

Company Registration No. 1362776 (England and Wales)

**MANDELHURST LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**



# MANDELHURST LIMITED

## COMPANY INFORMATION

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Directors	MRS ABIDA KHANKHARA JUBEDA VALI MOHMED AHMED MR ILYAS KHANKHARA
Secretary	MRS ABIDA KHANKHARA
Company number	1362776
Registered office	219 BROWNING ROAD MANOR PARK LONDON E12 6NX
Accountants	F S Dalal & Co 4/6 Peterborough Road Harrow, Middx HA1 2BQ

# MANDELHURST LIMITED

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# MANDELHURST LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

### Principal activities and company's interests in land and buildings

The principal activity of the company continued to be that of owning and letting properties and there was no change in this activity during the year.

The rental income of the company decreased in the current year on account of closure of one property for most of the year for extensive redevelopment.

In the opinion of the directors, the open market value of the company's interest in land and buildings was £1,250,000 compared to their cost of £555,274, giving a potential capital gain of £694,726

### Directors

The following directors have held office since 1 January 2004:

MRS ABIDA KHANKHARA  
JUBEDA VALI MOHMED AHMED  
MR ILYAS KHANKHARA

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2004	1 January 2004
MRS ABIDA KHANKHARA	14,775	14,775
JUBEDA VALI MOHMED AHMED	-	-
MR ILYAS KHANKHARA	-	-

Charitable donations	2004	2003
	£	£

During the year the company made the following payments:

Charitable donations	13,852	34,070
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The donations were to charities involved in educational and welfare work in the UK and abroad.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



MRS ABIDA KHANKHARA

Director

11.08.2005

# MANDELHURST LIMITED

## ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF MANDELHURST LIMITED

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*In accordance with the engagement letter dated 12 November 2004, and in order to assist you to fulfill your statutory duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss account and the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.*

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the technical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 December 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

  
F S Dalal & Co

Chartered Accountants

12/08/05

4/6 Peterborough Road  
Harrow, Middx HA1 2BQ

# MANDELHURST LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover		79,780	127,504
Cost of sales		(1,775)	-
<b>Gross profit</b>		<b>78,005</b>	<b>127,504</b>
Administrative expenses		(45,704)	(74,131)
Other operating income		150	-
<b>Operating profit</b>	<b>2</b>	<b>32,451</b>	<b>53,373</b>
Other interest receivable and similar income		1,863	5,202
<b>Profit on ordinary activities before taxation</b>		<b>34,314</b>	<b>58,575</b>
Tax on profit on ordinary activities	<b>3</b>	(7,501)	(11,417)
<b>Profit on ordinary activities after taxation</b>		<b>26,813</b>	<b>47,158</b>
Dividends		(24,550)	(24,550)
<b>Retained profit for the year</b>	<b>10</b>	<b>2,263</b>	<b>22,608</b>

# MANDELHURST LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2004

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	2004 £	2003 £
Profit for the financial year	26,813	47,158
Unrealised surplus/(deficit) on revaluation of properties	38,985	(65,725)
Total recognised gains and losses relating to the year	<u>65,798</u>	<u>(18,567)</u>

# MANDELHURST LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Tangible assets	4 and 5	1,259,258		1,016,173	
<b>Current assets</b>					
Debtors	6	13,783		10,947	
Cash at bank and in hand		53,047		212,436	
		66,830		223,383	
<b>Creditors: amounts falling due within one year</b>	7	(193,522)		(148,157)	
<b>Net current (liabilities)/assets</b>		(126,692)		75,226	
<b>Total assets less current liabilities</b>		1,132,566		1,091,399	
<b>Provisions for liabilities and charges</b>	8	-		(81)	
		1,132,566		1,091,318	
<b>Capital and reserves</b>					
Called up share capital	9	49,100		49,100	
Revaluation reserve	10	694,726		655,742	
Profit and loss account	10	388,740		386,476	
<b>Shareholders' funds- equity interest</b>		1,132,566		1,091,318	



# MANDELHURST LIMITED

## BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2004

In preparing these financial statements:

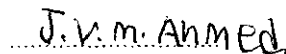
- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
  - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 11.08.2005.



MRS ABIDA KHANKHARA  
Director



JUBEDA VALI MOHMED AHMED  
Director

# MANDELHURST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### 1.2 Turnover

Turnover represents amounts receivable for rents receivable net of VAT.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	10% on cost
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In accordance with Statement of Standard Accounting Practice 19, depreciation is not provided on freehold investment properties. This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the accounts give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### 1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method.

