

**HARPMANOR LIMITED**

**Report and Financial Statements**

**Year ended 30 June 2005**



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COMPANIES HOUSE 27/04/2006

# **HARPMANOR LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# **HARPMANOR LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

H.N. Moser  
A.J. Grant  
G.D. Beckett  
M.R. Goldberg

#### **SECRETARY**

M.J. Ridley (appointed 5 April 2006)

#### **REGISTERED OFFICE**

Bracken House  
Charles Street  
Manchester  
M1 7BD

#### **PRINCIPAL BANKERS**

Bank of Scotland Corporate Banking  
9<sup>th</sup> Floor  
No. 1 Marsden Street  
Manchester  
M2 1HW

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Manchester

# **HARPMANOR LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2005.

### **PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS**

The principal activity of the company continued 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 audited financial statements for the year ended 30 June 2005 are set out on pages 5 to 11. The profit for the year after tax was £187,915 (2004 - £128,477).

The directors do not recommend the payment of a dividend (2004 - £nil).

### **DIRECTORS AND THEIR INTERESTS**

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

Mr. H.N. Moser is a director of Jerrold Holdings plc, the ultimate parent company, and his interests in the share capital of that company are disclosed in its financial statements. None of the other directors have interests in the share capital of the company, or any other interests required to be disclosed under Schedule 7 of the Companies Act 1985. No director has, or had, any material interest in any contract or agreement entered into by the company during the year.

### **AUDITORS**

A resolution to re-appoint Deloitte & Touche 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

27 April 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, 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; 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 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 financial statements comply with the Companies Act 1985. They are also responsible for establishing and maintaining the system of internal control, 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 HARPMANOR LIMITED**

We have audited the financial statements of Harpmanor Limited for the year ended 30 June 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. 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**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 judgements 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 the company's affairs as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Manchester

27 April 2006

**PROFIT AND LOSS ACCOUNT**  
**Year ended 30 June 2005**

		2005	2004 Restated (see note 1)
	Note	£	£
<b>TURNOVER</b>			
Cost of sales	2	485,348 (103,343)	88,601 (5,205)
<b>GROSS PROFIT</b>		382,005	83,396
Administrative expenses		(124,970)	(23,839)
<b>OPERATING PROFIT</b>		257,035	59,557
Interest receivable	5	11,415	123,981
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	268,450	183,538
Tax on profit on ordinary activities	6	(80,535)	(55,061)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	12	187,915	128,477

All activity has arisen from continuing operations.

There were no recognised gains or losses in either year other than the profit for that year and consequently no statement of total recognised gains and losses has been presented.


# HARPMANOR LIMITED

## BALANCE SHEET 30 June 2005


	Note	2005 £	2004 £
<b>CURRENT ASSETS</b>			
Stock	7	20,563	20,603
Debtors			
- due within one year	8	3,058,085	4,185,374
- due after one year	8	3,069,165	100,789
Cash at bank and in hand		-	27,110
		<u>6,147,813</u>	<u>4,333,876</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(3,146,406)</u>	<u>(1,520,384)</u>
<b>NET ASSETS</b>		<u>3,001,407</u>	<u>2,813,492</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account	12	<u>3,001,405</u>	<u>2,813,490</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>	13	<u>3,001,407</u>	<u>2,813,492</u>

These financial statements were approved by the Board of Directors on 27/4/2006.

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 2005**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year excepts as noted below.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The comparatives have been adjusted to reflect what the directors believe to be a more appropriate classification of certain costs relating to the financing business.

The restatement is summarised as follows:

	<b>Cost of sales 2004 £</b>	<b>Administrative expenses 2004 £</b>
As previously stated	-	29,044
Reclassification	5,205	(5,205)
As restated	<u>5,205</u>	<u>23,839</u>

**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**

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 2005****1. ACCOUNTING POLICIES (continued)****Turnover and cost of sales**

Turnover consists of proceeds of stock properties disposed of and 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.

