road, Pembroke, HM 08 between the hours of 9:00 a.m. and 4:30 p.m. (Bermuda time), Monday to Friday.

#### **ROLE OF UNDERWRITER**

The Underwriter will provide financial advice to the Company and act as underwriter, issue sponsor, Rights selling agent and subscription coordinator, pursuant to the Underwriting Agreement.

#### **UNDERWRITING COMMITMENT**

An underwriting agreement, dated June 27, 2011, is in place between the Company and the Underwriter whereby the latter contracts to purchase at the Offer Price any and all New Shares that are not subscribed for or subsequently allotted.

#### **RISK FACTORS**

Investment in the Shares involves risks which should be properly assessed before exercising the Rights arising under this Rights Offering (see “Risk Factors”)

#### **ISSUER**

West Hamilton Holdings Limited  
71 Pitts Bay Road  
Pembroke, HM 08  
Bermuda



<b>ISSUE SPONSOR</b>	BCB Fund Services Limited 19 Par-la-Ville Road Hamilton HM 11 Bermuda
<b>UNDERWRITER</b>	Bermuda Commercial Bank Limited 19 Par-la-Ville Road Hamilton HM 11 Bermuda
<b>ATTORNEYS TO THE ISSUER</b>	Conyers Dill & Pearman Limited Clarendon House 2 Church Street Hamilton HM 11
<b>ATTORNEYS TO THE UNDERWRITER</b>	Appleby Canon's Court 22 Victoria Street Hamilton HM 12
<b>AUDITORS</b>	PricewaterhouseCoopers Chartered Accountants Dorchester House 7 Church Street Hamilton HM 11
<b>REGISTRAR &amp; TRANSFER AGENT</b>	Waterstreet Corporate Services Limited 27 Reid Street 1st Floor Hamilton HM NX Bermuda

## TIMETABLE OF PRINCIPAL EVENTS

The following is a summary timetable of the principal events relating to the Rights Offering. This Timetable does not include all events that will occur in connection with the Rights Offering and should be read in conjunction with the entire Prospectus.

Announcement of Terms of the Rights Offering	June 28, 2011
Prospectus and Letters of Allotment mailed to Eligible Shareholders	July 4, 2011
Record Date for Rights Offering	July 4, 2011
Trading of Rights commences	July 5, 2011
Trading of Rights concludes	July 19, 2011
Rights Offering Closing Date	July 22, 2011
New Shares issued to shareholders (on or about)	August 1, 2011
New Shares commences trading on the BSX (on or about)	August 1, 2011
Certificates for New Shares dispatched by mail (on or about)	August 26, 2011

## DIRECTORS AND OFFICERS

### NAMES

### ADDRESSES

#### Directors

David A.J. White  
Managing Director  
Knick Knack Co. Ltd.

#7 Spanish Heights  
Knapton Hill Road  
Smiths FL 06, Bermuda

Glenn M. Titterton  
Retired President & Chief Executive Officer  
BF&M Limited

“Lee Rail”  
12 Cedarhurst Place  
Southampton SB 04, Bermuda

Gregory D. Haycock  
Chairman  
Lawrie (Bermuda) Limited

“Kinnoull”  
18 Mill Shares Road  
Fairylands  
Pembroke HM 05

Peter A. Pearman  
Director  
Conyers Dill and Pearman Limited

Richmond House  
12 Par-la-Ville Road  
Hamilton HM 08, Bermuda

Reid T. Young  
Retired President  
Phoenix Ltd.

“Somers Hill”  
12 Somers Hill Road  
Hamilton Parish FL 04, Bermuda

#### Officers

David A.J. White  
Chairman and President

#7 Spanish Heights  
Knapton Hill Road  
Smiths FL 06, Bermuda

Reid T. Young  
Vice President

“Somers Hill”  
12 Somers Hill Road  
Hamilton Parish FL 04, Bermuda

Harrichand Sukdeo  
Chief Financial Officer

11 Spicewood Drive  
Forest Hills  
Warwick WK 08, Bermuda

Codan Services Limited, Secretary

Clarendon House  
2 Church Street  
Hamilton HM 11, Bermuda

#### MANAGEMENT

David A.J. White

President

Harrichand Sukdeo

Chief Financial Officer

## SIGNIFICANT SHAREHOLDINGS

The following persons are listed in the Register of Members as owning 5% or more of the share capital of the Company as at the Record Date:

Lawrie (Bermuda) Limited  
71 Pitts Bay Road  
Pembroke HM 08  
Bermuda

Katz, Look & Moison, P.C.  
1120 Lincoln Street  
#1100  
Denver, Colorado 80203  
U.S.A.

46.9 % of the issued share capital of the Company is held by BSD Nominee Limited (c/o Bermuda Stock Exchange, 3rd Floor Washington Mall, Phase 1, Hamilton HM 11). Of the BSD registered shareholders, the following persons own 5% or more of the issued Shares:

The Walker Arcade Co. Ltd.  
P.O. Box HM 1766  
Hamilton HM HX  
Bermuda

Murdoch and Company  
c/o HSBC Bank Bermuda Limited  
6 Front Street  
Hamilton HM 11  
Bermuda

Carnation Limited  
Richmond House  
12 Par-la-Ville Road  
Hamilton HM 08  
Bermuda

## DIRECTORS AND OFFICERS SHAREHOLDINGS

The following is a list of the shareholdings owned or otherwise beneficially held by Directors and Officers of the Company as at the Record Date:

Name	Number of Shares Beneficially Owned
David A.J. White	12,995
Reid T. Young	3,000
Glenn M. Titterton	2,555
Peter A. Pearman	229,470
Total	248,020

Harrichand Sukdeo, the Chief Financial Officer of the Company, does not own any Shares or options to purchase Shares. However, if the Shareholders approve the Employee Share Purchase Plan, Mr. Sukdeo will thereupon have the option to purchase, in any calendar year, such number of Shares to a maximum value of 15% of his gross annual salary (using a purchase price of 15% less than the average three day trading price of the Shares prior to subscription). Should the Employee Share Purchase Plan be approved by the Shareholders, the maximum amount of Shares that Mr. Sukdeo would be entitled to purchase in 2011 would be less than 5% of the issued Shares.

# THE COMPANY

## Establishment

The Company was incorporated in Bermuda on May 14, 2007 as a wholly-owned subsidiary of West Hamilton Limited. On June 27, 2007 the directors of West Hamilton Limited approved a reorganization of the West Hamilton Group of Companies. The reorganization was effected by a scheme of arrangement under Section 99 of the Companies Act and resulted in the Company becoming the holding company of West Hamilton Limited and the shareholders of West Hamilton Limited becoming the shareholders of the Company (the "Scheme of Arrangement"). Pursuant to the Scheme of Arrangement, all of the issued shares of West Hamilton Limited (except that held by the Company) were cancelled, the consideration for which was the issue of five \$1.00 par value shares in the Company for each \$5.00 par value share of West Hamilton Limited.

## Corporate Structure

West Hamilton Holdings Limited is a holding company for the following subsidiary and indirectly owned subsidiary:

1. West Hamilton Limited (100% owned); and
2. Belvedere Place A Limited (100% owned by West Hamilton Limited).

## Recent Developments

The reorganization of the Company in 2007 provided the Company with a modern constitution and corporate governance policies which enhanced the ability to raise funds for business development and create a more efficient corporate structure for the West Hamilton Group of Companies.

The primary assets of West Hamilton Limited, a wholly-owned subsidiary of the Company, consist of real property at 69 and 71 Pitts Bay Road, Pembroke, HM 08. It remains West Hamilton Limited's intention to develop this property by constructing four new buildings yielding 105,000 square feet of office space, 40,000 square feet of residential space, 8,000 square feet of retail space and underground parking for approximately 181 cars. Arranged around landscaped pedestrian courtyards, all five buildings are going to be linked by skywalks above ground and have shared access to the underground concierge services. Work began on the construction project at the Belvedere Site in January 2007 and ceased in December 2010 with the completion of the underground parking facility and all other infrastructure work below grade. The Company halted construction in December 2010 because of the large surplus of vacant office space in the Bermuda market and a decline in demand due to the reductions in the number of potential tenants.

The Company has been, and after the close of the Rights Offering intends to resume, discussions with Bermuda Commercial Bank Limited regarding construction of a building on the property leased by Belvedere Place A Limited. It remains the intention of West Hamilton Limited to complete the construction project when vacancy rates in commercial real estate reach acceptable levels or negotiations with a potential joint venture partner conclude successfully.

The Shares are widely held, with approximately 102 shareholders of whom most are Bermudian, and are listed on the BSX. The Shares have traded thinly on the BSX prior to the end of 2010 but were actively traded during the first quarter of 2011. For the twelve months year-to-date (June 27, 2011) the total volume traded was 72,370 Shares at a weighted average price of BD\$7.65.

## **Subsidiary Activities**

West Hamilton Limited, formerly known as The Bermuda Bakery, Limited was for many decades in the business of baking bread and related products until 2004 when it changed its name to West Hamilton Limited. The Bermuda Bakery, Limited was incorporated by private act in 1923.

A wholly owned subsidiary of West Hamilton Limited, Belvedere Place A Limited, was incorporated on October 29, 2007. West Hamilton Limited holds legal title to a portion of land situated along 71 Pitts Bay Road, Pembroke, which was leased by Belvedere Place A Limited from West Hamilton Limited under a 999 year lease agreement. The lease entitles Belvedere Place A Limited to build a commercial building on Belvedere Site, known as Building D. The development plan for Building D and all construction below grade on the Belvedere Site have received all requisite approvals.

## DESCRIPTION OF RIGHTS AND RESTRICTIONS

### Allotment of Rights to New Shares

The Company has declared that a Rights Offering be made to Eligible Shareholders. An Eligible Shareholder is a person who is recorded in the Register of Members as the owner of Shares as at the close of business on July 4, 2011 whose Registered Address is in Bermuda. The terms of the Rights Offering entitle each Eligible Shareholder to purchase one New Share for every one Share registered in their name on the Record Date at a price of BD \$6.50 per New Share.

A Letter of Allotment will be sent to each Eligible Shareholder specifying the number of Shares held by the Eligible Shareholder as at the Record Date, the number of Rights to purchase New Shares that have been allotted to the Eligible Shareholder and the total cost that will be payable to purchase New Shares if all the Rights are exercised.

### Exercise of Rights

Eligible Shareholders have various choices available to them in connection with the Rights Offering and these are described in detail in this Prospectus, the Letter of Allotment and the Subscription Form. The Rights can only be exercised or transferred by completing the appropriate sections printed on the Subscription Form. The Subscription Form consists of three sections that need to be completed as appropriate:

- i) if the Eligible Shareholder intends to subscribe for New Shares, the Eligible Shareholder will need to indicate the number of New Shares being subscribed for in Section 1;
- ii) if the Eligible Shareholder wishes to transfer some or all of their Rights, the Eligible Shareholder will need to complete Section 2 indicating (1) the name and address (which must be in Bermuda) of the Rights Transferee, (2) whether the Rights Transferee is Bermudian, and (3) the number of Rights being transferred; and
- iii) if the Eligible Shareholder intends to subscribe for additional Unallocated New Shares, the Eligible Shareholder will need to indicate the total number of Unallocated New Shares being subscribed for in Section 3.

Rights may be transferred in whole or in part (but not fractions) by completing and signing Section 2 on the Subscription Form. Shareholders whose Shares are not deposited with the BSD will be required to 'dematerialize' their Rights before they are able to sell them through the BSX. Dematerialization is the process of transferring legal title to the BSD, and involves the execution of a transfer form in favour of the BSD. Beneficial ownership of the Shares does not change. A Shareholder can obtain the necessary transfer form to dematerialize its Shares at the offices of the Registrar and must surrender to the Registrar any share certificates representing its Shares or complete an indemnity form in respect thereof. Transfers of Rights must be delivered to the Underwriter by no later than 5:00 p.m. (Bermuda time) on July 22, 2011. Allocation of New Shares to the Rights Transferee is subject at all times to the terms and conditions contained in this Prospectus and compliance by the Company with its Bye-laws. Eligible Shareholders and Rights Transferees may only subscribe for whole shares.

Delivery of the duly completed Subscription Form, or relevant part thereof, together with payment for the total amount payable in respect of the Rights to be exercised and the subscription for additional Unallocated New Shares, if any, should be made to the Underwriter not later than the Closing Date. Thereafter, no further action need be taken.

### Expiry of Rights Offering Period

All Rights must be exercised in accordance with the instructions contained in the Subscription Form by 5:00 p.m. (Bermuda time) on July 22, 2011, after which time the Rights Offering Period closes. **All Rights which have not been exercised by that time will expire worthless.** The Underwriter, with the consent of the Company, may extend any of the time limits referred to in this Prospectus and/or determine whether or not



to accept applications that are not completed strictly in accordance with the instructions contained in the Subscription Form.

### **Purchase of Unallocated New Shares**

In the event that not all Rights to purchase New Shares are exercised, Unallocated New Shares will be offered to Eligible Shareholders who have exercised all the Rights issued to them in the Letter of Allotment **and** who have duly completed Section 3 on the Subscription Form (indicating thereon the maximum number of additional Unallocated New Shares that they would like to purchase) and who have submitted payment in full for all New Shares (including all Unallocated New Shares) that they are then subscribing to purchase. **A separate cheque or bank draft is required for all subscriptions for Unallocated New Shares.**

To the extent that there are sufficient Unallocated New Shares to satisfy the demand for them, all subscriptions for Unallocated New Shares will be satisfied in full.

In the event of an Oversubscription, Unallocated New Shares will be allotted on a pro-rata basis (rounded to the nearest whole number), taking into account the relative sizes of the shareholdings of the applicants as at the Record Date. Rights Transferees who are not Eligible Shareholders are not eligible to receive additional Unallocated New Shares in the case of an Oversubscription.

The Underwriter will inform successful applicants of their allotment as soon as possible thereafter. Funds in respect of unsuccessful applications will be returned by electronic transfer within seven (7) Business Days of the Closing Date. Any overpayment arising as a result of the Eligible Shareholder's subscription for Unallocated New Shares being "written down" will be returned by electronic transfer within seven (7) Business Days of the Closing Date. Current Directors, Officers and employees of the Company as at the Record Date who are Eligible Shareholders of the Company will also be entitled to apply for Unallocated New Shares on the same terms as outlined in this document.

### **Payments**

**Payment in full must be received by the Underwriter before 5:00 p.m. (Bermuda time) on July 22, 2011.** Payment must be made in Bermuda Dollars by cheque or bank draft drawn on a bank account in Bermuda. Cheques or bank drafts should be made payable to West Hamilton Holdings Limited and may be deposited in the designated "West Hamilton Rights Offering Drop Box" at Bermuda Commercial Bank Limited, 19 Par-la-Ville Road, Hamilton HM 11 or they may be mailed to the following address: Bermuda Commercial Bank Limited, 19 Par-la-Ville Road, Hamilton, HM FX Attn: West Hamilton Rights Offering. **Once subscriptions are received by the Underwriter, they are irrevocable and cannot be withdrawn.**

### **Eligible Shareholders**

This Rights Offering is only being made to Eligible Shareholders.

