

ANCEFIN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



ANCEFIN LIMITED

COMPANY INFORMATION

Directors	N R Puri A Puri
Company secretary	M M Secretariat Limited
Company number	00244661
Registered office	Environment House 6 Union Road Nottingham
Auditor	PKF (UK) LLP Regent House Clinton Avenue Nottingham NG5 1AZ

ANCEFIN LIMITED

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ANCEFIN LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company continues to be the holding of investments for the purposes of dividend income and capital appreciation and to act as a parent company for its subsidiary undertakings

Directors

The directors who served during the year were

N R Puri
A Puri

Charitable contributions

Donations in the year of £25,000 (2009 £nil) were paid to The Puri Foundation

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

Going concern

Included in creditors due after more than one year is an interest free and unsecured loan of £1,930,504 (2009 £2,130,504) from Mellham Limited. The directors have obtained confirmation from this related party that this amount will not be repayable for a period of at least twelve months from the date of approval of these financial statements. The directors are therefore satisfied that it is appropriate for the financial statements to be prepared on the going concern basis

This report was approved by the board and signed on its behalf



M M Secretariat Limited
Secretary

Date 30th SEPTEMBER 2011

ANCEFIN LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2010**

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,
- 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.

ANCEFIN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCEFIN LIMITED

We have audited the financial statements of Ancefin Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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 directors' responsibilities statement, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, 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.

ANCEFIN LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCEFIN 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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

PKF (UK) LLP

Richard Wilson (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Nottingham, UK

30 SEPTEMBER 2011

ANCEFIN LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
Investment income	1	72,372	119,351
Administrative expenses		(55,358)	(24,458)
		<hr/>	<hr/>
OPERATING PROFIT	2	17,014	94,893
Interest receivable and similar income	3	70,611	71,471
Interest payable and similar charges		-	(136)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,625	166,228
Tax on profit on ordinary activities	4	(7,881)	(32,000)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	10	79,744	134,228
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The notes on pages 8 to 13 form part of these financial statements

ANCEFIN LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	£	£
PROFIT FOR THE FINANCIAL YEAR	79,744	134,228
Unrealised surplus on revaluation of fixed asset investments	46,960	71,687
Unrealised deficit on exchange on translation of investment	(3,286)	(74,553)
Unrealised surplus on translation of foreign borrowings	10,315	7,381
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	133,733	138,743
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The notes on pages 8 to 13 form part of these financial statements

ANCEFIN LIMITED
REGISTERED NUMBER. 00244661

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Investments	5		1,604,041		1,232,036
CURRENT ASSETS					
Debtors amounts falling due after more than one year	6	1,800,000		2,459,044	
Debtors amounts falling due within one year	6	215,954		13,709	
Cash at bank		214,026		91,082	
			2,229,980		2,563,835
CREDITORS: amounts falling due within one year	7	(673,525)		(569,108)	
NET CURRENT ASSETS			1,556,455		1,994,727
TOTAL ASSETS LESS CURRENT LIABILITIES			3,160,496		3,226,763
CREDITORS: amounts falling due after more than one year	8		(1,930,504)		(2,130,504)
NET ASSETS			1,229,992		1,096,259
CAPITAL AND RESERVES					
Called up share capital	9		25,500		25,500
Revaluation reserve	10		47,165		(6,824)
Profit and loss account	10		1,157,327		1,077,583
SHAREHOLDERS' FUNDS	11		1,229,992		1,096,259

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

30 September 2011



A Puri
Director

Date

The notes on pages 8 to 13 form part of these financial statements

ANCEFIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Included in creditors due after more than one year is an interest free and unsecured loan of £1,930,504 (2009 £2,130,504) from Mellham Limited. The directors have obtained confirmation from this related party that this amount will not be repayable for a period of at least twelve months from the date of approval of these financial statements. The directors are therefore satisfied that it is appropriate for the financial statements to be prepared on the going concern basis.

1.2 Investment income

Franked and other investment income is accounted for on receipt.

