

## Jerrold Mortgage Corporation Limited

Accounts 30 June 1997  
together with directors' and auditors' reports

Registered number: 521009



**DIRECTORS**

H.N. Moser  
A.J. Grant  
C.J. Punshon

**SECRETARY**

M.B. Richards

**REGISTERED OFFICE**

Bracken House  
Charles Street  
Manchester  
M1 7BD

**AUDITORS**

Arthur Andersen  
Bank House  
9 Charlotte Street  
Manchester  
M1 4EU

## Directors' report

For the year ended 30 June 1997

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 June 1997.

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

### Principal activity and business review

The company's principal activity continues to be that of financiers.

The directors consider the results for the year to be satisfactory and look forward to the future with confidence.

### Results and dividends

The results for the year are set out in detail on page 5. The directors do not recommend the payment of a dividend.

### Directors and their interests

The present directors of the company are set out on page 1. All the directors served during the year.

H.N. Moser is a director of the company's parent company, Blemain Group plc and as such, his interest in the share capital of that company is disclosed in its accounts. None of the other directors have an interest in the share capital of the company. No director has, or had any material interest in any contract or agreement entered into by the company during the period.

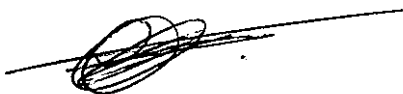
## Directors' report (continued)

### Auditors

Robson Rhodes resigned as the company's auditors during the year. Arthur Andersen were appointed as the company's auditors during the year.

The board will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

By order of the Board,

A handwritten signature in dark ink, appearing to be 'M.B. Richards', with a long horizontal line extending to the right.

M.B. Richards  
Secretary

10 December 1997

## Auditors' report

Manchester

### To the Shareholders of Jerrold Mortgage Corporation Limited:

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

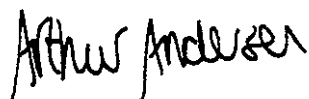
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the company's state of affairs at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Bank House  
9 Charlotte Street  
Manchester  
M1 4EU

10 December 1997

## Profit and loss account

For the year ended 30 June 1997

	Notes	1997 £	1996 £ (Note 1a)
<b>Turnover</b>	2	488,403	588,382
Other operating expenses		(235,569)	(382,115)
<b>Operating profit</b>		<u>252,834</u>	<u>206,267</u>
Interest payable and similar charges	3	(120,404)	(53,505)
<b>Profit on ordinary activities before taxation</b>	4	<u>132,430</u>	<u>152,762</u>
Tax on profit on ordinary activities	5	(4,103)	-
<b>Profit for the financial year</b>	11	<u>128,327</u>	<u>152,762</u>

All activity has arisen from the continuing operations. The company has no recognised gains or losses other than the profit for the financial year.

A movement in reserves is given in note 11.

The accompanying notes are an integral part of this profit and loss account.

# Balance sheet

30 June 1997

	Notes	1997 £	1996 £ (Note 1a)
<b>Fixed assets</b>			
Tangible assets	6	-	600
Investment in subsidiary undertaking	7	75	75
		<u>75</u>	<u>675</u>
<b>Current assets</b>			
Debtors	8	2,601,085	2,748,504
Cash		95,966	-
		<u>2,697,051</u>	<u>2,748,504</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(2,627,010)</u>	<u>(2,807,390)</u>
<b>Net current assets (liabilities)</b>		<u>70,041</u>	<u>(58,886)</u>
<b>Net assets (liabilities)</b>		<u>70,116</u>	<u>(58,211)</u>
<b>Capital and reserves</b>			
Called-up share capital	10	55,000	55,000
Profit and loss account	11	15,116	(113,211)
<b>Equity shareholders' funds</b>		<u>70,116</u>	<u>(58,211)</u>

Signed on behalf of the Board

H.N. Moser

Director

C.J. Punshon

Director

10 December 1997

The accompanying notes are an integral part of this balance sheet.

## Notes to accounts

30 June 1997

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year and the preceding year, is set out below.

#### *a) Basis of accounting*

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

The accounts for the year ended 30 June 1996 were reported on without qualification by a firm of Chartered Accountants other than Arthur Andersen.

No group accounts have been prepared, as provided by Section 228 (I) of the Companies Act 1985, as the company is a wholly owned subsidiary undertaking of Blemain Group plc, which has prepared group accounts.