### **Ineligible Shareholders**

Those Shareholders as at the Record Date who are not Eligible Shareholders are Ineligible Shareholders. **Ineligible Shareholders may not participate in this Rights Offering.** Rights accruing to Ineligible Shareholders may not be exercised or transferred and will be sold by the Underwriter on a best efforts basis. The proceeds from such sale, based on the average price achieved, will be distributed pro-rata to Ineligible Shareholders.

### **Helpdesk and Helpdesk Hotline**

All queries regarding the Rights Offering should be directed to the "West Hamilton Helpdesk Hotline" at (441) 295-5985 between the hours of 9:00 a.m. and 4:30 p.m. (Bermuda time), Monday to Friday. Alternatively, Eligible Shareholders and Rights Transferees may visit the "West Hamilton Helpdesk" at on the ground floor of The Belvedere Building, 69 Pitts Bay Road, Pembroke, HM 08 between the hours of 9:00 a.m. and 4:30 p.m. (Bermuda time), Monday to Friday.

## **DESCRIPTION OF THE SHARES**

The holders of Shares have the right to receive notice of, attend and vote at general meetings of the Company. Each Share carries the right to one vote per Share on a poll.

The holders of Shares are entitled, after the satisfaction of the rights of Shareholders of any other securities that may rank in priority to the Shares, to all dividends which the Directors may, from time to time, declare on the Shares.

In the event of the winding-up of the Company, the holders of Shares are entitled, after the satisfaction of the rights of the holders of any other securities ranking in priority to the Shares, to all surplus assets of the Company.

1,443,910 New Shares will be issued pursuant to this Rights Offering.

The New Shares, when allotted on a fully paid basis, will rank pari passu in all respects with the existing issued Shares.

The Company shall be responsible for all stamp duty in connection with the issue of the New Shares. Any stamp duty payable on the subsequent sale or transfer of the New Shares shall be the sole responsibility of the transferor or transferee of the New Shares. Under present law, for so long as the Company's shares remain listed on the Bermuda Stock Exchange, no stamp duty is payable on any such sale or transfer.

## **CAPITAL STRUCTURE**

As at the Record Date, the authorized share capital of the Company was BD\$5,000,000 divided into 5,000,000 common shares of par value of BD\$1.00 each, of which 1,443,910 are issued and outstanding.

Following the completion of a fully subscribed for Rights Offering there will be approximately 2,887,820 Shares in issue and the net book value per Share is estimated to be BD\$6.22.

### **Employee Share Purchase Plan**

The shareholders of West Hamilton Limited approved an employee share purchase plan on May 22, 2003 (the "Employee Share Purchase Plan"), the rights and obligations of which were intended to be but were not assumed by the Company in the Scheme of Arrangement. The assumption of the rights and obligation of the Employee Share Purchase Plan (with such amendments as necessary to reflect that the Employee Share Purchase Plan is a share purchase plan of the Company for the benefit of its employees and the employees of its subsidiaries, is in respect of the Shares and that 50,000 Shares be available for sale under the Employee Share Purchase Plan) was approved by the Board on June 27, 2011, subject to approval of the Shareholders, which approval will be sought at the next general meeting of the Shareholders after the scheduled annual general meeting of June 30, 2011.

Pursuant to the terms of the Employee Share Purchase Plan, eligible employees of the West Hamilton Group of Companies will be entitled to purchase Shares at a price 15% below the average market price. The average market price will be determined by the average of the three closing prices of the Shares on the BSX preceding the subscription date. Eligible employees may acquire Shares pursuant to the Employee Share Purchase Plan in any calendar year up to a maximum value not exceeding 15% of their annual gross salary. Employees will be restricted from selling Shares acquired pursuant to the Employee Share Purchase Plan for a period of one year from the date of subscription there for. Shares purchased pursuant to the Employee Share Purchase Plan will be issued from the authorized and unissued share capital of the Company. A maximum of 50,000 Shares will be available for sale under the Employee Share Purchase Plan.

The Employee Share Purchase Plan will not be entitled to participate in the Rights Offering and no Rights will accrue to the Employee Share Purchase Plan.

## **BERMUDA REGULATION**

### **Exchange Control**

The Company is classified as resident in Bermuda for exchange control purposes.

Issues and transfers of any Shares to and by persons regarded as resident in Bermuda for exchange control purposes may be effected without the prior permission of the Controller of Foreign Exchange at the Bermuda Monetary Authority.

On June 1, 2005, the Bermuda Monetary Authority issued certain general permissions for the issue and transfer of shares of a Bermuda company so that specific permission of the Bermuda Monetary Authority Foreign Exchange Control is no longer required for the issue and transfer of Shares to and by persons regarded as non-residents in Bermuda for exchange control purposes. In particular, general permission has now been extended by the Bermuda Monetary Authority to the issue of shares of a Bermuda company to and from non-residents where such shares are listed on an Appointed Stock Exchange and there is full compliance with the provisions of the Third Schedule to the Companies Act (requirements as to local ownership). The BSX is an Appointed Stock Exchange under the Companies Act.

### **Limits on Shareholding**

Limits are imposed by law on the percentage of Shares which may be held by persons who are non-Bermudian as that term is defined in Part IX of the Companies Act.

### **Taxation**

At the date of this Prospectus, no income or profits tax, withholding tax, capital gains tax or corporation tax, is levied in Bermuda.

The Company is liable to pay licence fees, stamp duties, property taxes, payroll taxes and any other standard taxes local operating companies are required to pay in order to operate in Bermuda.

The Company paid its 2011 an annual government fee of BD\$6,445 on March 30, 2011.

## **COSTS OF THE ISSUE**

The Underwriter will receive an Underwriting fee of 1% of the Gross Offering Proceeds and a corporate finance fee of \$15,000. The Underwriting fee and the corporate finance fee will be deducted from the Gross Offering Proceeds.

In addition to the above-mentioned costs, out-of-pocket expenses incurred by the Company in connection with this offering of New Shares, including legal fees, its auditors' fees, Registrar's fees, BSX listing fees, printing and presentation costs, and stamp duty are not expected to exceed BD\$200,000. All out-of-pocket expenses will be paid by the Company.

## **RISK FACTORS**

You should carefully consider the risks described below before making a decision to exercise the Rights under this Rights Offering. There may be additional risks that the Company does not currently know of or that the Company currently deems immaterial based on the information available. The Company's business, financial condition or results of operations could be materially adversely affected by any of these risks, resulting in a decline in the trading price of the Shares and you could lose all or part of your investment.

1. The Company paid a regular dividend until 2007 when it was discontinued. Potential investors should carefully note that the value of the Shares may go up or as down if dividends are declared.
2. The Company's business interest is closely tied to the economy of Bermuda and is dependent on international business as well as the domestic market. Any further downturn in Bermuda's economy could have a material effect on the Company's performance.
3. The Company's revenue is derived entirely from rental income with a significant portion contributed by two tenants. Any failure in securing a leasing contract from these two tenants could adversely affect the ability of the Company to carry on normal business.
4. The ratio between the Company's debt service cost and free cash flow is high. The cash flow generated by the Company after expenses could be insufficient to meet its fixed obligations in the future considering the amortized payments required to service current debts which commence in January 2012.
5. The liquidity of the market for the Shares is low as the Shares have not traded actively on the BSX.
6. Future increases in interest rates and any impact on the debt service costs. The current interest rate environment is one of historically low rates. Future increases in interest rates will increase the Company's debt service which could adversely affect the Company's financial position.
7. The Company's business risk as a commercial property developer hinges on the timing of bringing new rental space to the market. The leasing of commercial office space in Bermuda has been declining in recent years and further erosion of the commercial rental market will result in the continued deferment of further development of the Belvedere Site and could negatively impact the high occupancy rate of the Belvedere Building.

