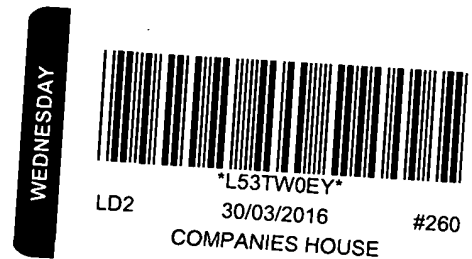


Registered number: 5425190

MARDAN (BEXHILL) LIMITED

Directors' report and financial statements
for the year ended 30 June 2015



MARDAN (BEXHILL) LIMITED

Company Information

| | |
|----------------------------|---|
| Directors | D Tannen M I Tannen D A Tannen J M Miller |
| Company secretary | J M Miller |
| Registered number | 5425190 |
| Registered office | Sutherland House 70-78 West Hendon Broadway London NW9 7BT |
| Independent auditor | BDO LLP 55 Baker Street London W1U 7EU |

MARDAN (BEXHILL) LIMITED

Contents

| | Page |
|--|--------|
| Directors' report | 1 - 2 |
| Independent auditor's report | 3 - 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 - 10 |

MARDAN (BEXHILL) LIMITED

Directors' report for the year ended 30 June 2015

The directors present their report and the financial statements for the year ended 30 June 2015.

Results and dividends

The loss for the year, after taxation, amounted to £81,093 (2014 - profit £2,044,446).

The directors do not recommend the payment of a dividend (2014 - £Nil)

Principal activities

The principal activity of the company during the year continued to be that of property development.

There have been no events since the balance sheet date which materially affect the position of the company.

Directors

The directors who served during the year were:

D Tannen
M I Tannen
D A Tannen
J M Miller

Directors' responsibilities statement

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 these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

MARDAN (BEXHILL) LIMITED

**Directors' report
for the year ended 30 June 2015**

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

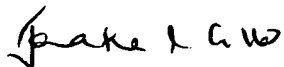
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing the directors' report advantage has been taken of the small companies exemption under the Companies Act 2006, and of the exemption from preparing a strategic report.

This report was approved by the board on

and signed on its behalf.



30 MAR 2016

J M Miller
Secretary

MARDAN (BEXHILL) LIMITED

Independent auditor's report to the shareholders of Mardan (Bexhill) Limited

We have audited the financial statements of Mardan (Bexhill) Limited for the year ended 30 June 2015, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, 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 members 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 members 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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.

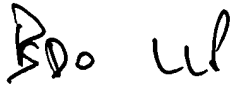
MARDAN (BEXHILL) LIMITED

Independent auditor's report to the shareholders of Mardan (Bexhill) Limited

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 and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.



Richard Levy (Senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London
United Kingdom

Date: 30/3/16

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

MARDAN (BEXHILL) LIMITED

**Profit and loss account
for the year ended 30 June 2015**

| | Note | 2015 £ | 2014 £ |
|---|------|-----------|-----------|
| Cost of sales | | - | (326,000) |
| Gross profit/(loss) | | - | (326,000) |
| Administrative expenses | | (69,137) | (28,103) |
| Bank loan reduction | | - | 2,416,000 |
| Total administrative expenses | | (69,137) | 2,387,897 |
| Other operating income | 2 | 207,756 | 208,163 |
| Other operating charges | | (131,608) | (83,799) |
| Operating profit | 3 | 7,011 | 2,186,261 |
| Interest payable and similar charges | 4 | (88,104) | (141,815) |
| (Loss)/profit on ordinary activities before taxation | | (81,093) | 2,044,446 |
| Tax on (loss)/profit on ordinary activities | 5 | - | - |
| (Loss)/profit for the financial year | 10 | (81,093) | 2,044,446 |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 7 to 10 form part of these financial statements.

MARDAN (BEXHILL) LIMITED
Registered number: 5425190

Balance sheet
as at 30 June 2015

| | Note | £ | 2015 £ | 2014 £ |
|---|------|--------------------|--------------------|------------------|
| Current assets | | | | |
| Stocks | 6 | 3,174,000 | 3,174,000 | |
| Debtors | 7 | 2,500 | - | |
| Cash at bank | | 7,858 | 10,487 | |
| | | <u>3,184,358</u> | <u>3,184,487</u> | |
| Creditors: amounts falling due within one year | 8 | <u>(3,415,931)</u> | <u>(3,334,967)</u> | |
| Net current liabilities | | | <u>(231,573)</u> | <u>(150,480)</u> |
| Total assets less current liabilities | | | <u>(231,573)</u> | <u>(150,480)</u> |
| Capital and reserves | | | | |
| Called up share capital | 9 | | 1 | 1 |
| Profit and loss account | 10 | | <u>(231,574)</u> | <u>(150,481)</u> |
| Shareholders' deficit | 11 | | <u>(231,573)</u> | <u>(150,480)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

John Miller

J M Miller
Director

Date: 30 MAR 2016

The notes on pages 7 to 10 form part of these financial statements.