1.3 Investments

- (i) **Subsidiary undertakings and other investments**
Investments and long term loans in subsidiary undertakings are valued at cost less provision for impairment.
- (ii) **Capital investments**
Amounts invested in the offshore capital investment funds are accounted for in accordance with FRS 5, in that the whole of the future commitment at cost is shown as an investment in the balance sheet and is offset by a corresponding creditor owing to the fund manager. However, there is no creditor to reflect the outstanding contribution for the investment with India Realty Venture I Limited. The company has a commitment to invest a total of \$1,000,000.

1.4 Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the forward exchange rate as appropriate. All differences have been taken to the profit and loss account except where foreign currency borrowings have been used to finance foreign investments. In such cases any exchange difference is taken to the revaluation reserve.

Amounts invested in offshore capital investment funds are translated at the rate of exchange ruling at the balance sheet date and any differences are taken to the revaluation reserve.

ANCEFIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Auditor's remuneration	3,480	3,543
Difference on foreign exchange	(3,694)	3,052
	3,480	3,052

During the year, no director received any emoluments (2009 - £NIL)

3. INTEREST RECEIVABLE

	2010 £	2009 £
Interest receivable from related parties (note 12)	70,419	71,186
Other interest receivable	192	285
	70,611	71,471

4. TAXATION

	2010 £	2009 £
UK corporation tax charge on profits of the year	7,881	32,000
	7,881	32,000

5. FIXED ASSET INVESTMENTS

	Subsidiary investment and loans £	Capital investment £	Loan to subsidiary £	Total £
Cost or valuation				
At 1 January 2010	380,252	766,262	185,772	1,332,286
Additions	-	-	98,425	98,425
Capital distribution	-	(119,236)	-	(119,236)
Unrealised (loss)/ gain on exchange	-	(6,503)	3,217	(3,286)
Unrealised loss on investment	-	46,960	-	46,960
Recalled distributions	-	287,023	-	287,023
Amounts realised in the profit and loss account	-	62,119	-	62,119
	380,252	1,036,625	287,414	1,704,291
Impairment				
At 1 January 2010 and 31 December 2010	100,250	-	-	100,250
	100,250	-	-	100,250
Net book value				
At 31 December 2010	280,002	1,036,625	287,414	1,604,041
	280,002	1,036,625	287,414	1,604,041
At 31 December 2009	280,002	766,262	185,772	1,232,036
	280,002	766,262	185,772	1,232,036

ANCEFIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

5. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

At 31 December 2010, the company had an interest in the entire issued share capital of the following wholly owned subsidiaries, which are incorporated in England and Wales

Total Acceptance Limited (investment company)

HCML (Holdings) Limited (dormant company))

Skerritt Properties Limited (property investment company)

During its latest year, Total Acceptance Limited made no profit or loss and the aggregate of its capital and reserves was £2 (2009 £2)

During its latest year Skerritt Properties Limited made a profit of £69,971 (2009 £62,903) and the aggregate of its capital and reserves was £2,578,518 (2009 £2,508,547)

Ancefin also holds as nominee 1 ordinary share in MM Nominees Limited, a company incorporated in England and Wales and controlled by Mr N R Puri

Capital investments

Capital investments include amounts invested in an offshore capital investment fund

The fund is due to be held for 6 years and the company is committed to investing amounts totaling €1 million in this period. As at 31 December 2010 the outstanding commitment to the fund was €57,682 (2009 €22,881). In accordance with the terms of the agreement, all distributions are potentially recallable by the fund manager during the investment term. Distributions made to date have been €635,913 (2009 €597,629). In the year distributions of €334,985 (2009 £NIL) were recalled.

Other investments

In 2010 the company invested a further \$150,000 (2009 \$150,000) with India Realty Venture I Limited. The company has invested \$459,002 to date and has a commitment to invest a total of \$1,000,000. However, there is no creditor in the balance sheet to reflect any outstanding contributions.

6. DEBTORS

	2010 £	2009 £
Due after more than one year		
Amounts owed by group undertakings	<u>1,800,000</u>	<u>2,459,044</u>
	2010 £	2009 £
Due within one year		
Amounts owed by group and related undertakings (note 12)	<u>215,954</u>	<u>13,709</u>

ANCEFIN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

**7. CREDITORS:
Amounts falling due within one year**

	2010 £	2009 £
Amounts owed to group and related undertakings (note 12)	574,649	481,232
Corporation tax	40,098	58,000
Other creditors	58,778	29,876
	673,525	569,108

Other creditors include the sum of €57,682 (2009 €22,881) translated at the exchange rate ruling at the balance sheet date. This liability is in respect of outstanding commitments to fund the investments disclosed in note 5.

