

MANHILL CO. LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 MARCH 2007

COMPANY REGISTRATION NUMBER 804321



COHEN ARNOLD
Chartered Accountants & Registered Auditors
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

MANHILL CO. LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

CONTENTS	PAGES
Officers and Professional Advisers	1
The Directors' Report	2 to 3
Independent Auditor's Report to the Shareholders	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 to 12
The following pages do not form part of the financial statements	
Property Trading Account	14
Property Revenue Account - Summary	15
Schedule of Administrative Expenses	16

MANHILL CO. LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE DIRECTORS

Mr E Englander
Mr C Berger
Mr S Z Englander

COMPANY SECRETARY

Mrs S Englander

REGISTERED OFFICE

New Burlington House
1075 Finchley Road
London
NW11 0PU

AUDITOR

Cohen Arnold
Chartered Accountants
& Registered Auditors
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

MANHILL CO. LIMITED
THE REPORT OF THE DIRECTORS
YEAR ENDED 31 MARCH 2007

The Directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2007

PRINCIPAL ACTIVITIES

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

DIRECTORS

The Directors who served the Company during the year were as follows

Mr E Englander
Mr C Berger
Mr S Z Englander

No Director has any beneficial interest in the share capital of the Company

No Director has a service contract with the Company

RESPONSIBILITIES OF THE DIRECTORS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

MANHILL CO. LIMITED
THE REPORT OF THE DIRECTORS (*continued*)
YEAR ENDED 31 MARCH 2007

In so far as the Directors are aware

- there is no relevant audit information of which the Company's auditor is unaware,
and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DONATIONS

During the year the Company made charitable donations aggregating £769,000

AUDITOR

A resolution to re-appoint Cohen Arnold as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 385 of the Companies Act 1985

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small Companies under Part VII of the Companies Act 1985

Signed by order of the Directors



MRS S ENGLANDER
Company Secretary

Approved by the Directors on 18.1.08

MANHILL CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MANHILL CO. LIMITED
YEAR ENDED 31 MARCH 2007

We have audited the financial statements of Manhill Co Limited for the year ended 31 March 2007 on pages 6 to 12, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 8

This report is made solely to the Company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

MANHILL CO. LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MANHILL CO. LIMITED (*continued*)

YEAR ENDED 31 MARCH 2007

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Company's affairs as at 31 March 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

21 1 08

COHEN ARNOLD
Chartered Accountants
& Registered Auditors

MANHILL CO. LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
Surplus on Sale of Properties	2	423,248	371,254
Net Rental Income	2	264,779	248,188
Administrative expenses		(777,401)	(253,536)
Other operating income	3	<u>11,236</u>	<u>10,800</u>
OPERATING (LOSS)/PROFIT	4	(78,138)	376,706
Interest receivable		167,001	167,001
Interest payable and similar charges		<u>(186,471)</u>	<u>(198,929)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(97,608)	344,778
Balance brought forward		<u>218,782</u>	<u>(125,996)</u>
Balance carried forward		<u><u>121,174</u></u>	<u><u>218,782</u></u>

The notes on pages 9 to 13 form part of these financial statements.

MANHILL CO. LIMITED

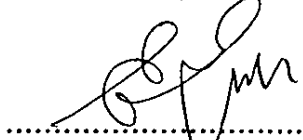
BALANCE SHEET

31 MARCH 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Investments	5	171,330	171,330
CURRENT ASSETS			
Stocks		568,236	570,778
Debtors	6	2,769,961	2,925,133
Cash at bank		9,658	163
		3,347,855	3,496,074
CREDITORS: Amounts falling due within one year	7	949,586	943,523
NET CURRENT ASSETS		2,398,269	2,552,551
TOTAL ASSETS LESS CURRENT LIABILITIES		2,569,599	2,723,881
CREDITORS: Amounts falling due after more than one year	8	2,433,583	2,490,257
		136,016	233,624
CAPITAL AND RESERVES			
Called-up equity share capital	10	100	100
Other reserves		14,742	14,742
Profit and loss account		121,174	218,782
SHAREHOLDERS' FUNDS		136,016	233,624

These financial statements have been prepared in accordance with the special provisions for small Companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the Directors and authorised for issue on 1st March 2007, and are signed on their behalf by



 MR E ENGLANDER

DIRECTORS



 MR C BERGER

The notes on pages 9 to 13 form part of these financial statements.

