

Company Number 2244578

**MENTBOOST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**Year ended 31 March 2007**

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## **MENTBOOST LIMITED**

### **REPORT OF THE DIRECTORS** **Year ended 31 March 2007**

#### **1 PRINCIPAL ACTIVITIES**

The principal activity of the Company is property investment in the United Kingdom. The directors do not anticipate any significant change in the principal activity in the foreseeable future.

#### **2 RESULTS AND DIVIDENDS**

The profit for the year after tax was £88,000 (2006: £37,000). The directors paid interim dividends totaling £216,667 during the year (2006: £nil).

#### **3 REVIEW OF ACTIVITIES AND FUTURE PROSPECTS**

It is expected that the Company will continue to hold its investment property for the foreseeable future.

The Company, as a small company, is exempt from the requirement to report an Enhanced Business Review as required by s246 (4) of the Companies Act 1985.

#### **4 DIRECTORS**

- a) Mr F Ali and Mr J I Wine were directors of the Company throughout the year.
- b) Mr F Ali and Mr J I Wine resigned as directors of the Company on 10 May 2007.
- c) Mr D J Atkins, Mr P W Cole, Mr J M Emery, Mr N A S Hardie and Mr A J G Thomson were appointed as directors of the Company on 10 May 2007.
- d) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- e) No director has any interest in contracts entered into by the Company.
- f) This directors' report does not contain a statement as to directors' interests, debentures or options over shares in the Company, the ultimate parent of the Company, or any other body corporate in the same group following the repeal of paragraphs 2, 2A and 2B of Schedule 7 to the Companies Act 1985. These paragraphs ceased to be in force on 6 April 2007 in relation to accounts approved following that date by the Companies Act 2006 (Commencement No 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (SI 2007/1093).

#### **5 SECRETARY**

- a) Mr J I Wine was Secretary of the Company throughout the year.
- b) Mr J I Wine resigned as Secretary of the Company on 10 May 2007.
- c) Mr S J Haydon was appointed as Secretary of the Company on 10 May 2007.

**MENTBOOST LIMITED**

**REPORT OF THE DIRECTORS**

Year ended 31 March 2007

**6 AUDITORS**

The auditors, Duce Whiteside, resigned in May 2007 and BDO Stoy Hayward LLP have since been appointed in their place

**7 PROVISION OF INFORMATION TO AUDITORS**

In accordance with Section 234ZA of the Companies Act 1985, those persons who are directors of the Company at the date of approval of this report have confirmed that

- (a) so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

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

By order of the Board

  
S J Haydon  
Secretary

30 January 2008

Registered Office  
10 Grosvenor Street  
London, W1K 4BJ  
Registered in England and Wales No 2244578

## **MENTBOOST LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

United Kingdom company law requires the directors to prepare financial statements for each financial year, 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 the profit or loss of the Company for that year

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgments and estimates that are reasonable and prudent and 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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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

## **MENTBOOST LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MENTBOOST LIMITED**

We have audited the financial statements of Mentboost Limited for the year ended 31 March 2007, which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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 transactions with the Company 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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.

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.

**MENTBOOST LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MENTBOOST LIMITED**

*Opinion*

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2007 and of its profit 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

*BDO Stoy Hayward*

**BDO STOY HAYWARD LLP**  
Chartered Accountants  
and Registered Auditors  
Epsom

Date *30 January 2008*

**MENTBOOST LIMITED****PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2007**

	<b>Notes</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
Gross rental income		201	179
Administration expenses	2	(78)	(126)
		-----	-----
Operating profit and profit on ordinary activities before interest		123	53
Net finance expense	3	(10)	(11)
		-----	-----
Profit on ordinary activities before taxation		113	42
Taxation	4	(25)	(5)
		-----	-----
Profit on ordinary activities after taxation	12	88	37
		=====	=====

All amounts relate to continuing activities

# MENTBOOST LIMITED

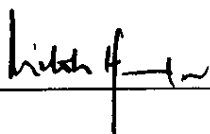
## BALANCE SHEET At 31 March 2007

	Notes	2007 £'000	2006 £'000
<b>Tangible fixed assets</b>			
Investment properties	6	5,400	5,400
Fixtures & fittings	7	3	5
		<u>5,403</u>	<u>5,405</u>
<b>Current assets</b>			
Debtors	8	2	7
Cash and short-term deposits		14	121
		<u>16</u>	<u>128</u>
<b>Total current assets</b>			
Creditors amounts falling due within one year	9	(104)	(63)
		<u>(88)</u>	<u>65</u>
<b>Net current (liabilities)/assets</b>			
		<u>5,315</u>	<u>5,470</u>
<b>Total assets less current liabilities</b>			
Creditors amounts falling due after one year	10	(96)	(122)
		<u>5,219</u>	<u>5,348</u>
<b>Net assets</b>		<u>=====</u>	<u>=====</u>
<b>Capital and Reserves</b>			
Called up share capital	11	-	-
Revaluation reserve	12	5,096	5,096
Profit and loss account	12	123	252
		<u>5,219</u>	<u>5,348</u>
<b>Shareholders' funds</b>		<u>=====</u>	<u>=====</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements were approved by the Board of Directors on **30 JAN 2008**

Signed on behalf of the Board of Directors

  
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**MENTBOOST LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**Year ended 31 March 2007