**8. CREDITORS:
Amounts falling due after more than one year**

	2010 £	2009 £
Amounts owed to related undertakings (note 12)	1,930,504	2,130,504

9. SHARE CAPITAL

	2010 £	2009 £
Authorised, allotted, called up and fully paid		
25,500 Ordinary Shares shares of £1 each	25,500	25,500

10. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2010	(6,824)	1,077,583
Profit retained for the year		79,744
Unrealised loss on investment	46,960	
Net unrealised gains on exchange	7,029	-
	47,165	1,157,327
At 31 December 2010		

The revaluation reserve includes unrealised exchange gains carried forward of £151,753 (2009 £144,724)

There is no deferred taxation on the revaluation reserve as taxation is only recognised in respect of the capital investments when amounts are realised

ANCEFIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Opening shareholders' funds	1,096,259	957,516
Profit for the year	79,744	134,228
Other recognised gains and losses during the year	53,989	4,515
	<hr/>	<hr/>
Closing shareholders' funds	1,229,992	1,096,259
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ANCEFIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

12. RELATED PARTY TRANSACTIONS

As referred to in note 5, fixed asset investments include amounts invested by the company in four offshore capital investment funds. In previous years, the directors agreed with the trustees of The Puri Foundation that The Puri Foundation will be beneficially entitled to 40% of the income, distributions and capital balance of one of these funds. At the year end the capital balance on this fund was £nil (2009 £19,617) of which The Puri Foundation was beneficially entitled to £nil (2009 £7,847).

Distributions net of income amounted to £20,510 (2009 £29,246) of which The Puri Foundation was beneficially entitled to £8,204 (2009 £11,699). In addition to this a charitable donation of £25,000 (2009 £nil) was made to The Puri Foundation in the year.

In addition to the above, Ancefin Limited holds as nominee a portfolio of shares on behalf of The Puri Foundation. All income received by Ancefin Limited from these investments is passed directly to The Puri Foundation. Ancefin Limited has no beneficial interest in either the shares or the income from these investments.

Included in creditors is an amount owed to Purico Limited of £156,025 (2009 £81,231).

Included in debtors is an amount of £2,015,594 (2009 £1,966,535) due from a related undertaking, Skerritts of Nottingham Limited. This amount represents a loan which is repayable by installments over 10 years. Interest is to be charged at the rate of 3% above base rate and security comprises a legal charge together with a fixed and floating charge over the property, assets and undertakings of the company. The loan is repayable on demand but £215,955 (2009 £13,709) falls due for payment within one year.

The directors of Ancefin Limited are currently not demanding repayment of the loan. During the year interest receivable was £70,419 (2009 £71,186) and repayments of interest of £71,000 (2009 £71,500) were made. The directors have reviewed the amounts outstanding and consider that the security given is adequate and no further provision is required.

Also included within debtors due after more than one year is an amount of £nil (2009 £506,218) due from Skerritt Properties Limited which is interest free and unsecured. Skerritt Properties Limited is related by common control. During the year Ancefin paid expenses totalling £2,159 (2009 £3,047) on behalf of Skerritt Properties Limited and charged management charges of £nil (2009 £35,000). Also, Ancefin Limited paid £28,219 (2009 £nil) corporation tax on behalf of Skerritt Properties Limited. At the year end there is an amount of £18,404 (2009 £nil) due to Skerritt Properties Limited.

Creditors due within one year include the following amounts due to subsidiary undertakings and related parties:

An amount due to Mellham Limited of £400,000 (2009 £400,000) (a related company controlled by Mr N R Puri).

Creditors due after more than one year include:

An interest free unsecured loan from Mellham Limited (a related company controlled by Mr N R Puri) of £1,930,504 (2009 £2,130,504).

13. CONTROLLING PARTY

The company is controlled by Mr N R Puri.