

(1)

SIGNED COPY

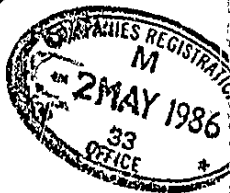
1488845

27

DIRECTORS' REPORT AND ACCOUNTS

MANTRA LIMITED

31 MARCH 1985



DIRECTORS' REPORT AND ACCOUNTS

MANTRA LIMITED

31 MARCH 1985

MANTRA LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 1985

DIRECTORS

Mr M Anson - Chairman
Mr MWA Cassidy
Mrs E Rosowsky
Mrs G Ryness
Dr L Samuels
Mrs M Sofier

The directors submit herewith their fifth annual report together with the financial statements for the year ended 31 March 1985.

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.

The company's principal business is, and will continue to be, the ownership of HIGHPOINT.

RESULTS

The company made a profit after taxation of £4,626 which has been retained. The directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

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

Dr A Phillips resigned on 18 October 1984 and MWA Cassidy was appointed on 17 June 1985.

SHARE CAPITAL

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

No shares were issued during the year.

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. The investment in HIGHPOINT has not been revalued because, in the opinion of the directors, an independent open-market valuation would fail to reflect its true value to the shareholders and the cost of performing such a valuation would be disproportionate to its usefulness to the shareholders.

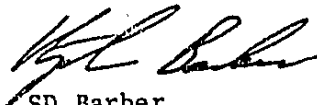
SUBSEQUENT EVENT

On 30 April 1985 the loans from the original shareholders totalling £27,000 (£500 per person) were repaid in full. The repayment was funded from the company's own funds and a £18,000 secured medium term bank loan.

AUDITOR

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

31 January 1986

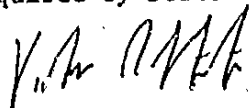
HIGHPOINT
North Hill
Highgate Village
London N6

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 1985 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

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

31 January 1986

MANTRA LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1985

<u>1984</u>		<u>Notes</u>	
	RENTS RECEIVABLE:		
4,207	Ground rents		4,207
225	Garages		225
<u>650</u>	Porter's flat		<u>700</u>
5,082			5,132
<u>2,051</u>	INTEREST RECEIVABLE	2	<u>2,104</u>
7,133			7,236
<u>(488)</u>	ADMINISTRATION, ACCOUNTING AND AUDIT	2	<u>(628)</u>
6,645	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,608
<u>(1,929)</u>	TAXATION	4	<u>(1,982)</u>
4,716	RETAINED PROFIT		4,626
<u>11,111</u>	RESERVES BROUGHT FORWARD		<u>15,827</u>
£15,827			<u>£20,453</u>

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

MANTRA LIMITED

BALANCE SHEET - 31 MARCH 1985

<u>1984</u>		<u>Notes</u>	
	TANGIBLE FIXED ASSETS		
38,969	Investment in HIGHPOINT	5	38,969
	CURRENT ASSETS		
1,837	Sundry debtors		2,305
<u>8,278</u>	Bank balances	6	<u>12,413</u>
10,115			14,718
	CURRENT LIABILITIES		
	(Amounts falling due within one year)		
498	Sundry creditors and accruals	6	976
-	Loan capital		9,000
<u>4,836</u>	Corporation tax		<u>4,075</u>
5,334			14,051
<u>4,781</u>	NET CURRENT ASSETS		<u>667</u>
43,750	TOTAL ASSETS LESS CURRENT LIABILITIES		39,636
	CREDITORS		
	(Amounts falling due after one year)		
(27,000)	Loan capital	7	(18,000)
	PROVISIONS FOR LIABILITIES AND CHARGES		
<u>(97)</u>	Deferred taxation	8	<u>(357)</u>
£16,653			£21,279
	Represented by:		
54	CALLED UP SHARE CAPITAL	9	54
772	SHARE PREMIUM ACCOUNT	10	772
15,827	RETAINED PROFIT		20,453
	DIRECTORS		
	Mr M Anson		
	Mrs E Rosowsky		
<u>£16,653</u>	Approved by the Board on 31 st January 1986		<u>£21,279</u>

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 1985

1984

SOURCE OF FUNDS

6,645	Profit before taxation	6,608
675	Issue of shares	-
<u>1,875</u>	New loans	-
9,195	Total Source of Funds	6,608

APPLICATION OF FUNDS

(6,750)	Loans repaid	-
<u>(1,102)</u>	Taxation paid	(2,760)
1,343		3,848

MOVEMENT IN WORKING CAPITAL

730	Debtors	(468)	
144	Creditors and accruals	478	
-	Tax payable on residents' funds held by the company (Note 6)	<u>276</u>	<u>286</u>
<u>874</u>			
£2,217	Increase in bank balances		£4,134

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

MANTRA LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1985

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 true value to the shareholders and the cost of performing 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).

2 SUPPLEMENTARY PROFIT AND LOSS ACCOUNT INFORMATION

The audit fee charged in the accounts amounted to £160 (1984 - £150)

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

As explained in note 6, the company is holding funds on behalf of the residents and the interest arising on such funds amounting to £920 less taxation of £276 has been added thereto and not taken to the profit and loss account of the company. The company will arrange for the tax payable to be accounted for to the Inland Revenue.

3 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

No director received any emoluments from the company during either year. The company had no employees in either year. Staff employed at HIGHPOINT are remunerated through the service charge monies held by the managing agents.

4 TAXATION

The taxation charge comprises:

		<u>1984</u>
UK Corporation tax at 30% (1984 - 30%)	1,723	2,060
Deferred taxation	<u>259</u>	<u>(131)</u>
	<u>£1,982</u>	<u>£1,929</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 1985 (Continued)

5 INVESTMENT IN HIGHPOINT

The investment in HIGHPOINT comprises:

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

6 FUNDS HELD ON BEHALF OF RESIDENTS

During the year the company received £35,000 on behalf of the residents in respect of a refund of costs incurred in the previous external redecoration of HIGHPOINT.

These funds, together with interest earned thereon, will be utilised in reduction of the cost of the next external redecoration of HIGHPOINT.

The movement on these funds has been as follows:

Refund received	35,000
Interest	920
Taxation on interest at 30%	<u>(276)</u>
Balance held at 31 March 1985	<u>£35,644</u>

These amounts are held on deposit and have not been included in the bank balances shown in the balance sheet as the funds are held on behalf of the residents.

7 LOAN CAPITAL

		<u>1984</u>
Balance brought forward	27,000	31,875
New loans received	-	1,875
Loans repaid	<u>-</u>	<u>(6,750)</u>
	27,000	27,000
Amount included in current liabilities	<u>9,000</u>	<u>-</u>
	<u>£18,000</u>	<u>£27,000</u>

The loans were interest free and had no fixed repayment date. Repayment was at the discretion of the directors and repayments of £100, £124 and £125 to each loanholder were made on 30 December 1981, 9 November 1982 and 30 December 1983 respectively.

The remaining loans of £27,000 (£500 per person) were repaid in full on 30 April 1985. The repayment was funded by a medium term secured bank loan of £18,000 with the balance being provided from the company's own resources.

MANTRA LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1985 (Continued)

8 DEFERRED TAXATION

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

9 SHARE CAPITAL

1984

Shares of £1 each

Authorised

£100

£100

Allotted

£54

£54

10 SHARE PREMIUM ACCOUNT

1984

Balance brought forward

772

100

Premium on shares issued during
the year

-

672

£772

£772

11 CAPITAL COMMITMENTS

There were no capital commitments outstanding at either year end.