**The foregoing list of risk factors does not purport to be complete or fully explain the risks involved in an investment in the Company.**

## **GENERAL INFORMATION**

### **BYE-LAWS**

The Bye-laws of the Company include the following provisions:

#### **Voting**

Subject to any special rights or restrictions as to voting for the time being attached to any shares and the Bye-Laws, at a general meeting every member present in person or by proxy shall have one vote for every share held. Initially all resolutions shall be decided by a show of hands unless a poll is demanded. On a poll, every holder present or by proxy shall have one vote for every common share held but he does not have to use all his votes or cast all the votes he uses in the same way. To be passed, a resolution of the Company in general meeting requires a simple majority of the votes cast by the holders of common shares voting in person or by proxy at the meeting at which the resolution is proposed. In the event of an equality of votes, whether on a show of hands or on a poll, the resolution shall fail.

#### **Meetings**

##### **(i) Annual General Meetings**

At least 14 calendar days notice of an Annual General Meeting of shareholders will be sent to all the Shareholders who are entitled to attend and vote at such meetings and to all persons who are account holders at the BDS in respect of shares in the Company and such notice shall state the date, place, time and that the election of directors will take place thereat and, as far as practicable, the other business to be conducted thereat.

##### **(ii) Special General Meetings**

At least 14 calendar days notice of a Special General Meeting of shareholders will be sent to all the Shareholders who are entitled to attend and vote at such meetings and to all persons who are account holders at the BDS in respect of shares in the Company and such notice shall state the date, place, time and general nature of the business to be considered thereat.

##### **iii) Quorum Requirements**

At any general meeting two or more persons present in person throughout the meeting and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company shall form a quorum for the transaction of business.

#### **Share Ownership Rules**

In accordance with Part I of the Third Schedule of the Companies Act, the percentage of shares beneficially owned by Bermudians must not fall below 60 per centum. In the event that the percentage of shares beneficially owned by Bermudians falls below the statutory minimum, the Company shall give notice in writing to the non-Bermudian person whose ownership of shares caused the statutory minimum to be exceeded advising that they must divest themselves of their interest in the shares and may not exercise any voting rights attaching to them.

#### **Directors**

The Board shall consist of not less than five and not more the seven directors as the Members may from time to time determine. The business of the Company shall be managed and conducted by the Board and in managing the business of the Company the Board may exercise all the powers of the Company as are not by statute or the Bye-laws required to be exercised by the members in General Meeting. A director may hold any office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director, or may act in a professional capacity to the Company and shall not be liable to account to the Company or the members for any remuneration, profit or benefit received by virtue of his office. Unless disqualified by the Chairman, a director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest and may vote and be counted in the quorum present at such Board meeting.

## **Borrowing Powers**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its assets, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

## **Share Certificates**

Every person whose name is entered in the Register of Members shall be entitled to a share certificate which shall be issued under the Seal of the Company. Share Certificates shall not be issued in respect of shares held by BSD Nominee Limited.

## **Issuance of Additional Securities**

Subject to the Companies Act, the Bye-laws and the BSX Listing Regulations, the Directors have the power to issue any unissued shares of the Company on such terms and conditions as they may determine.

## **Indemnities**

The Bye-laws of the Company provide that the Directors, Secretary and other officers of the Company (including any person appointed to any committee by the board of directors) for the time being acting in relation to any of the affairs of the Company, and any subsidiary thereof, and the liquidator or trustees (if any) for the time being acting in relation to the any of the affairs of the Company, or any subsidiary thereof, and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Every member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any director or account of any action taken by such director, or the failure of such director to take any action in the performance of his duties with or for the Company PROVIDED that such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

## **AUTHORIZATION**

The issue of the Rights and the New Shares pursuant to this Rights Offering have been authorized by a resolution of the Board of Directors of the Company passed on June 27, 2011. The terms and conditions of the Rights Offering and the Prospectus have been authorized by a resolution of the Board on June 27, 2011.

## **CLAIMS AND LITIGATION**

Neither West Hamilton Holdings Limited nor its subsidiaries are engaged in any litigation, arbitration, administrative or other proceedings which, in the opinion of the Directors, could have a material adverse effect on the financial position or business of the Company and its subsidiaries taken as a whole.

## **MATERIAL CONTRACTS**

In order to finance the development of the Belvedere Site, Belvedere Place A Limited, an indirectly held wholly-owned subsidiary of the Company, on February 27, 2009 entered into a US\$15,000,000 loan (as amended on

March 21, 2011) (the “Long Term Loan”) amortized over 15 years and on February 26, 2010 a BD\$2,000,000 loan (as amended on March 21, 2011) (the “Short Term Loan”) to be paid in full within 12 months. The terms of both loans included monthly interest payments until January 31, 2012 at which time the Short Term Loan is due in full and amortization of the Long Term Loan commenced. Interest of BD\$37,500 is payable each month on the Long Term Loan calculated by adding the 3 month libor rate to the current The Bank of N.T. Butterfield & Son Limited (the “Bank”) base rate of 1.5%. If libor is above 1.5%, the monthly interest payment is based on 3% per annum. Interest of \$11,500 is payable each month on the Short Term Loan calculated by adding 2% to the Bank’s variable base rate. Both loans are secured by a charge over the investment portfolio of West Hamilton Limited, which comprises investments in certain Bermuda companies and a legal mortgage over West Hamilton Limited’s freehold interest in 69 and 71 Pitts Bay Road, being the land surrounding Belvedere Building and the land on which the Belvedere Building is built.

An Underwriting Agreement was entered into between the Company and the Underwriter dated June 27, 2011 pursuant to which, in part, the Underwriter, on behalf of the Company, will offer the New Shares for sale to Eligible Shareholders and persons with an address in Bermuda and will acquire all of the New Shares which are not subscribed for or subsequently allotted in the Rights Offering. The Underwriting Agreement is, or may be, material.

Apart from the contracts listed above, the Directors confirm that there have been no material contracts entered into by the Company or any of its subsidiaries within the two years immediately preceding the issue of this Prospectus.

The Directors confirm that there have been no material adverse changes in the financial or trading position of the Company since the end of the period reported on in the last audited accounts December 31, 2010.

## **DIRECTORS AND OTHER INTERESTS**

### **Directors’ Shareholdings**

The shareholdings of the Directors and officers of the Company disclosed in this Prospectus include all Shares in respect of which they are entitled to exercise voting rights and all Shares in which they have a beneficial interest.

All Directors, except Gregory Haycock, have indicated their intent to participate in the Rights Offering. The extent of participation in the Rights Offering by such Directors is likely to be contingent on the Offer Price.

Save where specifically disclosed, there are no contracts or arrangements at the date of this Prospectus in which a Director is materially interested and which is significant in relation to the business of the West Hamilton Group of Companies.

Gregory D. Haycock is a director and the chairman of Lawrie (Bermuda) Limited, a shareholder of the Company. Peter A. Pearman is a director of Jasuns Limited, Carnation Limited and Antares Limited, all of which are shareholders of the Company. He is also a director of Conyers Dill & Pearman Limited and Codan Services Limited.

### **Service Contracts**

There are no existing or proposed service contracts between the Directors and any member of the West Hamilton Group of Companies which cannot be terminated by West Hamilton Holdings Limited or any of the West Hamilton Group of Companies within one year without payment of compensation.

### **Directors’ Remuneration**

The aggregate of the remuneration paid to the Directors for the year ended December 31, 2010 was BD\$76,400.

Under the arrangements in force at the date of this Prospectus, the aggregate remuneration payable to date to the Directors is BD\$36,600. It is anticipated that a similar amount will be paid for the remainder of the current fiscal year.

## **Underwriter's Shareholding**

The Underwriter is a Shareholder, having an interest in 68,575 Shares, representing approximately 4.75% of the issued share capital of the Company. It is anticipated that the Underwriter and its affiliates who are Shareholders, together representing the 68,575 Shares interest, will participate in the Rights Offering. The extent of their participation in the Rights Offering is likely to be contingent on the Offer Price. The Underwriter is further interested in the successful conclusion of the joint venture discussions between it and the Company regarding the construction of a building on the property leased by Belvedere Place A Limited.

## **MINIMUM SUBSCRIPTION**

The Directors are of the opinion that there is no minimum subscription which must be raised by this Rights Offering.

## **AUDITORS' CONSENT**

The Company's auditors, PricewaterhouseCoopers, have given, and have not withdrawn, their written consent to the inclusion in this Prospectus of their report to the Shareholders dated May 9, 2011 and the references to them in the form and context in which they are included. The auditors' report to the Shareholders was not made for the purpose of inclusion in the Prospectus.

## **LEGAL OPINION**

Conyers Dill & Pearman Limited, of Hamilton, Bermuda has rendered a written opinion to the Company expressed under Bermuda Law to the effect that, when issued and paid for in accordance with the terms of the Rights Offering in this Prospectus, the New Shares will be validly issued and fully paid.

## **USE OF OFFERING PROCEEDS**

The Company intends to use approximately 77% of the Net Offering Proceeds to reduce the debt owing by the Company's subsidiary, Belvedere Place A Limited, and the remainder to fund renovations to the Belvedere Building.

## **INSPECTION OF DOCUMENTS**

Copies of the following documents will be available for inspection during the Rights Offering Period at any time during normal business hours, free of charge, at the offices of the Underwriter located at 19 Par-la-Ville Road, Hamilton, HM 11:

1. The Companies Act (as amended) of Bermuda.
2. The Memorandum of Association and Bye-laws of the Company.
3. Audited financial statements for each of the preceding 3 financial years.
4. The consent of the auditors referred to above.
5. The Underwriting Agreement.
6. All reports, letters, documents, balance sheets and valuations referred to in this Prospectus.
7. This Prospectus.
8. The Long Term Loan and Short Term Loan agreements between Belvedere Place A Limited and The Bank of N.T. Butterfield & Son Limited.



## **FINANCIAL INFORMATION**

### **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The financial overview of results of operations and financial condition should be read in conjunction with the Company's consolidated financial statements and the related notes. The financial statements and notes have been prepared in accordance with generally accepted accounting principles in Bermuda and Canada. All references to the Company refer to West Hamilton Holdings Limited and its subsidiaries on a consolidated basis.

Certain statements in this discussion and analysis may be deemed to include 'forward looking statements' and are based on management's current expectations and are subject to uncertainty and changes in circumstances. Forward looking statements are not historical facts but instead represent only management's belief regarding future events, many of which by their nature are inherently uncertain and outside of management's control. Actual results may differ materially from those included in these statements due to a variety of factors, including worldwide economic conditions, success in business retention and obtaining new business, changes in tax laws, changes to political and economic conditions in Bermuda and globally, changes in commercial and residential real estate markets and changes in capital and credit markets in Bermuda and other factors.

### **AUDITORS' REPORT**

A copy of the audited financial statements of the Company for the year ended December 31, 2010, including the Auditor's Report to shareholders dated May 9, 2011, is attached below.

### **FINANCIAL PERFORMANCE SUMMARY**

Following is a financial performance summary for the three-year period ended December 31, 2010.

#### **2008**

In 2008, revenues totaled \$1.37 million, representing a marginal decrease in comparison to the budget for 2008 and \$613,126 less than the previous year. The decrease in actual revenue relative to budgeted revenue was a result of discounted rent to certain tenants most affected by the disruption of their business during the excavation of the construction site on Pitts Bay Road.

Operating income in 2008 decreased by \$291,606 to \$403,320 relative to 2007. The decrease was attributed mostly to the reduction in rental space available to rent which was offset somewhat by the containment of operating expenses. Net income for the year was \$207,734 less than the previous year. The decrease was negatively impacted by losses incurred by the sale of certain securities and the write down of rental revenue of \$79,571 deemed uncollectible.

The Accounting Standards Board amended Section 1530 which recognizes unrealized gains and losses in the investment portfolio which has been marked to market as of December 31, 2007 but was not previously allowed. As a result of this change, total assets increased by \$1.4 million with a similar increase in shareholders' equity which is shown as accumulated other comprehensive income. This change was introduced in fiscal 2007 when the gains on the portfolio stood at \$1.9 million.

#### **2009**

Rental income for 2009 increased by 8.2% and was primarily attributable to 100% occupancy. Revenues totaled \$1,482,185 representing an increase of \$111,922 compared to 2008, which saw discounts given because of tenants' business disruption. In 2009, rental rates were kept flat in order to remain competitive in a market that was being pressured with over capacity, falling demand and a consequential decline in rental rates. Expiration dates of leases ranged from December 2010 to December 2012 with two significant tenancies needing renewal by December 2011.

Operating expenses increased 10.3% year on year, largely as a result of a higher depreciation charge taken in 2009 and maintenance upgrades to building systems which were considered necessary for compliance and tenant retention.

The Bank of N.T. Butterfield & Son Limited share value decreased significantly in 2009 and, as such, was considered a permanent impairment of this investment and was written down in 2009. In addition, the interest expenses on two bank loans between Belvedere Place A Limited and The Bank of N.T. Butterfield & Son Limited were charged against income and not capitalized. These two transactions totaled \$688,363 and contributed to a net loss of \$111,055 for the year.

## **2010**

Income for 2010 totaled \$2,006,991 representing an increase of 35% in comparison to the previous year, mostly due to additional revenue from the parking facility. Revenue from the rental of office space remained flat and leases for all available spaces will expire on a staggered basis over the next two years. The Company continued to enjoy full occupancy which management believe will persist into the foreseeable future, with the exception of one commercial space the lease for which terminates in August 2011 and for which a new tenant has not yet been secured (this commercial space is approximately 1,778 square feet and has rented for \$79,423.26 per annum and represents 3.6 percent of the total estimated rental income for 2011).

Operating expenses for the year increased marginally as a result of a 44% increase in depreciation expenses which was largely offset by the reduction of maintenance costs and wages.

Net operating income for the year totaled \$811,027, an increase of \$495,153 relative to the same period in 2009. The increase was attributed primarily to additional revenue from the rental of parking bays and the containment of operating expenses.

Net income for the year totaled \$562,458 in comparison to a loss of \$111,055 in 2009. Interest expense for the year totaled \$492,236 and the investment portfolio earned dividend income of \$143,587.

The historical financial information that follows was extracted from the Company's audited results for the respective years.

The book value of the Company as at December 31, 2010 totaled \$8,582,142, which is the equivalent of was \$5.94 per Share. The calculation of book value per Share is based on the historical cost of the property, plant and equipment owned by the Company and depreciated in accordance with guidelines established by the Company. The depreciated book value of these assets as at December 31, 2010 is \$24,344,253. Management commissioned a valuation of the property to determine its market value and according to a valuation report issued on March 23, 2010 by Rego Realtors, 2 Cavendish Road, Hamilton, the market value of the property at that time was \$75 million.

The difference between the market value per Share and book value per Share is \$50,655,747, which is equivalent to \$35.08 per Share. The difference between the book value per share and market value per Share is significant although the full market value of \$75 million for the property may not be realized considering the recent decline in real estate values.

Since the last audited statements, the Company has continued to perform well as evidenced by the interim financial reports for 2011.

## **PAYMENT OF DIVIDENDS**

The Company paid quarterly dividends until the second quarter of 2007 when the Board agreed to discontinue the payment of dividends as required by the terms of the US\$15,000,000 loan agreement between Belvedere Place A Limited and The Bank of N.T. Butterfield & Son Limited.

