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MANTRA LIMITED

31 March 1983



MANTRA LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 1983

DIRECTORS

Mr M Anson - Chairman
Dr A Phillips
Mrs E Rosowsky
Mrs G Ryneas
Dr L Samuels
Mrs M Sofier

The directors submit herewith their third annual report together with the financial statements for the year ended 31 March 1983.

ACTIVITIES

The company is an investment holding company.

In July 1980 the company purchased the freehold interest in HIGHPOINT, one of London's most prestigious blocks of flats and a grade II listed building, for a total cost of £38,969.

During 1982 the company purchased 100 shares in British Inland Limited from the former Highpoint Residents Association for £1.

RESULTS

The company made a profit after taxation of £4,432 which has been retained. The directors do not recommend the payment of a dividend.

DIRECTORS INTERESTS

The directors or their families held one share each in the company at both year ends.

SHARE CAPITAL

No shareholder owns more than one share, the shares being owned exclusively by lessees of HIGHPOINT.

During the year one share was issued to a lessee for £101 cash and the lessee also made a loan to the company of £749.

LOAN CAPITAL

On 9 November 1982 the company repaid a further £124 of each loan, thus reducing total loans by £6,324 to £31,875. The directors propose to repay a further £125 of each loan during the year to 31 March 1984 thus reducing each loan to £500.

FIXED ASSETS

In the opinion of the directors, the value to the shareholders of the investment in HIGHPOINT is substantially in excess of the amount at which it is included in the balance sheet.

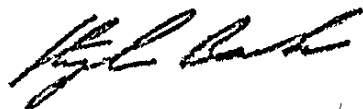
SUBSEQUENT EVENTS

Since the year-end three shares have been issued to lessees for £225 cash each and those lessees have also made loans to the company of £625 each.

AUDITORS

A motion will be put to the Annual General Meeting proposing the re-appointment of VR Stanton FCA.

By Order of the Board



SD Barber
Secretary

30 December 1983

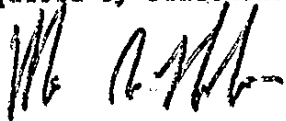
HIGHPOINT
North Hill
Highgate Village
London N6

AUDITOR'S REPORT TO THE MEMBERS
OF MANTRA LIMITED

I have audited the financial statements on pages 4 to 9 in accordance with approved Auditing Standards.

In my opinion the financial statements, which have been prepared under the historical cost convention, give under that convention a true and fair view of the state of the Company's affairs at 31 March 1983 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

The investment property has not been revalued at its open market value as required by Statement of Standard Accounting Practice No 19.



VR STANTON FCA

Chartered Accountant

30 December 1983

MANTRA LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1983

1982

Notes

	RENTS RECEIVABLE:		
2,860	Ground rents from members		2,935
1,424	Ground rents from non-members		1,268
254	Garages		225
<u>550</u>	Porter's flat		<u>600</u>
5,088			5,028
<u>3,506</u>	INTEREST RECEIVABLE	2	<u>2,485</u>
8,594			7,513
-	TELEVISION FEE	2	200
<u>(549)</u>	ADMINISTRATION, ACCOUNTING AND AUDIT	2	<u>(563)</u>
8,045			7,150
<u>(3,218)</u>	TAXATION	4	<u>(2,718)</u>
4,827	RETAINED PROFIT		4,432
<u>1,852</u>	RESERVES BROUGHT FORWARD		<u>6,679</u>
<u>£6,679</u>			<u>£11,111</u>

The notes on pages 7 to 9 form part of these financial statements.

MANTRA LIMITED

BALANCE SHEET - 31 MARCH 1983

<u>1982</u>		<u>Notes</u>	
38,969	INVESTMENT IN HIGHPOINT	5	38,969
1	OTHER INVESTMENTS	6	1
	CURRENT ASSETS		
2,129	Debtors	2,567	
7,017	Deposit account	5,832	
838	Current account	229	
9,984		8,628	
	CURRENT LIABILITIES		
449	Creditors and accruals	355	
4,056	Corporation tax	3,878	
4,505		4,233	
5,479	NET CURRENT ASSETS		4,395
£44,449			£43,365
	Represented by:		
50	SHARE CAPITAL	7	51
-	SHARE PREMIUM ACCOUNT	8	100
6,679	RETAINED PROFIT		11,111
6,729			11,262
37,450	LOAN CAPITAL	9	31,875
270	DEFERRED TAXATION	10	228
	DIRECTORS		
	Mr M Anson		
	Mrs E Rosowsky		
	Approved by the Board on		
	30 December 1983		
£44,449			£43,365

The notes on pages 7 to 9 form part of these financial statements.

