

Company Registration No. 1185052

BLEMAIN FINANCE LIMITED

Report and Financial Statements

Year ended 30 June 2011



BLEMAIN FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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BLEMAIN FINANCE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
G Bailey
T Bailey
S P Baker
S Bean (resigned 3 August 2010)
G D Beckett
M R Goldberg
A J Grant
A G Lawton (resigned 3 August 2010)
M J Ridley (resigned 3 August 2010)

SECRETARY

M J Ridley

REGISTERED OFFICE

Bracken House
Charles Street
Manchester
M1 7BD

PRINCIPAL BANKERS

The Royal Bank of Scotland Plc
Spinningfields
Manchester
M3 3AP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
M60 2AT

BLEMAIN FINANCE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

ENHANCED BUSINESS REVIEW

The company's principal activity during the year under review continues to be that of financiers. The directors do not expect any significant change to the activities of the company. A number of key performance indicators (KPIs) on performance, position and liquidity are monitored in order to control the business and to plan for future growth.

Profitability

As shown in the company's profit and loss account on page 7, profit before tax has increased by 6.3% to £35.9m (2010: £33.8m). Turnover has remained broadly consistent with the previous year, but administration expenses have fallen by 18.1%.

The directors of the company do not recommend the payment of a dividend (2010: nil).

Position

As shown in the company's balance sheet on page 8, loan book values (classified as trade debtors) have increased by 0.2% to £525.1m (2010: £524.2m). At the same time, shareholder's funds have increased by 28.3% to £118.4m (2010: £92.3m).

Liquidity

The ability of the company to service its debts is measured using an interest cover ratio, being profit before tax and interest divided by interest. This reduced to 2.5:1 (2010: 2.6:1). The company closely monitors its cash position and cash utilisation levels on a regular basis taking into consideration the level of redemption activity, recurring income levels and planned expenditure and advance levels. Where and when required, further facilities are either negotiated or new business levels are adjusted to ensure that sufficient headroom exists at all times.

Non-financial KPIs

The directors support and monitor compliance with the Financial Services Authority and Consumer Credit Act regulations. Employees undertake appropriate training which is supported by quality assurance reviews, compliance reviews and internal audit reviews. Procedures are established to enhance and monitor quality of compliance including authorisation of procedural and policy changes, sample reviews, employee awareness and training programmes along with employee and customer feedback including the monitoring and understanding of complaints received.

In addition the directors monitor certain other non financial KPI's, relating to employee consultation and involvement, and the environment, which are further detailed below.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The company is exposed to changes in the economic position of its customers, which may impact adversely on their ability to make loan repayments. The level of risk in this respect is driven by both macro-economic factors, such as levels of consumer indebtedness, as well as by factors relating to specific customers, such as becoming unemployed. Credit risk is managed at loan inception, via stringent underwriting policies with regard to affordability ratios, debt to equity levels and credit risk and throughout the life of the loan, via monitoring of arrears levels, customers' circumstances and debt to equity positions.

Interest rate risk

The company is financed by another group company and a revolving securitisation facility (made between Charles Street Conduit Asset Backed Securitisation 1 Limited, as Purchaser, The Royal Bank of Scotland plc, as Facility Agent, and Blemain Finance Limited and other group companies as Originators and Servicers). The group is funded by variable rate facilities. Interest rate risk is managed by the group through the use of hedging instruments.

BLEMAIN FINANCE LIMITED

DIRECTORS' REPORT (continued)

PRINCIPAL RISK AND UNCERTAINTIES (continued)

Liquidity risk

The company is financed by another group company and a revolving securitisation facility. The group closely monitors its cash position and cash utilisation levels on a regular basis taking into consideration the level of redemption activity, recurring income levels and planned expenditure and advance levels to ensure that sufficient headroom exists at all times.

The group's securitisation facility which is supported by a revolving 364 day liquidity facility is due for renewal on 11 November 2011. Based on recent successful renewal experience and the lack of receipt of any indication to the contrary from the relevant parties, the directors are of the opinion that the securitised liquidity facility will be renewed substantially in the same form as forecast.

Regulatory risk

The company undertakes activities which are regulated by the Financial Services Authority and the Office of Fair Trading. The company has an established compliance function and uses third party specialist advisors to support its business operations.

Exchange rate risk

All the company's activities are in sterling and are not subject to exchange rate risk.

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and internal publications. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

ENVIRONMENT

As the company operates in the financial services sector, its actions do not have a significant environmental impact. However, the company does recognise the importance of the environment, and acts to minimise its impact on the environment wherever it can, including recycling and reducing energy consumption.

STATEMENT OF GOING CONCERN

As set out in the Directors' Responsibilities Statement, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors of the company have considered the group's forecast funding and liquidity facilities insofar as to the extent to which they might affect the preparation of the company's financial statements on a going concern basis.

Current group funding primarily consists of a £378m drawn syndicated loan facility (made between The Royal Bank of Scotland plc, as Agent and Security Agent, and all of the trading and non trading group subsidiary companies as listed in Note 9 of the Jerrold Holdings Limited accounts) and a £323m drawn revolving securitisation facility (made between Charles Street Conduit Asset Backed Securitisation 1 Limited, as Purchaser, The Royal Bank of Scotland plc as Facility Agent, Blemam Finance Limited, Bridging Finance Limited, Cheshire Mortgage Corporation Limited, Harpmanor Limited, Lancashire Mortgage Corporation Limited and Auction Finance Limited as Originators and Servicers).

BLEMAIN FINANCE LIMITED

STATEMENT OF GOING CONCERN (continued)

The syndicated facility is due for renewal on 9 November 2012. The securitised facility is supported by a revolving 364 day liquidity facility which is due for renewal on 11 November 2011. Based on recent successful renewal experience and the lack of receipt of any indication to the contrary from the relevant parties, the directors are of the opinion that the securitised facility will be renewed substantially in the same form as forecast.

The company has liabilities due within one year greater than assets due within one year as a result of the revolving loan notes being classified as current liabilities. The terms of these liabilities are that they renew every three months and are underpinned by the liquidity facility detailed above.

On the basis that the group and company have adequate funding, together with their current performance and financial position, the directors have a reasonable expectation that, despite the uncertainty in market conditions, the group will have sufficient funding and liquidity facilities to ensure that it will continue in operational existence for the foreseeable future. Accordingly the directors of the company have adopted the going concern basis in preparing financial statements.

DIRECTORS

The directors of the company are set out on page 1. All directors served throughout the year and subsequently, except as noted on page 1.

DIRECTORS INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

AUDIT INFORMATION

In the case of each of the persons who are directors of the company at the date when this report is approved:

- as far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any audit information and to establish that the company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

AUDITOR

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M J Ridley
Secretary

27 October

2011

BLEMAIN FINANCE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 accounting 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, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLEMAIN FINANCE LIMITED

We have audited the financial statements of Blemain Finance Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. 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 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 30 June 2011 and of its profit 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.

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.



Peter Birch (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

30/10/2011

BLEMAIN FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2011

	Note	2011 £	2010 £
TURNOVER	2	75,882,984	75,648,743
Cost of sales		<u>(2,380,975)</u>	<u>(3,103,296)</u>
GROSS PROFIT		73,502,009	72,545,447
Administrative expenses		<u>(13,922,432)</u>	<u>(16,997,716)</u>
OPERATING PROFIT		59,579,577	55,547,731
Interest payable and similar charges	5	(23,742,428)	(21,815,980)
Interest receivable and similar income	5	<u>69,874</u>	<u>35,551</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	35,907,023	33,767,302
Tax on profit on ordinary activities	6	<u>(9,794,136)</u>	<u>(7,740,677)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	15	<u><u>26,112,887</u></u>	<u><u>26,026,625</u></u>

All activity arose from continuing operations

There were no recognised gains or losses in either year other than the result for that year as shown above
Accordingly, a separate statement of total recognised gains and losses has not been presented

BLEMAIN FINANCE LIMITED

BALANCE SHEET

As at 30 June 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	7	708,901	493,559
Investments	8	70,050	70,050
		<u>778,951</u>	<u>563,609</u>
CURRENT ASSETS			
Debtors			
- due within one year	9	40,204,650	36,285,237
- due after one year	9	811,214,495	821,998,307
Investments	10	16,981	16,981
Cash at bank and in hand		800	30,868
		<u>851,436,926</u>	<u>858,331,393</u>
CREDITORS: Amounts falling due within one year	11	<u>(223,735,138)</u>	<u>(265,769,197)</u>
NET CURRENT ASSETS		<u>627,701,788</u>	<u>592,562,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		628,480,739	593,125,805
CREDITORS: Amounts falling due after more than one year	12	<u>(510,037,392)</u>	<u>(500,795,345)</u>
NET ASSETS		<u>118,443,347</u>	<u>92,330,460</u>
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account	15	<u>118,343,347</u>	<u>92,230,460</u>
SHAREHOLDER'S FUNDS	16	<u>118,443,347</u>	<u>92,330,460</u>

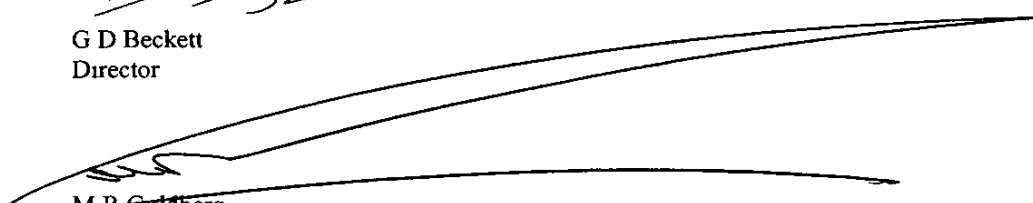
These financial statements were approved by the Board of Directors on 27 October 2011

Company Registration No 1185052

Signed on behalf of the Board of Directors



G D Beckett
Director



M R Goldberg
Director

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Accounting convention

The company prepares its accounts under the historic cost convention and on the going concern basis. The directors continue to adopt the going concern basis as disclosed in the Directors' Report - Statement of Going Concern.

No consolidated financial statements have been prepared, as provided by Section 400 of the Companies Act 2006, as the company is a wholly owned subsidiary undertaking of Jerrold Holdings Ltd, which has prepared consolidated financial statements which are publicly available.

Tangible fixed assets

Tangible fixed assets are shown at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of valuation, less estimated residual value of each asset over its expected useful life as follows:

Office equipment	20% straight line on cost
Computer equipment	33% straight line on cost
Motor vehicles	25% reducing balance

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

1. ACCOUNTING POLICIES (continued)

Investments

Fixed asset investments are stated at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Turnover and cost of sales

Turnover consists of interest recoverable on loans and commissions income. Interest income is recognised on an accruals basis. Other finance related fees receivable are credited to income when the related service is performed.

Cost of sales includes the direct costs of originating the loans, including commissions payable.

Provisions for bad and doubtful debts

Specific provisions are made when the directors consider that the recoverability of the advance is in part or in whole doubtful. Incurred but not reported loss provisions are raised to cover losses that are judged to be present in loans and advances at the balance sheet date but which have not been specifically identified as such. Provisions for bad and doubtful debts, along with bad debt write-offs, are charged to operating profit as part of administrative expenses.

Loan notes

Loan notes are recognised at amortised cost. Interest and fees payable to the Loan note holders during the financial period are recognised in the profit and loss account over the term of the notes using the effective interest rate method.

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Rentals in respect of all other leases are charged to the profit and loss account as incurred.

