Company Registration No. 3459649

HEYWOOD LEASING LIMITED

Report and Financial Statements

Year ended 30 June 2007

REPORT AND FINANCIAL STATEMENTS 2007

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REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
P Heywood
G D Beckett
D M Hyland
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
Spinningfields
Manchester
M3 3AP

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Manchester
United Kingdom

HEYWOOD LEASING 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 is that of financiers

The directors are satisfied with the financial position of the company 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 £85,248 (2006 - £80,405)

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

DIRECTORS AND THEIR INTERESTS

The directors of the company are set out on page 1 All directors served throughout the year, except as noted on page 1

P Heywood owns 10 ordinary shares of £1 each (2006 – 10)

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 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 HEYWOOD LEASING LIMITED

We have audited the financial statements of Heywood Leasing 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 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 other information contained in the annual report, as detailed 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

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2007

	Note	2007 £	2006 £
TURNOVER	2	252,622	321,554
Cost of sales		(18,853)	(42,820)
GROSS PROFIT		233,769	278,734
Administrative expenses		(26,625)	(62,253)
OPERATING PROFIT		207,144	216,481
Interest payable (net)	4	(85,022)	(101,619)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	122,122	114,862
Tax on profit on ordinary activities	6	(36,874)	(34,457)
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	85,248	80,405

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

BALANCE SHEET
30 June 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	348	626
CURRENT ASSETS			
Debtors			
- due within one year	8	851,765	1,003,372
- due after one year	8	516,418	729,173
Cash at bank and in hand		52,389	48,859
		1,420,572	1,781,404
CREDITORS: Amounts falling due within one year	9	(1,146,582)	(1,592,940)
NET CURRENT ASSETS		273,990	188,464
NET ASSETS		274,338	189,090
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account	12	274,238	188,990
EQUITY SHAREHOLDERS' FUNDS	13	274,338	189,090

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 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 year and the prior year

Accounting convention

The financial statements are prepared under the historical cost convention

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 value over their expected useful lives The principal rates are

Computer equipment	33% straight line of cost

Turnover and cost of sales

Turnover consists of interest receivable and related commissions on money lending agreements The interest credit to the profit and loss account is calculated on a straight line basis pro rata to repayments recognised on an accruals basis

Cost of sales includes direct costs of financing arrangements 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

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 2007

2. TURNOVER

Turnover is wholly derived from within the UK and 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 PAYABLE (NET)

	2007 £	2006 £
Bank interest receivable	-	12
Other loans	(85,022)	(101,631)
	(85,022)	(101,619)

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £	2006 £
Profit on ordinary activities is stated after charging		
Depreciation on owned assets	278	208

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

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

	2007 £	2006 £
Current tax		
UK corporation tax	33,000	34,077
Total current tax	33,000	34,077
Deferred tax		
Origination and reversal of timing differences	3,874	380
Total deferred tax (see note 10)	3,874	380
Total tax on profit on ordinary activities	36,874	34,457

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 companies rate of UK corporation tax to the profit before tax is as follows

	2007 £	2006 £
Profit on ordinary activities before tax	122,122	114,862
Tax on profit on ordinary activities at UK corporation tax rate of 30% (2006 – 30%)	36,637	34,459
Effects of		
Capital allowances (less than)/in excess of depreciation	(444)	(641)
Other timing differences	(3,199)	261
Adjustments to tax charge in respect of previous periods	-	(2)
Expenses not deductible	6	-
Current tax charge for year	33,000	34,077

There is no unprovided deferred tax at the year end (2006 - £Nil)

7. TANGIBLE FIXED ASSETS

	Computer equipment £
Cost	
At 1 July 2006	28,334
Disposals	(27,500)
At 30 June 2007	834
Depreciation	
At 1 July 2006	27,708
Disposals	(27,500)
Charge for the year	278
At 30 June 2007	486
Net book value	
At 30 June 2007	348
At 30 June 2006	626

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2007

8 DEBTORS

	2007	2006
	£	£
Amounts falling due within one year		
Trade debtors	786,576	980,281
Amounts due from group companies	65,189	23,091
	851,765	1,003,372
Amounts falling due after more than one year		
Trade debtors	513,210	722,091
Deferred taxation (see note 10)	3,208	7,082
	516,418	729,173
	1,368,183	1,732,545

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Amounts owed to group undertakings	1,111,416	1,557,961
Corporation tax	33,000	34,079
Accruals and deferred income	2,166	900
	1,146,582	1,592,940

The bank overdraft is secured by way of a cross-guarantee amongst all group companies

10. DEFERRED TAXATION

	£
Balance at 1 July 2006	7,082
Charge to profit and loss account	(3,874)
Balance at 30 June 2007	3,208

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

	2007	2006
	£	£
Capital allowances less than depreciation	1,380	1,923
Other timing differences	1,828	5,159
	3,208	7,082

The directors believe that future profitability will be sufficient to ensure that the deferred tax asset is recovered

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2007

11. CALLED-UP SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, called-up and fully-paid		
100 ordinary shares of £1 each	100	100

12. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2006	188,990
Retained profit for the financial year	85,248
At 30 June 2007	274,238

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	85,248	80,405
Opening equity shareholders' funds	189,090	108,685
Closing equity shareholders' funds	274,338	189,090

14. 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)

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 90% 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 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 Heywood Leasing 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