

HARPMANOR LIMITED

Report and Financial Statements

Year ended 30 June 2007

WEDNESDAY



AICHSZBN

A96

30/04/2008

46

COMPANIES HOUSE

HARPMANOR LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

CONTENTS

Page

Officers and professional advisers

1

Directors' report

2

Statement of directors' responsibilities

3

Independent auditors' report

4

Profit and loss account

5

Balance sheet

6

Notes to the financial statements

7

HARPMANOR LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
A J Grant
G D Beckett
M R Goldberg
M J Ridley (appointed 27 July 2007)

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 & Touche LLP
Chartered Accountants
Manchester
United Kingdom

HARPMANOR LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2007

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

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 present an enhanced business review

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 30 June 2007 are set out on pages 5 to 11 The profit for the year after tax was £619,604 (2006 - £470,988)

The directors do not recommend the payment of a dividend (2006 - £nil)

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

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



28 April 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report including the financial statements with applicable law and regulations. Under that law the directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP")

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 2007 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 2007 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 & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

30 APRIL 2008

HARPMANOR LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2007

	Note	2007 £	2006 £
TURNOVER			
Cost of sales	2	1,359,187 (137,225)	964,048 (102,868)
GROSS PROFIT		1,221,962	861,180
Administrative expenses		(128,409)	(109,593)
OPERATING PROFIT		1,093,553	751,587
Loss arising on disposal of investment properties		(6,154)	-
Interest payable	5	(198,013)	(78,747)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	889,386	672,840
Tax on profit on ordinary activities	6	(269,782)	(201,852)
RETAINED PROFIT FOR THE FINANCIAL YEAR	13	619,604	470,988

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 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Investment properties	7	-	102,248
		-	102,248
CURRENT ASSETS			
Stock	8	-	20,563
Debtors			
- due within one year	9	3,568,457	1,521,138
- due after one year	9	3,377,504	3,835,693
Cash at bank and in hand		-	19,217
		6,945,961	5,396,611
CREDITORS: Amounts falling due within one year	10	(2,853,962)	(2,026,464)
NET CURRENT ASSETS		4,091,999	3,370,147
NET ASSETS		4,091,999	3,472,395
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account	13	4,091,997	3,472,393
EQUITY SHAREHOLDER'S FUNDS	14	4,091,999	3,472,395

These financial statements were approved by the Board of Directors on 28 April 2008

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 2007

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

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.

Turnover and cost of sales

Turnover consists of proceeds of stock properties disposed 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.

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 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 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.

HARPMANOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

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

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

	2007 £	2006 £
Loss on sale of investment properties	6,154	-

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

5. INTEREST PAYABLE

	2007 £	2006 £
Interest payable on intragroup loans	(198,013)	(78,747)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

	2007 £	2006 £
Current tax		
UK corporation tax	263,355	202,720
Total current tax	263,355	202,720
Deferred tax		
Origination and reversal of timing differences	6,427	(868)
Total deferred tax (see note 11)	6,427	(868)
Total tax on profit on ordinary activities	269,782	201,852

HARPMANOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

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 is as follows

	2007 £	2006 £
Profit on ordinary activities before tax	889,386	672,840
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 – 30%)	266,816	201,852
Effects of		
Other timing differences	(5,756)	868
Expenses not deductible for tax purposes	449	-
Chargeable gains	1,846	-
Current tax charge for year	263,355	202,720

7. FREEHOLD INVESTMENT PROPERTIES

	£
Valuation	
At 1 July 2006	102,248
Disposals	(102,248)
At 30 June 2007	-

8. STOCKS

	2007 £	2006 £
Properties held for resale	-	20,563

9. DEBTORS

	2007 £	2006 £
Amounts falling due within one year		
Trade debtors	3,401,972	1,518,134
Amounts owed by group undertakings	159,860	1,004
Other debtors	6,625	2,000
	3,568,457	1,521,138
Amounts falling due after more than one year		
Trade debtors	3,368,121	3,819,883
Deferred taxation (see note 11)	9,383	15,810
	3,377,504	3,835,693
	6,945,961	5,356,831

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2007

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank overdraft	154,960	-
Amounts owed to group undertakings	2,430,619	1,813,559
Corporation tax	263,355	202,720
Accruals and deferred income	5,028	10,185
	<u>2,853,962</u>	<u>2,026,464</u>

11. DEFERRED TAX ASSET

	£
Balance at 1 July 2006	15,810
Credit to profit and loss account	<u>(6,427)</u>
Balance at 30 June 2007	<u>9,383</u>

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

	2007 £	2006 £
Other timing differences	<u>9,383</u>	<u>15,810</u>

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

12. CALLED UP SHARE CAPITAL

	2007 £	2006 £
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>

13. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2006	3,472,393
Retained profit for the financial year	<u>619,604</u>
At 30 June 2007	<u>4,091,997</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2007 £	2006 £
Profit for the financial year	619,604	470,988
Opening equity shareholder's funds	3,472,395	3,001,407
Closing equity shareholder's funds	<u>4,091,999</u>	<u>3,472,395</u>

15. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of £722.5 million of bank borrowings of the group (2006 - £481 million)

16. 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 Ltd which has produced consolidated financial statements that are publicly available

17. RELATED PARTY TRANSACTIONS

On 15 September 2006 the company disposed of its entire investment property portfolio to Bracken House Properties LLP, an entity in which Henry Moser is the controlling party. The properties were sold at market value for a consideration of £96,094, giving a loss on disposal of £6,154.

As a subsidiary undertaking 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 Harpmanor 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.