Pension

During the year the company operated a defined contribution scheme and made contributions to employees' personal pension schemes.

The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year to personal pension schemes. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. TURNOVER

	2011 £	2010 £
Interest and commissions for money lending agreements	75,803,009	75,569,143
Rental income	79,975	79,600
	<u>75,882,984</u>	<u>75,648,743</u>

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2011 £	2010 £
Directors' emoluments		
Fees	2,245,800	2,444,634
Company contributions to personal pension schemes	56,900	85,279
	<u>2,302,700</u>	<u>2,529,913</u>
Remuneration of the highest paid director		
Remuneration	708,750	708,750
	<u>708,750</u>	<u>708,750</u>
Average number of persons employed (including directors)		
Office and management	329	282
Staff costs during the year (including directors)		
Wages and salaries	11,957,252	9,687,037
Social security costs	1,163,076	948,646
Pension costs	255,258	210,089
	<u>13,375,586</u>	<u>10,845,772</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2011 £	2010 £
Profit on sale of fixed assets	(4,335)	(3,948)
Depreciation and amounts written off tangible fixed assets		
- owned assets	285,130	300,037
- assets held under hire purchase contracts	2,500	12,027
Operating lease costs		
- land and buildings	366,875	359,783
Fees payable to the company's auditor for the audit of the company's annual accounts	959	927
	<u>959</u>	<u>927</u>

The audit fees for the ultimate parent company and all its subsidiary undertakings were borne by this company, both in the current and prior financial years. Fees payable to the auditor for the audit of the accounts of all subsidiary undertakings of the ultimate parent company were £12,793 (2010 £12,360). Fees payable to the auditor for the audit of the accounts of the ultimate parent company were £44,443 (2010 £43,260).

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

5. FINANCE CHARGES

	2011 £	2010 £
<i>Interest payable and similar charges</i>		
Interest payable on intragroup loans	(15,418,058)	(14,798,236)
Discount payable on loan notes	(8,319,928)	(6,963,856)
Hire purchase	(142)	(1,317)
Other interest	(4,300)	(52,571)
	<u>(23,742,428)</u>	<u>(21,815,980)</u>
	2011 £	2010 £
<i>Interest receivable and similar income</i>		
Bank interest	60,688	35,444
Other interest	8,860	-
Income from listed investments	326	107
	<u>69,874</u>	<u>35,551</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

	2011 £	2010 £
Current tax		
UK corporation tax	9,723,652	7,862,434
Adjustment in respect of prior years		
- UK corporation tax	(14,680)	(80,627)
Total current tax	<u>9,708,972</u>	<u>7,781,807</u>
Deferred tax		
Origination and reversal of timing differences	93,130	(41,075)
Adjustment in respect of prior years	(7,966)	(55)
Total deferred tax (see note 13)	<u>85,164</u>	<u>(41,130)</u>
Total tax on profit on ordinary activities	<u>9,794,136</u>	<u>7,740,677</u>

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows

	2011 £	2010 £
Profit on ordinary activities before tax	35,907,023	33,767,302
Tax on profit on ordinary activities at standard UK corporation tax rate of 27.5% (2010: 28%)	9,874,923	9,454,845
Effects of		
Group relief	(141,502)	(1,667,306)
Expenses not deductible for tax purposes	49,039	33,850
Income not taxable for tax purposes	(28,471)	(30)
Capital allowances (in excess of)/less than depreciation	(31,603)	12,131
Movement in short term timing differences	1,266	28,944
Adjustments to tax charge in respect of previous periods	(14,680)	(80,627)
Current tax charge for year	9,708,972	7,781,807

7. TANGIBLE FIXED ASSETS

	Computer equipment £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2010	925,026	525,799	720,665	2,171,490
Additions	171,617	-	413,265	584,882
Disposals	(175,209)	(13,177)	(245,767)	(434,153)
At 30 June 2011	921,434	512,622	888,163	2,322,219
Depreciation				
At 1 July 2010	829,632	393,741	454,558	1,677,931
Charge for the year	93,853	74,596	119,181	287,630
Disposals	(174,108)	(13,177)	(164,958)	(352,243)
At 30 June 2011	749,377	455,160	408,781	1,613,318
Net book value				
At 30 June 2011	172,057	57,462	479,382	708,901
At 30 June 2010	95,394	132,058	266,107	493,559

Included above are motor vehicles held under hire purchase agreements with a net book value of £nil (2010: £36,081)

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

8. FIXED ASSET INVESTMENT

	£
Cost	
At 1 July 2010 and 30 June 2011	70,050

The fixed asset investment comprises shares in the following subsidiary undertaking

	Country of registration	Interest in Ordinary shares and voting rights	Principal activity
Spot Finance Limited	England and Wales	100%	Financiers

9 DEBTORS

	2011 £	2010 £
Amounts falling due within one year		
Trade debtors	38,768,417	35,007,208
Amounts owed by related undertakings	78,680	59,149
Other debtors	171,709	312,665
Prepayments and accrued income	1,185,844	906,215
	<u>40,204,650</u>	<u>36,285,237</u>
Amounts falling due after more than one year		
Trade debtors	486,298,150	489,142,919
Amounts owed by fellow group undertakings	324,107,183	331,961,062
Deferred taxation (see note 13)	809,162	894,326
	<u>811,214,495</u>	<u>821,998,307</u>
	<u>851,419,145</u>	<u>858,283,544</u>

Included within Trade debtors are mortgage assets totalling £279,260,411 (2010 £309,296,851) which is funded through a securitisation vehicle

The amounts owed by related undertakings are in respect of Charles Street Commercial Investments Limited, Sterling Property Co Limited and Proactive Lending Limited, entities in which H N Moser is a director, shareholder or partner of

In the current year, the terms of the intercompany loan were extended, resulting in the balance not being repayable prior to 31 December 2012

10. INVESTMENTS HELD AS CURRENT ASSETS

	2011 £	2010 £
Investments	<u>16,981</u>	<u>16,981</u>

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Bank loans and overdrafts	4,106,534	5,419,904
Loan notes	199,533,688	235,544,467
Trade creditors	289,932	254,698
Obligations under hire purchase agreements	-	10,029
Amounts owed to related undertaking	2,659	3,094
Corporation tax	3,823,654	3,342,658
Other taxes and social security	368,228	306,833
Other creditors	3,271,478	3,108,733
Accruals and deferred income	12,338,965	17,778,781
	<u>223,735,138</u>	<u>265,769,197</u>

The bank overdraft is secured by way of a cross-guarantee amongst all group companies

Loan notes are provided through a securitisation vehicle. They are transacted at market value and carry a fixed rate discount. They are secured on specific loan assets. All loan notes revolve within a three month period and are supported by a revolving 364 day liquidity facility which is due for renewal on 11 November 2011.

The amount owed to related undertakings is in respect of August Blake Developments Limited, an entity in which H N Moser is a director, shareholder or partner of.

Other creditors include £98,701 (2010 £73,642) due to H N Moser. H N Moser is a director of the company. The movements in the year relate to drawdowns and cash repayments.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Amounts owed to group undertakings	<u>510,037,392</u>	<u>500,795,345</u>

Borrowings are repayable as follows

	2011 £	2010 £
Within one year	203,640,221	240,974,400
Between one and two years	<u>510,037,392</u>	<u>500,795,345</u>
	<u>713,677,613</u>	<u>741,769,745</u>

In the current year, the terms of the intercompany loan were extended, resulting in the balance not being repayable prior to 31 December 2012.

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

13. DEFERRED TAXATION

	£
Balance at 1 July 2010	894,326
Charge to profit and loss account	(85,164)
Balance at 30 June 2011	<u>809,162</u>

The amounts provided in the financial statements comprising full provision are as follows

	2011 £	2010 £
Depreciation in advance of capital allowances	122,753	156,406
Other timing differences	<u>686,409</u>	<u>737,920</u>
	<u>809,162</u>	<u>894,326</u>

The directors believe that future profitability will be sufficient to ensure the recoverability of the deferred tax asset

14. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Authorised, called-up, allotted and fully paid 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

15. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2010	92,230,460
Retained profit for the financial year	<u>26,112,887</u>
At 30 June 2011	<u>118,343,347</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £	2010 £
Opening shareholder's funds	92,330,460	66,303,835
Profit for the financial year	<u>26,112,887</u>	<u>26,026,625</u>
Closing shareholder's funds	<u>118,443,347</u>	<u>92,330,460</u>

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

17. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of £378 million of bank borrowings of the group (2010 £378 million)

18. LEASE COMMITMENTS

	2011 £	2010 £
Annual commitments under non-cancellable operating leases are as follows		
Land and buildings, expiry date		
- between two to five years	371,390	-
- after five years	-	351,134
	<u>371,390</u>	<u>351,134</u>

19. CASH FLOW STATEMENT

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the company has not produced a cash flow statement as it is a wholly owned subsidiary undertaking of Jerrold Holdings Limited which has produced consolidated financial statements that are publicly available

20. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary undertaking of Jerrold Holdings Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with other wholly owned members of the group headed by Jerrold Holdings Ltd

H N Moser is a director and shareholder in all the above companies. Blemain Finance Limited is the principal employer of The Blemain Finance Pension Fund of which H N Moser is a trustee and beneficiary. During the year, the company entered into transactions, in the ordinary course of business, with The Blemain Finance Pension Fund as follows

	2011 £	2010 £
Operating lease costs – Land and buildings	366,875	359,783
Costs paid on behalf of scheme	(5,282)	(475,097)
Amounts received on behalf of scheme	7,453	334,667
Payments to scheme	(367,587)	(220,812)
	<u>1,459</u>	<u>(1,459)</u>
Amounts due from The Blemain Finance Pension Fund	-	1,459

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

20. RELATED PARTY TRANSACTIONS (continued)

During the year, the company entered into transactions, in the ordinary course of business, with non-wholly owned members of the group, which are consolidated in the group accounts, as follows

	2011 £	2010 £
<i>Transactions with fellow group companies</i>		
Interest recharges	116,687	355,392
Management recharges	290,287	426,682
Treasury payments	(3,181,191)	(4,246,488)
	<u>(2,774,217)</u>	<u>(3,464,414)</u>
Amounts due from non-wholly owned group companies	-	2,611,746
Amounts owed to non-wholly owned group companies	<u>162,471</u>	<u>-</u>

The following balances with related parties existed at the year end (these entities are deemed related parties due to H N Moser's common directorship)

	Balances due to		Balances due from	
	2011 £	2010 £	2011 £	2010 £
August Blake Developments Limited	2,659	3,094	-	-
Charles Street Commercial Investments Limited	-	-	36,741	11,468
Sterling Property Co Limited	-	-	41,939	47,256
Proactive Lending Limited	-	-	-	425
	<u>2,659</u>	<u>3,094</u>	<u>78,680</u>	<u>59,149</u>

Company transactions with related parties during the year were as follows

	2011 £	2010 £
Service charges and costs paid on behalf of related parties	59,770	39,672
Repayments to the company from related parties	<u>(39,804)</u>	<u>(114,072)</u>
	<u>19,966</u>	<u>(74,400)</u>

BLEMAIN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2011

21. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Jerrold Holdings Limited, a company incorporated in Great Britain and registered in England and Wales

The largest and smallest group of which Blemain Finance Limited is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings Limited, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD

H N Moser, a director of Jerrold Holdings Limited, and members of his close family, control the company as a result of controlling directly or indirectly 70% of the voting rights of Jerrold Holdings Limited