

SPOT FINANCE LIMITED

Report and Financial Statements

Year-ended 30 June 2006



SPOT FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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SPOT FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
G D Beckett
M R Goldberg
S E Kramrisch

SECRETARY

M J Ridley (appointed 5 April 2006)
G D Beckett (resigned 5 April 2006)

REGISTERED OFFICE

Bracken House
Charles Street
Manchester
M1 7BD

PRINCIPAL BANKERS

Bank of Scotland Corporate Banking
9th Floor
No 1 Marsden Street
Manchester
M2 1HW

AUDITORS

Deloitte & Touche LLP
Manchester

SPOT FINANCE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2006

PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS

The principal activity of the company continues 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 2006 are set out on pages 5 to 11 The profit for the year after tax was £124,323 (2005 - £130,565)

The directors do not recommend the payment of a dividend (2005 - £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 Ltd, 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

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

26 APRIL

2007

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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for 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 SPOT FINANCE LIMITED

We have audited the financial statements of Spot Finance Limited for the year ended 30 June 2006 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

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 directors' report contained in the annual report, 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 2006 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

27 APRIL 2007

SPOT FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2006

	Note	2006 £	2005 £
TURNOVER	2	90,878	190,728
Cost of sales		-	(58)
Gross profit		90,878	190,670
Administrative expenses		14,275	(38,749)
OPERATING PROFIT		105,153	151,921
Interest receivable	4	72,450	34,600
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	177,603	186,521
Tax on profit on ordinary activities	6	(53,280)	(55,956)
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	124,323	130,565

All activity has arisen from continuing operations

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

SPOT FINANCE LIMITED

BALANCE SHEET 30 June 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	7	-	-
CURRENT ASSETS			
Debtors			
- due within one year	8	1,647,144	2,540,077
- due after one year	8	7,846	40,952
Cash at bank and in hand		231	56,348
		<u>1,655,221</u>	<u>2,637,377</u>
CREDITORS: Amounts falling due within one year	9	<u>(110,664)</u>	<u>(1,217,143)</u>
NET CURRENT ASSETS		<u>1,544,557</u>	<u>1,420,234</u>
NET ASSETS		<u>1,554,557</u>	<u>1,420,234</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	<u>1,544,457</u>	<u>1,420,134</u>
EQUITY SHAREHOLDER'S FUNDS	13	<u>1,544,557</u>	<u>1,420,234</u>

These financial statements were approved by the Board of Directors on 26 APRIL 2007

Signed on behalf of the Board of Directors

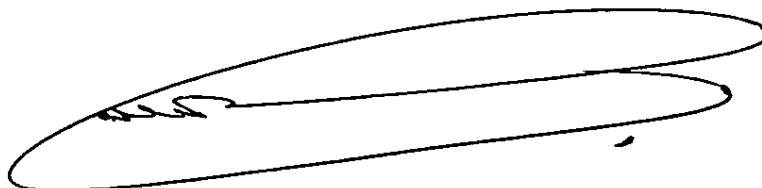
G D Beckett

Director



M R Goldberg

Director



NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current and prior year.

Accounting convention

The financial statements are prepared under the historical cost convention.

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 interest recoverable on loans and commission 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 the financing, including commission 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.

Tangible fixed assets

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

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual value over the expected useful lives. The principal annual rates used are as follows:

Computer equipment - 33% straight line on cost

SPOT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

2 TURNOVER

Turnover, which is wholly derived from within the UK, relates to the principal activity of the company

3. STAFF COSTS

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

4. INTEREST RECEIVABLE

	2006 £	2005 £
Interest receivable	72,450	34,600
	<u>72,450</u>	<u>34,600</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2006 £	2005 £
Profit on ordinary activities before taxation is stated after charging Depreciation – owned assets	-	-
	<u>-</u>	<u>-</u>

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

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

	2006 £	2005 £
Current tax		
UK corporation tax	52,987	54,629
Adjustment in respect of prior years - UK corporation tax	-	-
Total current tax	<u>52,987</u>	<u>54,629</u>
Deferred tax		
Origination and reversal of timing differences	293	1,327
Total deferred tax (see note 10)	<u>293</u>	<u>1,327</u>
Total tax on profit on ordinary activities	<u>53,280</u>	<u>55,956</u>

SPOT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

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

	2006 £	2005 £
Profit on ordinary activities before tax	<u>177,603</u>	<u>186,521</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 – 30%)	53,280	55,956
Effects of Capital allowances in excess of depreciation	-	(22)
Other timing differences	(293)	(1,305)
Current tax charge for year	<u>52,987</u>	<u>54,629</u>

There is no unprovided deferred tax at the year end (2005 - £Nil)

7. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
At 1 July 2005 and 30 June 2006	<u>1,673</u>
Depreciation	
At 1 July 2005	1,673
Charge for the year	-
At 30 June 2006	<u>1,673</u>
Net book value	
At 30 June 2006	-
At 30 June 2005	-

SPOT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

8. DEBTORS

	2006 £	2005 £
Amounts falling due within one year		
Trade debtors	302,086	360,294
Amounts owed by fellow group undertakings	1,341,533	2,176,258
Amounts owed by related undertakings	3,525	3,525
	<u>1,647,144</u>	<u>2,540,077</u>
Amounts falling due after more than one year		
Trade debtors	6,858	39,671
Deferred taxation (see note 10)	988	1,281
	<u>7,846</u>	<u>40,952</u>
	<u><u>1,654,990</u></u>	<u><u>2,581,029</u></u>

Amounts owed by related parties are in respect of invoices paid on behalf of August Blake Developments Limited, a company in which H N Moser is a director and shareholder

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Amounts owed to group undertakings	53,609	1,133,707
Amounts owed to related companies	4,025	4,025
UK corporation tax	52,989	54,629
Accruals and deferred income	41	24,782
	<u>110,664</u>	<u>1,217,143</u>

The amounts owed to related companies are in respect of UK Mortgage Corporation Limited, a company in which H N Moser is a director and shareholder. The balance relates to amounts received by the company that should have been paid to UK Mortgage Corporation Limited

10. DEFERRED TAXATION

	£
Balance at 1 July 2005	1,281
Charge to profit and loss account	(293)
	<u>988</u>
Balance at 30 June 2006	

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

	Provided 2006 £	Provided 2005 £
Depreciation in advance of capital allowances	69	69
Other timing differences	919	1,212
	<u>988</u>	<u>1,281</u>

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

SPOT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

11 CALLED-UP SHARE CAPITAL

	2006 £	2005 £
Authorised, allotted, called-up and fully-paid 100 ordinary shares of £1 each	100	100

12. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2005	1,420,134
Retained profit for the financial year	124,323
At 30 June 2006	1,544,457

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2006 £	2005 £
Profit for the financial year	124,323	130,565
Opening equity shareholder's funds	1,420,234	1,289,669
Closing equity shareholder's funds	1,544,557	1,420,234

14. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of £481 million of bank borrowings of the group (2005 - £313 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 Ltd which has produced consolidated financial statements that are publicly available

16. RELATED PARTY TRANSACTIONS

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

17. 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 Spot Finance 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