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Profit for the financial year	88	37
Dividends	(217)	-
Total recognised gains and losses for the year	<u>(129)</u> =====	<u>37</u> =====

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Year ended 31 March 2007

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Profit for the financial year	88	37
Dividends	(217)	-
Net (decrease)/increase in shareholders' funds	<u>(129)</u>	<u>37</u>
Shareholders' funds at 1 April	5,348	5,311
Shareholders' funds at 31 March	<u>5,219</u> =====	<u>5,348</u> =====

## MENTBOOST LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 March 2007

#### 1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the current and preceding year

a) Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties, in accordance with all applicable United Kingdom law and accounting standards. The financial statements are in compliance with the Companies Act 1985 except that, as explained below, investment properties are not depreciated

b) Net rental income

Rental income from properties leased out under an operating lease is recognised in the profit and loss account on a straight-line basis over the lease term. Contingent rents, such as turnover rents, rent reviews and indexation are recorded as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants

Lease incentives and costs associated with entering into tenant leases are added to the costs of property and are amortised over the period to the first break option or, if the probability that the break option will be exercised is considered low, over the lease term

Property operating expenses are accounted for on an accruals basis and any property operating expenditure not recovered from tenants through service charges is charged to the profit and loss account

c) Deferred tax

In accordance with Financial Reporting Standard 19 "Deferred Tax", deferred tax is provided in respect of all timing differences that may give rise to an obligation to pay more or less tax in the future

d) Investments properties

Properties held for the long term are valued at the balance sheet date at market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve

All costs directly associated with the purchase and construction of a development property are capitalised. A property is regarded as being in the course of development until ready for its intended use

## MENTBOOST LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 March 2007

e) Depreciation

In accordance with Statement of Standard Accounting Practice No 19, no depreciation is provided in respect of freehold properties or leasehold properties with over twenty years to expiry. This is a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated. Such properties are not held for consumption, but for investment, and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation, which might otherwise have been charged, cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

f) Fixtures & fittings

Fixtures, fittings and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a 25% per annum reducing balance basis.

## 2. ADMINISTRATION EXPENSES

	2007 £'000	2006 £'000
Depreciation	2	2
Directors' remuneration	10	62
Auditors' remuneration	4	3
Other administration expenses	62	59
	-----	-----
	78	126
	=====	=====

The average number of employees during the year, excluding directors, was nil (2006 nil)

## 3. NET FINANCE EXPENSE

	2007 £'000	2006 £'000
Loan interest payable	10	11
	=====	=====

# MENTBOOST LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2007

### 4. TAXATION

#### Tax charge

	2007 £'000	2006 £'000
UK Corporation tax	25 =====	5 =====

### 5. DIVIDENDS

	2007 £'000	2006 £'000
Interim dividends paid totaling £2,166 67 (2006 £nil) per ordinary share	217 =====	- =====

### 6. INVESTMENT PROPERTIES

- (a) The movements in the year on properties were
- |                                   |                   |
|-----------------------------------|-------------------|
|                                   | Freehold<br>£'000 |
| <i>At valuation</i>               |                   |
| At 1 April 2006 and 31 March 2007 | 5,400<br>=====    |
- (b) The Company's investment property is stated at the open market value as assessed by the directors at 31 March 2007
- (c) The historical cost of investment property at 31 March 2007 was £304,000 (2006 £304,000)

### 7. FIXTURES & FITTINGS

	Plant & equipment £'000
<b>Cost</b>	
At 1 April 2006 and 31 March 2007	20 =====
<b>Depreciation</b>	
At 1 April 2006	15
Charge for the year	2
	-----
At 31 March 2007	17 =====
<b>Net book value</b>	
At 31 March 2006	5 =====
At 31 March 2007	3 =====

# MENTBOOST LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2007

### 8. DEBTORS

	2007 £'000	2006 £'000
Trade debtors	-	6
Prepayments	2	1
	<u>2</u>	<u>7</u>
	=====	=====

All amounts shown under debtors fall due for payment within one year

### 9. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Bank loan (secured - see note 10)	24	22
Accruals and deferred income	47	30
Corporation tax	25	5
Other creditors	8	6
	<u>104</u>	<u>63</u>
	=====	=====

### 10. CREDITORS. AMOUNTS FALLING DUE AFTER ONE YEAR

	2007 £'000	2006 £'000
Bank loan repayable within 2-5 years	96	90
Bank loan repayable after 5 years	-	32
	<u>96</u>	<u>122</u>
	=====	=====

At 31 March 2007 the bank loan was secured by a mortgage over the Company's investment property. The loan was repaid in full on 10 May 2007.

### 11. SHARE CAPITAL

	2007 £	2006 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
	=====	=====
<b>Allotted, called up and fully paid:</b>		
100 ordinary shares of £1 each	100	100
	=====	=====

## MENTBOOST LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 March 2007

#### 12. RESERVES

	Revaluation Reserve	Profit and loss account
	£'000	£'000
At 1 April 2006	5,096	252
Profit for the financial year	-	88
Dividends	-	(217)
	-----	-----
At 31 March 2007	5,096	123
	=====	=====

#### 13. POST BALANCE SHEET EVENTS

The entire share capital of the Company was acquired by Hammerson Properties UK plc on 10 May 2007. From this date, the Company's ultimate parent company was Hammerson plc, which is incorporated in Great Britain.