## **WORKING CAPITAL**

The Directors confirm that in their opinion the working capital available to the West Hamilton Group of Companies is sufficient to pay their respective liabilities as and when they fall due.

# **West Hamilton Holdings Limited**

Consolidated Financial Statements  
**December 31, 2010**



May 9, 2011

## **Independent Auditors' Report**

### **To the Shareholders of West Hamilton Holdings Limited**

We have audited the accompanying consolidated financial statements of **West Hamilton Holdings Limited** which comprise the consolidated balance sheet as at December 31, 2010 and the consolidated statement of income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Bermuda and Canada, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Bermuda and Canada. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 in 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.

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*PricewaterhouseCoopers, Chartered Accountants, P.O. Box HM 1171, Hamilton HM EX, Bermuda  
T: +1 (441) 295 2000, F: +1 (441) 295 1242, [www.pwc.com/bermuda](http://www.pwc.com/bermuda)*



**To the Shareholders of West Hamilton Holdings Limited**

May 9, 2011

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 accompanying financial statements present fairly, in all material respects, the financial position of **West Hamilton Holdings Limited** as at December 31, 2010 and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in Bermuda and Canada.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

**Chartered Accountants**

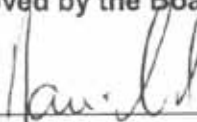
# West Hamilton Holdings Limited

Consolidated Balance Sheet

As at December 31, 2010

	Notes	2010 \$	2009 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		239,452	17,126
Accounts receivable		103,214	58,532
Prepaid expenses		1,486	1,486
Investments, available-for-sale (cost - \$1,703,591; 2009 - \$1,653,937)		2,546,630	2,874,888
		2,890,782	2,952,032
Property, plant and equipment	4	24,344,253	23,853,060
		27,235,035	26,805,092
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued charges		931,613	1,980,495
Current portion of bank loan	9	-	668,357
Deferred income		234,692	436,048
Bank overdraft	3	-	38,386
		1,166,305	3,123,286
<b>Long-term liabilities</b>			
Bank loan	9	17,000,000	14,331,643
Funds withheld on contract	8	486,588	952,567
		17,486,588	15,284,210
<b>Shareholders' equity</b>			
Share capital	5	1,443,910	1,443,910
Contributed surplus		68,632	68,632
Accumulated other comprehensive income		843,039	1,220,951
Retained earnings		6,226,561	5,664,103
		8,582,142	8,397,596
		27,235,035	26,805,092

Approved by the Board of Directors

 Director

 Director

The accompanying notes are an integral part of these consolidated financial statements.

# West Hamilton Holdings Limited

Consolidated Statement of Income

For the year ended December 31, 2010

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	2010	2009
	\$	\$
<b>Income</b>		
Rental income	2,006,991	1,482,185
<b>Expenses</b>		
Maintenance, cleaning and wages	408,229	535,318
General and administrative	301,203	268,775
Depreciation	327,663	226,642
Utilities	12,540	22,036
Insurance	46,329	13,540
	<hr/> 1,095,964	<hr/> 1,066,311
<b>Net income before undernoted items</b>	<hr/> 911,027	<hr/> 415,874
<b>Other income (expense)</b>		
Interest and dividend income	143,587	156,173
Interest expense	(492,236)	(365,756)
Loss on impairment of investments	-	(322,607)
Other	80	5,261
	<hr/> (348,569)	<hr/> (526,929)
<b>Net income (loss) for the year</b>	<hr/> 562,458	<hr/> (111,055)
<b>Basic and diluted earnings (loss) per share</b>	<hr/> 0.39	<hr/> (0.08)

The accompanying notes are an integral part of these consolidated financial statements.

# West Hamilton Holdings Limited

## Consolidated Statement of Changes in Shareholders' Equity For the year ended December 31, 2010

	Share capital \$	Contributed surplus \$	Accumulated other comprehensive income \$	Retained earnings \$	Total \$
Balance, January 1, 2009	1,443,910	68,632	1,377,792	5,775,158	8,665,492
Net change in unrealized gains on available-for-sale securities	-	-	(250,510)	-	(250,510)
Realized loss previously recognized in accumulated other comprehensive income	-	-	93,669	-	93,669
Net loss for the year	-	-	-	(111,055)	(111,055)
Balance, December 31, 2009	1,443,910	68,632	1,220,951	5,664,103	8,397,596
Balance, January 1, 2010	1,443,910	68,632	1,220,951	5,664,103	8,397,596
Net change in unrealized gains on available-for-sale securities	-	-	(377,912)	-	(377,912)
Net income for the year	-	-	-	562,458	562,458
Balance, December 31, 2010	1,443,910	68,632	843,039	6,226,561	8,582,142

The accompanying notes are an integral part of these consolidated financial statements.



# West Hamilton Holdings Limited

## Consolidated Statement of Cash Flows For the year ended December 31, 2010

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	2010 \$	2009 \$
<b>Cash flows from operating activities</b>		
Net income (loss)	562,458	(111,055)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	327,663	226,642
Loss on impairment of investments	-	322,607
Add (deduct) net changes in assets and liabilities:		
Accounts receivable	(44,862)	40,754
Prepaid expenses	-	-
Accounts payable and accrued charges	(563,519)	(93,324)
Deferred income	(201,356)	374,808
Net cash provided by operating activities	(80,384)	760,432
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,770,018)	(12,895,287)
Purchase of investments	(49,654)	-
Net cash used in investing activities	(1,819,672)	(12,895,287)
<b>Cash flow from financing activities</b>		
Proceeds from bank loan	2,000,000	15,000,000
Net cash provided by financing activities	2,000,000	15,000,000
<b>Net decrease in cash and cash equivalents</b>	260,712	2,865,145
<b>Cash and cash equivalents at beginning of year</b>	(21,260)	(2,886,405)
<b>Cash and cash equivalents at end of year</b>	239,452	(21,260)
Cash and cash equivalent comprise:		
Cash	239,452	17,126
Bank overdrafts	-	(38,386)
	239,452	(21,260)

The accompanying notes are an integral part of these consolidated financial statements.

# West Hamilton Holdings Limited

## Notes to Consolidated Financial Statements

December 31, 2010

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### 1. General

West Hamilton Holdings Limited (the "Company") was incorporated on May 14, 2007 under the laws of Bermuda and is the parent company of West Hamilton Limited ("WHL") under a Scheme of Arrangement approved by shareholders of WHL and sanctioned by the Bermuda Court.

West Hamilton Limited is incorporated under the laws of Bermuda and owns two commercial properties known as the Belvedere Building and the Belvedere Place in which space is generally let under short to long-term commercial leases. The company also owns a multi-storey parking facility on Pitts Bay road that leases parking spaces on a short term basis.

#### Going concern

The Board of Directors during the year and post balance sheet date have noted the potential impact that continued instability in the commercial property market in Bermuda has on the demand for vacant space, rental rates and tenant retention.

The Board of Directors have compiled financial forecasts to assist them in assessing whether the Company will be able to meet its financial obligations as and when they fall due. These forecasts are necessarily based on certain critical assumptions relating to tenancy renewals, availability of continued bank funding and continued reduction in operating overheads. Based on these financial forecasts and at the date of signing these financial statements, the Directors believe the Company is able to operate as a going concern for the next twelve months.

However, the Directors note that there are material uncertainties impacting the assumptions outlined above that may adversely impact the cash flow and liquidity position of the Company.

### 2. Significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Bermuda and Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies are summarized as follows:

#### (a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, West Hamilton Limited and Belvedere Place A Limited, a wholly owned subsidiary of West Hamilton Limited. All significant intercompany transactions and balances are eliminated on consolidation.