MARDAN (BEXHILL) LIMITED

Notes to the financial statements for the year ended 30 June 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

The directors have prepared the financial statements on a going concern basis notwithstanding the fact that the company has net current liabilities.

The company has received a letter of financial support from The Tannen Group Limited, its ultimate parent company, confirming that it will provide financial support to the company for the foreseeable future to enable it to meet its obligations and liabilities as they fall due. On the basis of the above, the directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Stocks

Stocks include land and other property held for development and resale. They are stated at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2. Other operating income

| | 2015 £ | 2014 £ |
|------------------------|-----------|-----------|
| Other operating income | 207,756 | 208,163 |

Other operating income represents gross rental income.

Other operating charges represents property expenses.

MARDAN (BEXHILL) LIMITED

Notes to the financial statements for the year ended 30 June 2015

3. Operating profit

During the year, no director received any emoluments (2014 - £NIL).

The directors' emoluments are paid by another group company and an amount of £10,000 has been recharged to this company for the provision of their services. Auditors' remuneration is also paid by another group company and disclosed in its financial statements.

4. Interest payable

| | 2015 £ | 2014 £ |
|------------------------------|---------------|----------------|
| On bank loans and overdrafts | 223 | 91,635 |
| On other loans | 79,264 | 45,513 |
| Loan arrangement fees | 8,617 | 4,667 |
| | <u>88,104</u> | <u>141,815</u> |

5. Taxation

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| UK corporation tax charge on (loss)/profit for the year | <u>-</u> | <u>-</u> |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - lower than) the average rate of corporation tax in the UK of 20.75% (2014 - 22.5%). The differences are explained below:

| | 2015 £ | 2014 £ |
|---|-----------------|------------------|
| (Loss)/profit on ordinary activities before tax | <u>(81,093)</u> | <u>2,044,446</u> |
| (Loss)/profit on ordinary activities multiplied by average rate of corporation tax in the UK of 20.75% (2014 - 22.5%) | <u>(16,827)</u> | <u>460,000</u> |
| Effects of: | | |
| Utilisation of tax losses | - | (336,300) |
| Group relief | 16,827 | (123,700) |
| Current tax charge for the year (see note above) | <u>-</u> | <u>-</u> |

MARDAN (BEXHILL) LIMITED

**Notes to the financial statements
for the year ended 30 June 2015**

6. Stocks

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Land and properties held for development and resale | <u>3,174,000</u> | <u>3,174,000</u> |

The company's stock is charged as security against a bank loan made to the parent company.

7. Debtors

| | 2015 £ | 2014 £ |
|---------------|--------------|-----------|
| Trade debtors | <u>2,500</u> | <u>-</u> |

**8. Creditors:
Amounts falling due within one year**

| | 2015 £ | 2014 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 3,412,880 | 3,319,799 |
| Accruals and deferred income | 3,051 | 15,168 |
| | <u>3,415,931</u> | <u>3,334,967</u> |

9. Share capital

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

10. Reserves

| | Profit and loss account £ |
|-----------------------------|--|
| At 1 July 2014 | (150,481) |
| Loss for the financial year | (81,093) |
| At 30 June 2015 | <u>(231,574)</u> |

MARDAN (BEXHILL) LIMITED

**Notes to the financial statements
for the year ended 30 June 2015**

11. Reconciliation of movement in shareholders' deficit

| | 2015 | 2014 |
|--------------------------------------|------------------|--------------------|
| | £ | £ |
| Opening shareholders' deficit | (150,480) | (2,194,926) |
| (Loss)/profit for the financial year | (81,093) | 2,044,446 |
| | <hr/> | <hr/> |
| Closing shareholders' deficit | (231,573) | (150,480) |
| | <hr/> | <hr/> |

12. Ultimate parent undertaking and controlling party

The company's ultimate parent company is The Tannen Group Limited which is controlled by the Tannen family. Group accounts can be obtained from the Registrar of Companies.

13. Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities in which 100% of the voting rights are controlled within The Tannen Group Limited group.