MANTRA LIMITED

STATEMENT OF SOURCE AND APPLICATION
OF FUNDS FOR THE YEAR ENDED 31 MARCH 1983

1982

SOURCE OF FUNDS

8,045	Profit before taxation	7,150
-	Issue of shares	101
-	New loans	<u>749</u>
8,045	Total Source of Funds	8,000

APPLICATION OF FUNDS

(5,000)	Loans repaid	(6,324)
(126)	Taxation paid	(2,938)
(1)	Purchase of investment	<u>-</u>
2,918		(1,262)

MOVEMENT IN WORKING CAPITAL

(377)	Debtors	(438)
<u>149</u>	Creditors and accruals	<u>(94)</u>
(228)		<u>(532)</u>
£2,690	(Decrease) in bank balances and deposits	£(1,794)
<u>-</u>		<u>-</u>

The notes on pages 7 to 9 form part of these financial statements.

MANTRA LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1983

1 ACCOUNTING POLICIES

(a) Investment in HIGHPOINT

The investment in HIGHPOINT is carried at cost and is not depreciated because the directors consider that its value to the shareholders is substantially in excess of the amount at which it is included in the balance sheet. In the opinion of the directors, an independent open-market valuation of the property would fail to reflect its value to the shareholders and the cost of such a valuation would be disproportionate to its usefulness to the shareholders.

(b) Deferred taxation

Provision is made for deferred taxation on timing differences which are expected to reverse in the foreseeable future. These represent the difference between profits calculated on an accruals basis for accounting purposes but which are treated on a receipts basis for tax purposes (ie bank interest).

(c) Companies Act 1981

The accounts have been prepared in accordance with Section 149A of and Schedule 8A to the Companies Act 1948.

2 SUPPLEMENTARY PROFIT AND LOSS ACCOUNT INFORMATION

The audit fee charged in the accounts amounted to £125 (1982 - £125)

Interest receivable includes interest on service charge monies which are held independently by the managing agents of Highpoint.

3 DIRECTORS EMOLUMENTS

No director received any emoluments from the company during either year.

4 TAXATION

The taxation charge comprises:

		<u>1982</u>
UK Corporation tax at 38% (1982 - 40%)	2,760	3,198
Deferred taxation	<u>(42)</u>	<u>20</u>
	<u>£2,718</u>	<u>£3,218</u>

Full provision has been made for taxation on ground rents receivable from shareholders though the directors have discussed with the Inland Revenue the possibility of not taxing these amounts because of the co-operative nature of the company.

MANTRA LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1983 (Continued)

5 INVESTMENT IN HIGHPOINT

The investment in HIGHPOINT comprises:

		<u>1982</u>
Cost of freehold	36,000	36,000
Stamp duty	720	720
Acquisition costs	<u>2,249</u>	<u>2,249</u>
	<u>£38,969</u>	<u>£38,969</u>

6 OTHER INVESTMENTS (AT DIRECTORS VALUATION)

During 1982 the company purchased 100 shares in British Anzani Limited for £1.

7 SHARE CAPITAL

		<u>1982</u>
Shares of £1 each		
Authorised	<u>£100</u>	<u>£100</u>
Issued	<u>£51</u>	<u>£50</u>

8 SHARE PREMIUM ACCOUNT

		<u>1982</u>
Balance brought forward	-	-
Premium on share issued during the year	<u>100</u>	<u>-</u>
	<u>£100</u>	<u>£-</u>

9 LOAN CAPITAL

		<u>1982</u>
Balance brought forward	37,450	42,450
New loan received	749	-
Loans repaid	<u>(6,324)</u>	<u>(5,000)</u>
	<u>£31,875</u>	<u>£37,450</u>

The loans are interest free and have no fixed repayment date. Repayment is at the discretion of the directors and repayments of £100 and £124 to each loanholder were made on 30 December 1981 and 9 November 1982 respectively.

The directors propose to make a further repayment of £125 to each loanholder during the year to 31 March 1984, thus reducing to £500 the amount of each outstanding loan.

MANTRA LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1983 (Continued)

10 DEFERRED TAXATION

This represents taxation that will be payable in later years on accrued interest.

11 CAPITAL COMMITMENTS

There were no capital commitments outstanding at either year end.