
Harpmanor Limited

Report and Financial Statements

◆ *Year ended 30 June 1996* ◆

COMPANY NO: 1954109

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HARPMANOR LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2 - 3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Reconciliation of movements in shareholder's funds	6
Balance sheet	7
Notes to the financial statements	8 - 12

HARPMANOR LIMITED

COMPANY INFORMATION

Directors	H N Moser A J Grant C J Punshon
Secretary	M B Richards
Registered office	Bracken House Charles Street Manchester M1 7BD
Registered number	1954109
Auditors	Robson Rhodes Chartered Accountants Colwyn Chambers 19 York Street Manchester M2 3BA
Bankers	National Westminster Bank Plc 55 King Street Manchester M60 2DB

HARPMANOR LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 30 June 1996.

Principal activity

The principal activity of the company continued to be that of financiers.

Business review and future developments

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

Results and dividend

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

Directors

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

Mr 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 directors report. 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 year.

Payments to suppliers

The company agrees terms and conditions for its transactions with suppliers. Payment is then made, subject to the terms and conditions being met by the supplier.

Auditors

Robson Rhodes are willing to continue in office and are deemed to be reappointed in accordance with the elective resolution currently in force.

HARPMANOR LIMITED

REPORT OF THE DIRECTORS

(Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which 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.

The report of the directors was approved by the Board on 18 April 1997 and signed on its behalf by:



Martin Basil Richards
Secretary

HARPMANOR LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF HARPMANOR LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 of the state of affairs of the company as at 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Manchester
18 April 1997

HARPMANOR LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 1996

	Note	1996 £	1995 Restated £
Turnover: continuing operations	2	352,945	510,481
Cost of sales		-	(250,000)
		<hr/>	<hr/>
Gross profit		352,945	260,481
Administrative expenses		(124,844)	(100,292)
		<hr/>	<hr/>
Operating profit: continuing operations	3	228,101	160,189
Interest payable	4	(74,428)	(83,069)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		153,673	77,120
Tax on profit on ordinary activities	5	(65,710)	(31,748)
		<hr/>	<hr/>
Retained profit for the year	13	87,963	45,372
		<hr/> <hr/>	<hr/> <hr/>

HARPMANOR LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 June 1996

	Note	1996 - £	1995 Restated £
Profit for the year and total recognised gains relating to the year		87,963	45,372
Prior year adjustment	6	88,585	-
		<u>176,548</u>	<u>45,372</u>


RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
for the year ended 30 June 1996

	1996 £	1995 Restated £
Total recognised gains	87,963	45,372
Opening shareholders' funds	<u>1,269,033</u>	<u>1,223,661</u>
Closing shareholders' funds	<u>1,356,996</u>	<u>1,269,033</u>


HARPMANOR LIMITED**BALANCE SHEET**
at 30 June 1996

	Note	1996 £	1995 Restated £
Fixed assets			
Tangible assets	7	24,180	32,242
		<hr/>	<hr/>
Current assets			
Stocks	8	46,096	46,096
Debtors due after one year	9	470,270	744,346
Debtors due within one year	9	2,554,345	2,260,395
		<hr/>	<hr/>
		3,070,711	3,050,837
Creditors: Amounts falling due within one year	10	(1,701,535)	(1,770,414)
		<hr/>	<hr/>
Net current assets		1,369,176	1,280,423
		<hr/>	<hr/>
Total assets less current liabilities		1,393,356	1,312,665
Creditors: Amounts falling due after more than one year	11	(36,360)	(43,632)
		<hr/>	<hr/>
Net assets		1,356,996	1,269,033
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	1,356,994	1,269,031
		<hr/>	<hr/>
Equity shareholders' funds		1,356,996	1,269,033
		<hr/>	<hr/>

The financial statements were approved by the Board on 18 April 1997 and signed on its behalf by:


Henry Neville Moser
Director

Colin John Punshon
Director



NOTES TO THE FINANCIAL STATEMENTS
30 June 1996

1. ACCOUNTING POLICIES

Basis of accounting

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

The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of Blemain Group plc which publishes a consolidated cash flow statement.

