

COMPANY REGISTRATION NUMBER 00804321

MANHILL CO. LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2012



COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

MANHILL CO. LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

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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
& Statutory Auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

MANHILL CO. LIMITED
THE REPORT OF THE DIRECTORS
YEAR ENDED 31 MARCH 2012

The Directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 March 2012

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

The Articles of Association do not require Directors to retire by rotation

The Directors have no beneficial interest in the Company

The Directors do not have a Service Contract with the Company

LAND AND BUILDINGS

The Company's stock of trading properties is included in the Balance Sheet at cost

The Directors are of the opinion that the open market value of each of the Company's trading properties is greater than the amount at which it is included in the Financial Statements and that the total value of the properties is in excess of £9m

RESPONSIBILITIES OF THE DIRECTORS

The Directors are responsible for preparing the Directors' 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). Under Company Law the Directors must not approve the financial statements unless they are satisfied that they 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 those 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 2012

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 the following contributions

	2012	2011
	£	£
Charitable donations	<u>900,000</u>	<u>522,500</u>

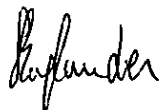
AUDITOR

Cohen Arnold are deemed to be re-appointed under Section 487(2) of the Companies Act 2006

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the Directors



MRS S ENGLANDER
Company Secretary

Approved by the Directors on **23.12.12**

MANHILL CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MANHILL CO. LIMITED
YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Manhill Co Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

MANHILL CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MANHILL CO. LIMITED (*continued*)
YEAR ENDED 31 MARCH 2012

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter – Debtors

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 6 to the financial statements concerning the recoverability of amounts aggregating £1 46m due from a related Company, Better Properties Limited. Better Properties Limited's debtors include loans of some £62m to related Companies, recoverability of which is not certain. Those Companies are in the process of reorganising their activities, thereby improving the prospects of the debt recovery. Accordingly, in the opinion of the Directors full recoverability will be achieved.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MANHILL CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MANHILL CO. LIMITED (*continued*)
YEAR ENDED 31 MARCH 2012

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report



ASHER STERNLICHT
(Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

23.12.12

MANHILL CO. LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
TURNOVER	2	729,182	1,004,829
Cost of sales		<u>(179,078)</u>	<u>(146,238)</u>
GROSS PROFIT		550,104	858,591
Administrative expenses		<u>(905,375)</u>	<u>(527,865)</u>
Other operating income	3	<u>4,502</u>	<u>6,595</u>
OPERATING (LOSS)/PROFIT	4	(350,769)	337,321
Interest receivable		156,112	169,334
Interest payable and similar charges		<u>(55,490)</u>	<u>(69,026)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(250,147)	437,629
Tax on (loss)/profit on ordinary activities		<u>—</u>	<u>—</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(250,147)</u>	<u>437,629</u>

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

MANHILL CO. LIMITED

BALANCE SHEET

31 MARCH 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Investments	5	171,330	171,330
CURRENT ASSETS			
Stocks		539,388	546,590
Debtors	6	2,636,930	2,932,196
Cash at bank		18	48
		<u>3,176,336</u>	<u>3,478,834</u>
CREDITORS: Amounts falling due within one year	7	<u>(959,178)</u>	<u>(907,580)</u>
NET CURRENT ASSETS		<u>2,217,158</u>	<u>2,571,254</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,388,488</u>	<u>2,742,584</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(1,930,394)</u>	<u>(2,034,343)</u>
		<u>458,094</u>	<u>708,241</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	100	100
Other reserves		14,742	14,742
Profit and loss account	11	<u>443,252</u>	<u>693,399</u>
SHAREHOLDERS' FUNDS		<u>458,094</u>	<u>708,241</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Directors and authorised for issue on 23.12.12 and are signed on their behalf by

MR E ENGLANDER

DIRECTORS

MR C BERGER

Company Registration Number 00804321

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 2012

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 April 2008)

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 liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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 the Companies Act 2006 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 2012

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

	2012 £	2011 £
Sale proceeds	323,450	605,950
Selling costs	(11,368)	(19,339)
Cost of properties sold	(7,440)	(8,846)
Surplus on disposal of properties	<u>304,642</u>	<u>577,765</u>
 Rents and charges receivable	 405,732	 398,879
Property outgoings	(160,270)	(118,053)
Net Rental Income	<u>245,462</u>	<u>280,826</u>

3. OTHER OPERATING INCOME

	2012 £	2011 £
Commission receivable	<u>4,502</u>	<u>6,595</u>

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2012 £	2011 £
Auditor's fees	<u>4,183</u>	<u>4,533</u>

The Directors received no emoluments from the Company during the year nor in the previous year

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

5. INVESTMENTS

	£
COST	
At 1 April 2011 and 31 March 2012	<u>171,330</u>
NET BOOK VALUE	
At 31 March 2012 and 31 March 2011	<u>171,330</u>

The Company holds directly the under mentioned proportions of the issued share capital in The Development and Property Holding Company Limited which is incorporated in Great Britain and registered in England

	Percentage of Issued Share Capital	
	2012	2011
Ordinary Shares of £1 each	7 7%	7 7%
Ordinary "B" Shares of £1 each	7 7%	7 7%

6. DEBTORS

	2012	2011
	£	£
Trade debtors	16,895	19,668
Other debtors	<u>2,620,035</u>	<u>2,912,528</u>
	<u>2,636,930</u>	<u>2,932,196</u>

Included in Other debtors are amounts aggregating £1,461,497 due from a related Company, Better Properties Limited, of which the Directors of this Company are also Directors. The loan bore interest at 10% and is repayable after more than twelve months. Better Properties Limited has advanced monies to related Companies which are engaged in property investment and trading activities (the Directors of which also include Directors of this Company). Included within those advances are loans of some £62m recoverability of which is not certain. Those Companies are in the process of reorganising their activities, thereby improving the prospects of the debt recovery. Accordingly, in the opinion of the Directors full recoverability will be achieved.

Better Properties Limited is ultimately controlled by the Trustees of Settlements made by Mr E Englander, a Director of this Company, and Mrs S Englander.

7. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	128,321	374,600
Trade creditors	18,204	18,047
Other creditors	<u>812,653</u>	<u>514,933</u>
	<u>959,178</u>	<u>907,580</u>

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

8. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans	<u>1,930,394</u>	<u>2 034,343</u>

The bank loans are secured by legal charges over the Company's stock of trade properties
Mr E Englander has guaranteed the bank loans

9. RELATED PARTY TRANSACTIONS

(i) Included in Other Debtors (Note 6) is an amount due from The Development & Property Holding Company Limited of £234,886 which is controlled by the Trustees of Settlements made by Mr E Englander, a director of this Company, and Mrs S Englander. The loan is interest free and effectively repayable on demand.

(ii) Included in Other Creditors (Note 7) is an amount of £207,582 due to Blustart Co Limited, a fellow subsidiary. The loan is interest free and effectively repayable on demand.

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

Additional Related Party information is given in Note 6.

10. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	693,399	255,770
(Loss)/profit for the financial year	<u>(250,147)</u>	<u>437,629</u>
Balance carried forward	<u>443,252</u>	<u>693,399</u>

12. CONTINGENT LIABILITIES

The Company and certain group Companies have obtained joint facilities and have charged certain of their properties as security therefor. The total amount outstanding by the Companies at 31 March 2012 was £4.1m (2011: £4.31m) of which £2.05m (2011: £2.15m) is included in the financial statements of this Company.

MANHILL CO. LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

13 PARENT UNDERTAKING

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

14. CONTROL

The Company is a wholly owned subsidiary of Keren Association Limited