Income from disposal of stock properties is recognised at completion of the sale, with the related cost recognised within cost of sales.

Cost of sales includes in the costs of stock properties sold during the year, and direct costs of the financing business, including commissions payable

**Bad and doubtful debts**

Specific provisions are made when the directors consider that the creditworthiness of a customer has deteriorated so that the recoverability of the advance is in part or in whole doubtful. General 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.

**2. TURNOVER**

All turnover arises from the company's principal activity and in the UK.

**3. STAFF COSTS**

The company had no employees and paid no directors' emoluments during either year.

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

In both years the audit fee was borne by another group undertaking.

**5. INTEREST RECEIVABLE**

	2005 £	2004 £
Interest receivable on intragroup loans	10,851	123,981
Other interest received	564	-
	<u>11,415</u>	<u>123,981</u>

# NOTES TO THE FINANCIAL STATEMENTS

## Year ended 30 June 2005

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2005 £	2004 £
<b>Current tax</b>		
UK corporation tax	94,032	55,061
<b>Total current tax</b>	94,032	55,061
<b>Deferred tax</b>		
Origination and reversal of timing differences	(13,497)	-
<b>Total deferred tax (see note 10)</b>	(13,497)	-
<b>Total tax on profit on ordinary activities</b>	80,535	55,061

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:

	2005 £	2004 £
<b>Profit on ordinary activities before tax</b>	268,450	183,538
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2004 – 30%)	80,535	55,061
Effects of:		
Other timing differences	13,497	-
<b>Current tax charge for year</b>	94,032	55,061

### 7. STOCKS

	2005 £	2004 £
Properties held for resale	20,563	20,603

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2005**

**8. DEBTORS**

	2005 £	2004 £
Amounts falling due within one year:		
Trade debtors	2,060,226	493,775
Amounts owed by group undertakings	986,998	3,691,599
Other debtors	10,861	-
	<u>3,058,085</u>	<u>4,185,374</u>
Amounts falling due after more than one year:		
Trade debtors	3,054,223	99,344
Deferred taxation (see note 10)	14,942	1,445
	<u>3,069,165</u>	<u>100,789</u>
	<u><u>6,127,250</u></u>	<u><u>4,286,163</u></u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2005 £	2004 £
Bank overdraft	98,082	-
Amounts owed to group undertakings	2,902,600	1,412,614
Corporation tax	94,032	55,061
Accruals and deferred income	51,692	52,709
	<u>3,146,406</u>	<u>1,520,384</u>

The overdraft is secured by way of a cross guarantee against all group companies.

**10. DEFERRED TAX ASSET**

	£
Balance at 1 July 2004	1,445
Credit to profit and loss account	13,497
	<u>14,942</u>
Balance at 30 June 2005	<u><u>14,942</u></u>

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

	2005 £	2004 £
Other timing differences	<u>14,942</u>	<u>1,445</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 30 June 2005**

**11. CALLED UP SHARE CAPITAL**

	2005 £	2004 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**12. PROFIT AND LOSS ACCOUNT**

	£
At 1 July 2004	2,813,490
Retained profit for the financial year	<u>187,915</u>
At 30 June 2005	<u>3,001,405</u>

**13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS**

	2005 £	2004 £
Profit for the financial year	187,915	128,477
Opening equity shareholder's funds	<u>2,813,492</u>	<u>2,685,015</u>
Closing equity shareholder's funds	<u>3,001,407</u>	<u>2,813,492</u>

**14. CONTINGENT LIABILITY**

The company's assets are subject to a fixed and floating charge in respect of £313 million of bank borrowings of the group (2004 - £206 million).

**15. 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 plc which has produced consolidated financial statements that are publicly available.

**16. RELATED PARTY TRANSACTIONS**

As a subsidiary undertaking of Jerrold Holdings plc, 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 plc.

**17. ULTIMATE PARENT COMPANY**

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

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