Turnover

Turnover represents interest and commission received on money lending agreements, property disposal proceeds and rental income. The interest credited to the profit and loss account is calculated on a straight line basis pro rata to repayments recoverable on an accruals basis.

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 rate used is as follows:

Motor vehicles	25% reducing balance
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Leased assets

Where assets are financed by leasing agreements ("finance leases") the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

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.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

HARPMANOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 June 1996****2. TURNOVER**

	-	
	1996	1995
	£	Restated
		£
Loan interest and arrangement fees	352,945	360,481
Disposal of property proceeds	-	150,000
	<hr/>	<hr/>
	352,945	510,481
	<hr/>	<hr/>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	1996	1995
	£	£
Bad and doubtful debt charge/(credit)	33,592	(15,078)
Depreciation of tangible fixed assets	8,062	10,747
Auditors' remuneration	1,750	1,500
	<hr/>	<hr/>

4. INTEREST PAYABLE

	1996	1995
	£	£
Hire purchase	835	2,656
Bank loans and overdrafts	69,216	80,413
Other interest	4,377	-
	<hr/>	<hr/>
	74,428	83,069
	<hr/>	<hr/>

HARPMANOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 June 1996****5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1996	1995
	£	Restated £
Corporation tax	53,210	26,728
Adjustment to prior period	12,500	5,020
	<hr/>	<hr/>
	65,710	31,748
	<hr/>	<hr/>

6. PRIOR YEAR ADJUSTMENT

Previously, the company did not recognise interest income on loans until repayments were received or final realisation or otherwise of the underlying security. As a result of a change in taxation legislation, income on loans is now recognised and accrued as repayments fall due and are deemed to be recoverable. The effect of this change in policy has been to increase profit before tax by £20,205 in the year under review (1995: £32,508).

7. TANGIBLE FIXED ASSETS

	Motor vehicle £
Cost	
At 1 July 1995 and 30 June 1996	56,500
	<hr/>
Depreciation	
At 1 July 1995	24,258
Charged in year	8,062
	<hr/>
At 30 June 1996	32,320
	<hr/>
Net book value	
At 30 June 1996	24,180
	<hr/>
At 30 June 1995	32,242
	<hr/>

HARPMANOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS****30 June 1996****8. STOCKS**

	1996	1995
	£	£
Properties held for resale	46,096	46,096

9. DEBTORS

	1996	1995
	£	Restated £
Trade debtors falling due within one year	916,040	807,145
Amounts owed by group undertakings: fellow subsidiaries	1,629,026	1,441,481
Prepayments and accrued income	-	2,490
Other debtors	9,279	9,279
	<u>2,554,345</u>	<u>2,260,395</u>
Trade debtors falling due after more than one year	470,270	744,346
	<u>3,024,615</u>	<u>3,004,741</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£	Restated £
Amounts owed to group undertakings: fellow subsidiaries	928,723	619,521
Bank overdraft (secured)	644,552	985,115
Obligations under hire purchase agreement	-	20,807
Corporation tax	98,982	111,510
Other creditors	171	-
Accruals and deferred income	29,107	33,461
	<u>1,701,535</u>	<u>1,770,414</u>

The bank overdraft is secured by way of a mortgage debenture over all of the company's assets.

HARPMANOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS**30 June 1996****11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1996	1995
	£	Restated £
Corporation tax	36,360	43,632

12. SHARE CAPITAL

	1996	1995
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Alotted and fully paid		
2 ordinary shares of £1 each	2	2

13. PROFIT AND LOSS ACCOUNT

	£
At 1 July 1995 (restated)	1,269,031
Retained profit	87,963
At 30 June 1996	1,356,994

14. CONTINGENT LIABILITY

The company has guaranteed the bank overdrafts of certain of its fellow subsidiary undertakings. At 30 June 1996 the contingent liability amounted to £9,863,784 (1995: £7,286,270).

15. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Blemain Group plc, company number 2939389, a company registered in England.