#### (b) Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	40 - 50 years
Equipment	3 - 25 years
Furniture and fixtures	10 years
Improvements to premises	3 - 20 years
Computers	4 years

(1)

# West Hamilton Holdings Limited

## Notes to Consolidated Financial Statements

December 31, 2010

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On an ongoing basis, costs of normal repairs and maintenance are expensed while expenditures which extend the estimated useful lives of the assets are capitalized and depreciated in accordance with the related asset.

Interest charged on the bank overdraft is expensed as incurred.

A section of the Belvedere Place development was rented on a short term basis starting October 2009, and an estimated depreciation has been charged to the income statement, based on an estimate of development costs incurred for parking spaces. The costs of development incurred for other purposes are not depreciated.

(c) **Interest and dividend income**

Interest income is recognized when earned and dividend income is recognized when the right to receive payment is established.

(d) **Rental income**

Rental income is accrued to the balance sheet date. Rents received in advance are recorded under deferred income.

(e) **Available-for-sale investments**

Investments comprising publicly traded equities are designated as available for sale and are recognized at fair value on the balance sheet. Realized gains and losses are reported as part of net income for the year, while unrealized gain or losses are presented under comprehensive income. Where there has been a loss in value of an investment that is other than a temporary decline, the adjustment to market value is recorded in the income statement.

The fair value of publicly traded investments is determined using the quoted market trade price. These investments are categorised in level 1 of the fair value measurement hierarchy as defined in CICA 3862 Financial Investments – Disclosures.

(f) **Pension costs**

The Company sponsors a defined contribution pension (the "Plan") covering all eligible employees. The cost of the Plan is expensed as related benefits are earned by the employees. The Company makes monthly contributions in accordance with the Plan Agreement to the employees' individual accounts, which are administered by an insurance company pursuant to and in accordance with the National Pension Scheme (Occupational Pensions) Act 1998 Applicable and Amendments and regulations thereto.

(g) **Cash and cash equivalents**

Cash and cash equivalents include deposits having a maturity of less than three months from the date of purchase.

### 3. **Bank overdraft**

As at December 31, 2010 there was no overdraft facility in place.

# West Hamilton Holdings Limited

## Notes to Consolidated Financial Statements

December 31, 2010

### 4. Property, plant and equipment

	Cost \$	Accumulated depreciation \$	2010 Net \$	2009 Net \$
Land	1,394,372		1,394,372	1,394,372
Building	2,417,475	2,214,029	203,446	230,044
Computers	27,003	27,003	-	1,360
Furniture and fixtures	322,622	322,622	-	-
Improvements to premises	1,633,365	1,156,899	476,466	146,589
Equipment	2,023,200	1,040,208	982,992	1,040,200
New development	21,526,977	240,000	21,286,977	21,040,495
	<u>29,345,014</u>	<u>5,000,761</u>	<u>24,344,253</u>	<u>23,853,060</u>

Total additions to capital assets during the year were \$818,856 (2009 - \$13,846,449).

Details of the new development can be found in note 9.

### 5. Shareholders' equity

Share capital

	2010 \$	2009 \$
Common shares		
Authorized -		
5,000,000 share of a par value of \$1 each (2009 -		
5,000,000 shares of a par value of \$1 each)		
Issued-		
1,443,910 shares (2009 – 1,443,910 shares)	<u>1,443,910</u>	<u>1,443,910</u>

#### Contributed surplus

Contributed surplus is the difference between the price paid and the par value of the shares subscribed under the Employee share purchase plan.

#### Employee share purchase plan

The shareholders of the Company have approved an employee share purchase plan whereby eligible employees may purchase the Company's common shares at a price 15% below the average market price. The average market price is determined by the average of the three closing prices of the Company's common shares, set out on the three days preceding the subscription date in which Company's share traded on the Bermuda Stock Exchange. Eligible employees may acquire shares in any calendar year up to a maximum value not exceeding 15% of their annual gross salary. Employees are restricted from selling the shares for a period of one year from the subscription date. The shares purchased are issued from authorized, unissued share capital. 50,000 common shares of the Company have been made available for sale to employees under the Plan.

For the year ended December 31, 2010, employees subscribed for and were issued \$.Nil (2009 - \$.Nil) common shares for proceeds of \$.Nil (2009 - \$.Nil).

# West Hamilton Holdings Limited

## Notes to Consolidated Financial Statements

December 31, 2010

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### 6. *Pension plan*

As described in note 2, the Company sponsors a defined contribution plan covering all eligible employees. Contributions to these plans are made by the employee and the Company. The Company matches employees' contributions to a maximum of 5% of the employees' annual earnings. The pension expense recognized by the Company in the current year was \$14,375 (2009 - \$14,575), representing the Company's share of contributions to the Plan.

### 7. *Earnings (loss) per share*

Basic earnings (loss) per share presented in the statement of income is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year, which was 1,443,910 shares (2009 - 1,443,910).

### 8. *Construction contract*

Belvedere Place A Limited, a wholly-owned subsidiary of West Hamilton Limited, which is wholly-owned by the Company entered into a fixed stipulated sum construction contract with BCM McAlpine to carry out the works according to the specifications detailed in the architectural drawings dated October 3, 2008.

The fixed stipulated amount of \$38,837,208 dated March 1, 2008 was amended by change order dated September 30, 2008 to a revised stipulated sum of \$19,051,349. The change represents the cost of construction of the infrastructure below grade and parking facilities for approximately 309 cars on three levels.

The construction works were finally completed on January 22, 2010 and occupancy certificate was issued by the Department of Planning on February 4, 2010. The final cost of construction is \$19,408,677 and there is a further amount of \$434,183 which is contestable. Funds withheld on the construction contract of \$486,589 will be due 12 months after the conclusion of remaining remedial work.

### 9. *Construction borrowing*

On February 27, 2009, Belvedere Place A Limited, a wholly owned subsidiary of West Hamilton Limited entered into a construction loan agreement with The Bank of N.T. Butterfield & Sons Limited (the "Bank") in the amount of U.S.\$15 million (the "construction loan") for a period of one year at an interest rate of 1.5 percent plus the quoted rate for 30 days LIBOR if such rate does not fall below 1.5 percent. During the construction period interest will be calculated on a monthly basis. On the maturity date or the completion date of construction, whichever comes first, the construction loan will be converted to a fifteen-year amortized loan with similar terms and conditions, and monthly payments of approximately \$103,587 inclusive of interest. The Company offered all of its land, buildings and new development as security for the constructions loan by way of a legal mortgage, as well as an assignment of the benefit of the construction contract and an assignment of all rental income from the existing Belvedere Building.

# West Hamilton Holdings Limited

## Notes to Consolidated Financial Statements

December 31, 2010

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Based on the equivalent interest rate of 3% for the construction loan at December 31, 2010, estimated annual loan repayments are as follows:

	\$
December 31, 2010	-
December 31, 2011	-
December 31, 2012	668,357
December 31, 2013	824,372
December 31, 2014 and beyond	<u>13,507,271</u>
	<u>15,000,000</u>

On February 26, 2010, Belvedere Place A Limited obtained an additional BD\$2 million loan from the Bank for a period of one year at an interest rate of 2% above the Bermuda dollar base rate, to finance additional costs related to the new development. The Company has assigned its investment portfolio as a security for the loan.

### 10. *Related party transactions*

The Company earned rent income of \$43,183 (2009 - \$43,183) from a shareholder for use of an office space according to an operating lease agreement. The terms of the lease are at arms length and follow normal credit terms. Accounts receivable include \$1,055 (2009 - \$1,057) representing amounts due from this lease.

### 11. *Financial assets and liabilities*

The estimated fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued charges, bank loan, and funds withheld on contract which are carried at amortised cost, approximate their carrying values.

#### **Management of financial risks**

The Company manages its exposure to interest rate risks in accordance with established risk management policies and procedures.