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

Stocks

Stock is comprised of freehold and leasehold properties held for trading and is included in the Financial Statements at the lower of cost and estimated net realisable value

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

Format of the financial statements

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

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

2. TURNOVER

The turnover of the Company is represented by sales proceeds on disposal of properties held for trading purposes coupled with rents and charges receivable in respect of those properties

The surplus on disposal of properties and net rental income are comprised as follows

	2007 £	2006 £
Net sale proceeds	430,185	374,997
Cost of properties sold	<u>(6,937)</u>	<u>(3,743)</u>
Surplus on disposal of properties	<u>423,248</u>	<u>371,254</u>
Rents and charges receivable	374,460	368,100
Property outgoings	<u>(109,681)</u>	<u>(119,912)</u>
Net Rental Income	<u>264,779</u>	<u>248,188</u>

3. OTHER OPERATING INCOME

	2007 £	2006 £
Commission receivable	<u>11,236</u>	<u>10,800</u>

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2007 £	2006 £
Auditor's fees	<u>6,498</u>	<u>3,745</u>

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

5. INVESTMENTS

	£
COST	
At 1 April 2006 and 31 March 2007	<u>171,330</u>
NET BOOK VALUE	
At 31 March 2007	<u>171,330</u>
At 31 March 2006	<u>171,330</u>

The Company holds 38,500 £1 Ordinary Shares in the Development and Property Holding Company Limited

6. DEBTORS

	2007 £	2006 £
Trade debtors	18,776	23,915
Tax repayable	986	986
Other debtors	<u>2,750,199</u>	<u>2,900,232</u>
	<u>2,769,961</u>	<u>2,925,133</u>

7. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	412,807	412,808
Trade creditors	21,688	24,744
Other creditors	<u>515,091</u>	<u>505,971</u>
	<u>949,586</u>	<u>943,523</u>

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

8 CREDITORS: Amounts falling due after more than one year

	2007 £	2006 £
Bank loans and overdrafts	<u>2,433,583</u>	<u>2,490,257</u>

The Company and certain group Companies obtained joint facilities and have charged certain of their properties as security therefore. The total amount outstanding by the Companies at 31 March 2007 was £4.99m (2006 £5.1m) of which £2.49m (2006 £2.55m) is included in the financial statements of this Company.

9. RELATED PARTY TRANSACTIONS

Included in Other Debtors (Note 6) are amounts of £234,886 and £1,893,678 due from The Development & Property Holding Company Limited and Better Properties Limited respectively which are controlled by the Trustees of Settlements made by Mr E Englander and Mrs S Englander. The loan from Better Properties Limited bore interest at 13% per annum, whilst the others are interest free and effectively repayable on demand.

Included in Other Creditors (Note 7) are amounts due to Blustart Co Limited of £207,582 of which Mr E Englander and Mr S Z Englander are Directors. The amounts are interest free and effectively repayable on demand.

The group Companies referred to in Note 8 and Note 11 are Companies of which Mr E Englander is a Director.

Certain of the Company's properties are managed by Better Properties Limited.

Mr E Englander has provided a guarantee in respect of the joint facility referred to in Note 8.

10. SHARE CAPITAL

Authorised share capital:

	2007 £	2006 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

11. CONTINGENT LIABILITIES

The Company, its fellow subsidiary and associated Companies have given unlimited cross-guarantee for each others accounts with one of their bankers

12. PARENT UNDERTAKING

The Parent Undertaking is Keren Association Limited, incorporated in Great Britain and registered in England

13. CONTROL

The Company is a wholly owned subsidiary of Keren Association Limited