### 2 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	10,554	10,190
Directors' emoluments	7,800	10,920

# MANDELHURST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

4	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax @ 19% (2003 19%)	7,582	12,375
		<hr/>	<hr/>
	<b>Current tax charge</b>	<b>7,582</b>	<b>12,375</b>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(61)	(55)
		<hr/>	<hr/>
		<b>7,521</b>	<b>12,320</b>
		<hr/>	<hr/>

The charge to Corporation tax is affected by:

Excess of depreciation over capital allowances of £5,707 (2003: £4,770)

Disallowed expenses of £1,902 (2003: £1,785).

# MANDELHURST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost or valuation</b>	
At 1 January 2004	101,902
Additions	3,640
	<hr/>
At 31 December 2004	105,542
	<hr/>
<b>Depreciation</b>	
At 1 January 2004	85,730
Charge for the year	10,554
	<hr/>
At 31 December 2004	96,284
	<hr/>
<b>Net book value</b>	
At 31 December 2004	9,258
	<hr/>
At 31 December 2003	16,173
	<hr/>

Comparable historical cost for the land and buildings included at valuation (See note 5):

	£
<b>Cost</b>	
At 1 January 2004	344,259
Additions	211,015
	<hr/>
At 31 December 2004	555,274
	<hr/>
<b>Depreciation based on cost</b>	
At 1 January 2004	-
Charge for the year	-
	<hr/>
At 31 December 2004	-
	<hr/>
<b>Net book value</b>	
At 31 December 2004	555,274
	<hr/>
At 31 December 2003	344,258
	<hr/>

# MANDELHURST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

### 5 Tangible fixed assets

	Freehold investment properties	£
<b>Cost or valuation</b>		
At 1 January 2004	1,000,000	
Additions	211,015	
Revaluation	38,985	
At 31 December 2004	1,250,000	

Historical cost details are at note 4.

In the opinion of the directors, the open market value of the investment properties at 31 December 2004 was £1,250,000. These properties have been incorporated in these accounts at the stated valuation, giving rise to potential capital gain of £694,726 which is reflected in the revaluation reserve - see note 10.

The capital gain, if realised, would give rise to corporation tax liability of approximately £80,000.

The property at 82-86 Stoke Newington High street, London is charged to the bank by way of first mortgage. However, there were no borrowings outstanding at 31 December 2004.

6 Debtors	2004 £	2003 £
Rents receivable and other debtors	13,733	10,947

# MANDELHURST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

7	Creditors: amounts falling due within one year	2004 £	2003 £
	Taxation and social security	7,582	12,375
	Tenants' deposits	28,966	18,614
	Other creditors	156,974	117,168
		<u>193,522</u>	<u>148,157</u>

Other creditors include:

Loan from shareholder £55,000 (2003 £55,000) carrying a nil % rate of interest

Directors' current account\* £91,076 (2003 £49,708)

\*after crediting dividends payable

The company has been made available certain banking facilities (Outstanding: £Nil) which are secured by first mortgage of freehold properties at 82-86 Stoke Newington High Street, London N16 and a fixed and floating charge debenture on the assets of the company.

### 8 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 2004	81
Profit and loss account	(81)
Balance at 31 December 2004	<u>-</u>

Deferred taxation provided in the financial statements is as follows:

	2004 £	2003 £
Accelerated capital allowances	<u>-</u>	<u>81</u>

# MANDELHURST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

9	Share capital	2004	2003
		£	£
	<b>Authorised</b>		
	50,000 Ordinary shares of £1 each	50,000	50,000
		<u>          </u>	<u>          </u>
	<b>Allotted, called up and fully paid</b>		
	49,100 Ordinary shares of £1 each	49,100	49,100
		<u>          </u>	<u>          </u>
10	Statement of movements on reserves	Revaluation	Profit and
		reserve	loss
		£	account
			£
	Balance at 1 January 2004	655,741	386,477
	Retained profit for the year	-	2,263
	Revaluation during the year	38,985	-
		<u>          </u>	<u>          </u>
	Balance at 31 December 2004	694,726	388,740
		<u>          </u>	<u>          </u>

### 11 Contingent liabilities

As stated in note 5, there is a potential corporation tax liability of approximately £80,000, if the company's investment properties were realised at the stated valuation by the directors of £1,250,000. No provision for the potential Corporation tax liability has been made in these accounts.

### 12 Controlling party and related party transactions

The company is controlled by the directors and the shareholders acting in concert.

There is a subsisting interest free loan payable by the company to S I Ahmed, a shareholder of £55,000 outstanding payable at 31 December 2004.

During the year, the directors provided funding amounting to £14,464 to the company to part finance re-development of one of the company's investment property.

Balance outstanding payable to the directors - see note 7.