**Credit Risk:** There is a risk that the Company may not be able to collect all of its customer accounts receivable, which arise in the normal course of business. The maximum exposure to credit risk is the net carrying value of these financial instruments. The Company manages credit risk primarily by executing its credit and collection policy.

**Liquidity Risk:** The Company's financial position could be adversely affected if it failed to arrange sufficient and cost-effective financing to fund, among other things, capital and operating expenditures and repayment of bank debt. Sensitivity analysis performed by management on an increase in interest rates by 0.5% would result in additional interest expense of \$85,000. The ability to arrange such financing is subject to numerous factors, including the results of operations and financial position of the Company, conditions in the capital and bank credit markets and general economic conditions. Management has frameworks in place to monitor the Company's liquidity and working capital position to enable the Company to pay its liabilities as and when they fall due.

# West Hamilton Holdings Limited

## Notes to Consolidated Financial Statements

December 31, 2010

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**Price Risk:** The Company is exposed to equity securities price risk because of its investments classified as available for sale on the balance sheet. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio across various industries.

### 12. Capital management

The Company includes capitalization, bank loan, and cash and cash equivalents in the definition of capital.

The Company's objectives, when managing capital, are to maintain sufficient liquidity and ongoing access to capital in order to allow the Company to build and maintain its properties. The Company's capital management short-term strategy is to generate and utilize positive cash flows from operations to meet capital expenditure requirements. Where a shortfall exists between internally generated cash outflows, short-term debt financing will be considered. The Company's capital management long-term strategy considers all alternative financing options available to address large-scale building improvement projects.

The Company's externally imposed capital requirements are the result of its bank debt disclosed in Notes 9 and 13. The Company has complied with all debt covenants as at December 31, 2010.

### 13. Subsequent events

In January 2011, the Bank amended the commencement date of amortization of the construction borrowing, as disclosed in Note 9, to January 2012. The Company is in current negotiation with the Bank as part of its funding considerations disclosed in note 9.

### 14. Directors' share interests

The Directors and Executive officers of the Company had combined interests in 269,820 of the Company's common shares as at December 31, 2010 (2009 – 294,925).

### 15. Property leases

The Company has entered into commercial property leases on its property which are non-cancellable and have lease terms of between 1 and 5 years. Future minimum rentals receivable under non-cancellable operating leases as at December 31, 2010 are as follows:

	<u>\$</u>
2011	2,161,598
2012	78,769
2013	-
2014	65,590
2015	<u>117,414</u>
	<u>2,423,371</u>

**West Hamilton Holdings Limited****Consolidated Balance Sheet**

Extracted from the Audited Financial Statements

For the three years ended December 31, 2010.

	2010	2009	2008
	\$	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	239,452	17,126	81,717
Accounts receivable	103,214	58,532	99,286
Prepaid Expenses	1,486	1,486	1,486
Investments, available-for-sale	2,546,630	2,874,888	3,354,336
	<u>2,890,792</u>	<u>2,952,032</u>	<u>3,536,825</u>
Property, plant and equipment	24,344,243	23,853,060	10,233,253
	<u>27,235,035</u>	<u>26,805,092</u>	<u>13,770,078</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued charges	931,613	1,980,495	1,480,819
Current portion of bank loan	-	668,357	-
Deferred income	234,692	436,048	61,240
Bank overdraft	-	38,386	2,968,122
	<u>1,166,305</u>	<u>3,123,286</u>	<u>4,510,181</u>
<b>Long-term liabilities</b>			
Bank loan	17,000,000	14,331,643	-
Funds withheld on contract	486,588	952,567	594,405
	<u>17,486,588</u>	<u>15,284,210</u>	<u>594,405</u>
<b>Shareholders' equity</b>			
Share capital	1,443,910	1,443,910	1,443,910
Contributed surplus	68,632	68,632	68,632
Accumulated other comprehensive income	843,039	1,220,951	1,377,792
Retained earnings	6,226,561	5,664,103	5,775,158
	<u>8,582,142</u>	<u>8,397,596</u>	<u>8,665,492</u>
	<u>27,235,035</u>	<u>26,805,092</u>	<u>13,770,078</u>



**West Hamilton Holdings Limited**  
**Consolidated Statement of Income**  
**Extracted from the Audited Financial Statements**  
**For the three years ended December 31, 2010.**

	2010	2009	2008
	\$	\$	\$
<b>Income</b>			
Rental income	2,006,991	1,482,185	1,370,263
<b>Expenses</b>			
Maintenance, cleaning and wages	408,229	535,318	491,885
General administrative	301,223	268,775	252,680
Depreciation	327,663	226,642	178,904
Utilities	12,540	22,036	29,207
Insurance	46,329	13,540	14,267
	<u>1,095,984</u>	<u>1,066,311</u>	<u>966,943</u>
<b>Net income before undernoted items</b>	<u>911,007</u>	<u>415,874</u>	<u>403,320</u>
<b>Other income (expense)</b>			
Interest and dividend income	143,587	156,173	175,373
Interest expense	(492,236)	(365,756)	(27,313)
Loss on impairment of investments	-	(322,607)	-
Gain (loss) on sale of investments	-	-	(139,860)
Building retirement obligation	-	-	-
Other	80	5,261	(79,571)
	<u>(348,569)</u>	<u>(683,770)</u>	<u>(71,571)</u>
<b>Net income (loss) for the year</b>	<u>562,458</u>	<u>(111,055)</u>	<u>331,949</u>
<b>Basic earnings(loss) per share</b>	0.39	(0.08)	0.23
<b>Retained Earnings</b>			
Opening balance			5,443,209
	5,664,103	,775,158	
Net income (loss) for the year	358,192	(111,055)	331,949
Dividends paid	-	-	-
End of year	<u>6,022,096</u>	<u>5,664,103</u>	<u>5,775,158</u>

**West Hamilton Holdings Limited**

**Consolidated Statement of Cash Flows**  
**Extracted from the Audited Financial Statements**

**For the three years ended December 31, 2010,**

	2010	2009	2008
	\$	\$	\$
Cash flows from operating activities			
Net income (loss) for the year	562,458	(111,055)	331,949
Adjustment to reconcile net income to net cash provided by operating activities:			
Depreciation	327,663	226,642	178,904
Loss on impairment of investments	-	322,607	-
Gain/loss on sale of investments	-	-	139,880
Diminution of investments	-	-	-
Building retirement obligation	-	-	-
Add (deduct) net changes in assets and liabilities:			
Accounts receivable	(44,862)	40,754	51,362
Prepaid expenses	(563,519)	-	1,096
Accounts payable and accrued charges	-	(93,324)	121,665
Deferred income	(201,356)	374,808	61,240
Net cash provided by operating activities	<u>(80,384)</u>	<u>760,432</u>	<u>886,076</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,770,018)	(12,895,287)	(5,828,967)
Proceeds from sale of property, plant and equipment	-	-	-
Proceeds from sale of investments	-	-	1,413,980
Purchase of investments	49,654	-	-
Net cash used in investing activities	<u>(1,819,672)</u>	<u>(12,895,287)</u>	<u>(4,414,987)</u>
Cash flows from financing activities			
Dividends paid	-	-	-
Proceeds from bank loan and overdraft facility	2,000,000	15,000,000	2,968,122
Payment of bank overdraft	-	-	-
Net cash provided by financing activities	<u>2,000,000</u>	<u>15,000,000</u>	<u>2,968,122</u>
Net decrease in cash and cash equivalents	260,712	2,865,145	(560,789)
Cash and cash equivalents at the beginning of year	<u>(21,260)</u>	<u>(2,886,405)</u>	<u>(2,325,616)</u>
Cash and cash equivalents at end of year	<u>239,452</u>	<u>(21,260)</u>	<u>(2,886,405)</u>

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