#### *b) Tangible fixed assets*

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used are as follows:

Motor vehicles	25% reducing balance
Fixtures and fittings	25% straight line on cost

#### *c) Investments*

Investments in group undertakings are stated at cost less provision for diminution in value.

#### *d) Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Advance corporation tax payable on dividends paid or provided for in the period is written off, except when recoverability against corporation tax payable is considered to be reasonably assured. Credit is taken for advance corporation tax written off in previous periods when it is recovered against corporation tax liabilities.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal.

Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse. However, the amount of all deferred tax, including that which will probably not reverse, is shown in note 5.



## Notes to accounts

30 June 1997

### 2 Turnover

Turnover and profit before taxation, which are wholly derived from within the UK, relate to the one principal activity of the company.

### 3 Interest payable and similar charges

	1997 £	1996 £
Bank loans and overdrafts	119,404	53,505
Other interest payable	1,000	-
	<u>120,404</u>	<u>53,505</u>

### 4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1997 £	1996 £
Depreciation and amounts written off tangible fixed assets	600	600
Auditors' remuneration	1,175	2,119
	<u>1,175</u>	<u>2,119</u>

### 5 Tax on profit on ordinary activities

	1997 £	1996 £
Corporation tax at 23¼%	4,103	-
	<u>4,103</u>	<u>-</u>

No unprovided deferred tax arose at the year end (1996 - £Nil).

The tax charge was reduced by utilising group loss relief which was surrendered free of charge.

## Notes to accounts

30 June 1997

### 6 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
Beginning and end of year	3,674
<b>Depreciation</b>	
Beginning of year	3,074
Charge	600
End of year	3,674
<b>Net book value</b>	
End of year	-
Beginning of year	600

### 7 Investment in subsidiary undertaking

	£
<b>Cost</b>	
Beginning and end of year	75

The investment in subsidiary undertaking comprises the following:

	Country of registration	Interest in ordinary shares and voting rights	Principal activity
Manor Golf Club Limited	England and Wales	75%	Golf Club

# Notes to accounts

30 June 1997

## 8 Debtors

	1997 £	1996 £
Amounts falling due within one year:		
Trade debtors	1,239,421	1,713,920
Amounts owed by other group undertakings	1,246,529	818,757
Amount owed by related company	47	45
Other debtors	1,968	-
Prepayments and accrued income	-	650
	<u>2,487,965</u>	<u>2,533,372</u>
Amounts falling due after more than one year:		
Trade debtors	113,120	215,132
	<u>2,601,085</u>	<u>2,748,504</u>

The amount owed by a related company is in respect of Tennisview Limited, a company in which H.N. Moser is a director and shareholder.

## 9 Creditors: Amounts falling due within one year

	1997 £	1996 £
Bank overdraft	-	1,063,550
Trade creditors	7,638	7,637
Amounts owed to group undertakings	2,363,528	1,529,162
Corporation tax	4,103	-
Other taxation and social security	32,547	31,646
Other creditors	205,521	165,396
Accruals and deferred income	13,673	9,999
	<u>2,627,010</u>	<u>2,807,390</u>

## 10 Called-up share capital

	1997 £	1996 £
<i>Authorised, called up, allotted and fully paid</i>		
55,000 ordinary shares of £1 each	<u>55,000</u>	<u>55,000</u>

## Notes to accounts (continued)

### 11 Profit and loss account

	1997 £	1996 £
Beginning of year	(113,211)	(265,973)
Profit for the financial year	128,327	152,762
End of year	<u>15,116</u>	<u>(113,211)</u>

### 12 Contingent liability

The company's assets are subject to a fixed and floating charge in respect of the £20 million bank loan held in the parent company.

### 13 Cash flow statement

As permitted by Financial Reporting Standard No. 1 (Revised), the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Blemain Group plc, which has produced a consolidated cash flow statement in its accounts.

### 14 Reconciliation of movements in equity shareholders' funds

	1997 £	1996 £
Total recognised gains	128,327	152,762
Opening shareholders' funds	(58,211)	(210,973)
Closing shareholders' funds	<u>70,116</u>	<u>(58,211)</u>

### 15 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Blemain Group plc, a company incorporated in Great Britain and registered in England and Wales.

The largest and smallest group of which Jerrold Mortgage Corporation Limited is a member and for which group accounts are drawn up is that headed by Blemain Group plc, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD.