

FACTFOCUS LIMITED

Report and Financial Statements

Year ended 30 June 2008

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FACTFOCUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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FACTFOCUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H.N. Moser
S.P. Baker (appointed 2 July 2008)
G.D. Beckett
M.R. Goldberg
S.E. Kramrisch (resigned 1 October 2007)
M.J. Ridley (appointed 27 July 2007)
R. Watson

SECRETARY

M.J. Ridley

REGISTERED OFFICE

Bracken House
Charles Street
Manchester
M1 7BD

PRINCIPAL BANKERS

Royal Bank of Scotland Plc
Spinningfields
Manchester
M3 3AP

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Manchester
M60 2AT

FACTFOCUS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2008.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE PROSPECTS

The principal activities of the company continued to be those of property developers and property investors and financiers.

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

The company qualifies as small in accordance with the provisions of S246(4) of the Companies Act 1985 and is therefore exempt from the requirement to prepare an enhanced business review.

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 30 June 2008 are set out on pages 6 to 16. The profit for the year after tax was £1,700,569 (2007: loss of £2,513,829).

The directors of the company do not recommend the payment of a dividend (2007: interim dividend of £10,000,000).

STATEMENT OF GOING CONCERN

As set out in the Statement of Directors' Responsibilities, 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 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 10 of the Jerrold Holdings Limited accounts) and a £435m drawn revolving securitisation facility (made between Charles Street Conduit Asset Backed Securitisation 1 Limited, as Purchaser, Royal Bank of Scotland plc as Facility Agent, Blemain Finance Limited, Bridging Finance Limited, Cheshire Mortgage Corporation Limited, Harpmanor Limited, Lancashire Mortgage Corporation Limited and Auction Finance Limited as Originators and Servicers).

The syndicated facility is not due for renewal until 9th November 2012. The securitised facility is supported by a revolving 364 day liquidity facility which is due for renewal on 11th November 2009. 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.

On this basis 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 except as noted on page 1.

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 (as defined in the Companies Act 1985) of which the company's auditors are 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 (as defined) and to establish that the company's auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

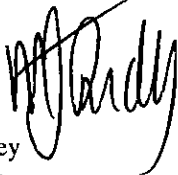
FACTFOCUS LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

On 1 December 2008, the company's auditors changed their name from Deloitte & Touche LLP to Deloitte LLP. A resolution to re-appoint Deloitte LLP as the company's auditors 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

24 April 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to 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 proper accounting records that 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACTFOCUS LIMITED

We have audited the financial statements of Factfocus Limited for the year ended 30 June 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we 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 other transactions is not disclosed.

We read the other information contained in the annual report, as described in the contents page, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 judgments 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.

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 30 June 2008 and of the 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.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors

Manchester

M60 2AT

24 APRIL 2009

FACTFOCUS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2008

	Note	2008 £	2007 £
TURNOVER			
Cost of sales	2	1,426,753 (170,874)	16,563,948 (14,943,800)
GROSS PROFIT		<u>1,255,879</u>	<u>1,620,148</u>
Administrative expenses		(225,286)	(554,867)
Other operating income		<u>1,000</u>	<u>5,052</u>
OPERATING PROFIT		<u>1,031,593</u>	<u>1,070,333</u>
Gain/(loss) arising on disposal of investment properties		146,995	(872,639)
Finance income	5	<u>946,439</u>	<u>337,301</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>2,125,027</u>	<u>534,995</u>
Tax on profit on ordinary activities	6	<u>(424,458)</u>	<u>(3,048,824)</u>
RETAINED PROFIT / (LOSS) FOR THE FINANCIAL YEAR	15	<u><u>1,700,569</u></u>	<u><u>(2,513,829)</u></u>

All activity arose from continuing operations.

FACTFOCUS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **Year ended 30 June 2008**

	Note	2008 £	2007 £
Profit/(loss) for the financial year		1,700,569	(2,513,829)
Unrealised loss on revaluation of investment properties	7	-	(100,637)
Total recognised gains and (losses) for the year		<u>1,700,569</u>	<u>(2,614,466)</u>


FACTFOCUS LIMITED

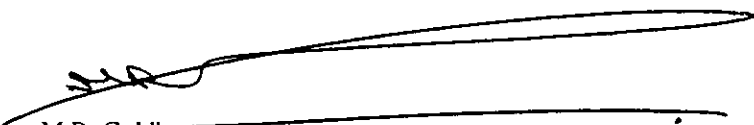
BALANCE SHEET 30 June 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Investment properties	7	568,536	606,680
Tangible fixed assets	8	-	1
Investments	9	13,256	19,892
		<u>581,792</u>	<u>626,573</u>
CURRENT ASSETS			
Stocks	10	4,436,053	4,568,481
Debtors			
- due within one year	11	14,282,008	15,324,722
- due after one year	11	7,777	14,325
Cash at bank and in hand		178,845	22,239
		<u>18,904,683</u>	<u>19,929,767</u>
CREDITORS: Amounts falling due within one year	12	(1,898,245)	(4,668,679)
NET CURRENT ASSETS		<u>17,006,438</u>	<u>15,261,088</u>
NET ASSETS		<u>17,588,230</u>	<u>15,887,661</u>
CAPITAL AND RESERVES			
Called up share capital	14	200,000	200,000
Revaluation reserve	15	162,097	194,796
Profit and loss account	15	17,226,133	15,492,865
EQUITY SHAREHOLDER'S FUNDS	16	<u>17,588,230</u>	<u>15,887,661</u>

These financial statements were approved by the Board of Directors on 24th April 2009.

Signed on behalf of the Board of Directors


G.D. Beckett
Director


M.R. Goldberg
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

1. ACCOUNTING POLICIES

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.

Tangible fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided 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:

Fixtures, fittings and other equipment 20% to 33% on cost.

Investments

Listed investments are stated at market value. Other investments are stated at the lower of cost and estimated net realisable value. Fixed asset investments are held at cost less provision for any permanent diminution in value.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2008

1. ACCOUNTING POLICIES (continued)

Investment properties

A valuation of investment properties is made annually as at the balance sheet date by the directors, at open market value. A sample of valuations is conducted by external chartered surveyors on a periodic basis. Changes in the market value of investment properties are accounted for by way of a movement in revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual investment property is expected by the directors to be permanent, in which case the change in market value is charged (credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account reserve.

In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made, the profit for the financial year would have been decreased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of the cost/value as between land and buildings.

Stocks

Properties held for resale are valued at the lower of cost and estimated net realisable value. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Turnover

Turnover consists of proceeds of properties disposed of which were previously held for resale, interest recoverable on loans and related commissions on money lending agreements, rental income and the invoiced value (excluding VAT) for goods and services supplied to third parties.

Interest income is recognised on an accruals basis. Other finance related fees receivable are credited to income when the related service is performed.

2. TURNOVER

	2008 £	2007 £
Sale of stock properties	207,813	15,628,749
Loan interest and commissions	1,154,963	279,237
Rental income	63,948	640,838
Other income	29	15,124
	<u>1,426,753</u>	<u>16,563,948</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2008

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2008 £	2007 £
Directors' emoluments	-	-
	<u>No.</u>	<u>No.</u>
Average number of persons employed		
Office and management	-	12
	<u>£</u>	<u>£</u>
Staff costs during the year (including directors)		
Wages and salaries	-	146,473
Social security costs	-	13,767
	<u>-</u>	<u>160,240</u>

The company no longer has any employees and has consequently paid no staff costs during the year.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008 £	2007 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
(Profit)/loss on sale of investment properties	(146,995)	872,639
Profit on sale of listed investments	(1,000)	(5,052)
Staff costs (see note 3)	-	160,240
Depreciation	1	-
	<u>-</u>	<u>-</u>

The audit fee of £500 (2007: £500) has been borne by another group undertaking.

5. FINANCE INCOME

	2008 £	2007 £
<i>Investment income</i>		
Interest on intergroup balances	938,430	329,602
Income from listed investments	8,009	7,699
	<u>946,439</u>	<u>337,301</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2008

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2008 £	2007 £
Current tax		
UK corporation tax	656,489	3,012,112
Adjustment in respect of prior years		
- UK corporation tax	(232,056)	35,602
Total current tax	424,433	3,047,714
Deferred tax		
Origination and reversal of timing differences	26	1,110
Adjustment in respect of prior years	(1)	-
Total deferred tax (see note 13)	25	1,110
Total tax on profit on ordinary activities	424,458	3,048,824

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 is as follows:

	2008 £	2007 £
Profit on ordinary activities before tax	2,125,027	534,995
Tax on profit on ordinary activities at standard UK corporation tax rate of 29.5% (2007: 30%)	626,941	160,499
Effects of:		
Expenses not deductible for tax purposes	421	(597)
Income not taxable	(349)	-
Capital allowances in excess of depreciation	(21)	(30)
Other timing differences	(6)	(1,047)
Chargeable gains	29,503	2,853,287
Prior period adjustments	(232,056)	35,602
Current tax charge for year	424,433	3,047,714

During 2007, the Government enacted a change in corporation tax reducing the rate from 30% to 28% with effect from April 2008. For the year ended 30 June 2008, the tax rate was pro rated using a tax rate of 30% for the period from 1 July 2007 to 5 April 2008 and a tax rate of 28% from 6 April 2008 to 30 June 2008. This resulted in an average rate of tax for the year of 29.5%. The impact of this change on the corporation tax charge is disclosed in the table above.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2008

7. FREEHOLD INVESTMENT PROPERTIES

	£
Valuation	
At 1 July 2007	606,680
Disposals	(38,144)
Revaluation	-
	<hr/>
At 30 June 2008	<u>568,536</u>

The majority of the investment properties were sold during the prior year.

If investment properties had not been revalued, they would have been included in the balance sheet at an historical cost of £406,439 (2007: £411,885).

The investment properties were valued on an open market basis by Roger Hannah & Co., an external valuer, a member of the Royal Institute of Chartered Surveyors on 30 June 2005.

8. OTHER TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
Cost	
At 1 July 2007 and 30 June 2008	<u>16,805</u>
Deprecation	
At 1 July 2007	16,804
Charge for year	1
At 30 June 2008	<u>16,805</u>
Net book value	
At 30 June 2008	<u>-</u>
At 30 June 2007	<u>1</u>

9. FIXED ASSET INVESTMENTS

	2008 £	2007 £
Listed investments at market value	3,176	9,812
Other investments	<u>10,080</u>	<u>10,080</u>
	<u>13,256</u>	<u>19,892</u>

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2008

10. STOCKS

	2008 £	2007 £
Properties held for resale	4,436,053	4,568,481

11. DEBTORS

	2008 £	2007 £
Amounts falling due within one year:		
Trade debtors	265,008	410,536
Amounts owed by fellow group undertakings	13,858,879	14,814,523
Amounts owed by related companies	127,514	48,555
Prepayments	28,999	8,490
Other debtors	1,608	42,618
	<u>14,282,008</u>	<u>15,324,722</u>
Amounts falling due after one year:		
Trade debtors	7,330	13,853
Deferred taxation (see note 13)	447	472
	<u>7,777</u>	<u>14,325</u>
	<u>14,289,785</u>	<u>15,339,047</u>

Amounts owed by related companies are in respect of Centrestand Limited and UK Mortgage Corporation Limited, companies in which H.N. Moser is a director and shareholder.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank loans and overdrafts	9,422	-
Amounts owed to group undertakings	1,382,149	1,448,410
Amount owed to related companies	7,673	104,338
Corporation tax	328,244	3,000,947
Other taxes and social security	-	110,000
Other creditors	160,000	-
Accruals and deferred income	10,757	4,984
	<u>1,898,245</u>	<u>4,668,679</u>

The related company balance is made up of balances with Sedgewick House Properties Limited, Sproston Green Limited, Sterling Property Co. Limited and Bracken House Properties LLP, entities in which H.N. Moser is a director, shareholder or partner of.

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2008

13. DEFERRED TAXATION

	£
Balance at 1 July 2007	472
Charge to profit and loss account	(25)
	<u>447</u>
Balance at 30 June 2008	<u>447</u>

The amounts provided in the financial statements comprising full provision:

	2008 £	2007 £
Capital allowances in excess of depreciation	64	83
Other timing differences	383	389
	<u>447</u>	<u>472</u>

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

14. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised, allotted, called up and fully paid 200,000 ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

15. RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2007	194,796	15,492,865	15,687,661
Retained profit for the year	-	1,700,569	1,700,569
Transfer to profit and loss	(32,699)	32,699	-
	<u>162,097</u>	<u>17,226,133</u>	<u>17,388,230</u>
At 30 June 2008	<u>162,097</u>	<u>17,226,133</u>	<u>17,388,230</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 30 June 2008

14. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S FUNDS

	2008	2007
	£	£
Opening equity shareholder's funds	15,887,661	28,502,127
Profit/(loss) for the financial year	1,700,569	(2,513,829)
Other recognised losses relating to the year	-	(100,637)
Dividends paid	-	(10,000,000)
	<hr/>	<hr/>
Closing equity shareholder's funds	17,588,230	15,887,661
	<hr/>	<hr/>

No interim dividend was paid in the year (2007: £10,000,000, £50 per share) was paid in the year.

15. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of the £378 million bank loan held in the parent company (2007: £722.5 million).

16. CASH FLOW STATEMENT

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

17. RELATED PARTY TRANSACTIONS

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

18. ULTIMATE PARENT COMPANY

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

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