Company Registration No. 2058813

LANCASHIRE MORTGAGE CORPORATION LIMITED

Report and Financial Statements

Year ended 30 June 2012

LANCASHIRE MORTGAGE CORPORATION LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
G Bailey (resigned 6th September 2012)
S P Baker
G D Beckett
M R Goldberg
A J Grant
R Watson

SECRETARY

M J Ridley

REGISTERED OFFICE

Lake View
Lakeside
Cheadle
Cheshire
SK8 3GW

PRINCIPAL BANKERS

The Royal Bank of Scotland Plc
Spinningfields
Manchester
M3 3AP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
PO Box 500
2 Hardman Street
Manchester
M60 2AT

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

ENHANCED BUSINESS REVIEW

The company's principal activity during the year under review continues to be that of financiers The directors do not expect any significant change to the activities of the company A number of key performance indicators (KPIs) are monitored in order to review and control performance, position and liquidity and to plan for the future

Profitability

As shown in the company's profit and loss account on page 8, profit before tax was £0 6m (2011 £5 2m loss) due to an increase in turnover resulting from lower provision levels coupled with a reduction in administration expenses

The directors do not recommend the payment of a dividend (2011 nil)

Position

As shown in note 7 to the financial statements, loan book values (classified as trade debtors) have decreased by 6 0% to £341 8m (2011 £363 6m) Shareholder's funds at 30 June 2012 were £66 2m (2011 £66 2m) The gearing ratio (being the ratio of debt to equity) has decreased to 4 11 1 (2011 4 39 1) reflecting the fact that the company continues to fund a greater proportion of its loan book through reserves For the purposes of calculating the company's gearing ratio the amounts owed to Group Undertakings is treated as 'debt'

Liquidity

The company is financed by other companies in the group and a securitisation facility provided by Charles Street Conduit Asset Backed Securitisation 1 Limited

The ability of the company to service its debts is measured using an interest cover ratio, being profit before tax and interest divided by interest, this was 1 0 1 for the year ended 30 June 2012 (2011 0 8 1) The company closely monitors its cash position and cash utilisation levels on a regular basis taking into consideration the level of redemption activity, recurring income levels and planned expenditure and advance levels Any material deviations are identified and appropriate action taken to ensure that sufficient headroom exists at all times

Non-financial KPIs

The directors support and monitor compliance with the Consumer Credit Act regulations The company is also an Appointed Representative of Cheshire Mortgage Corporation Limited which is regulated by the FSA Employees undertake appropriate training which is supported by operational quality assurance, compliance reviews and internal audit reviews Procedures are established to enhance and monitor quality of compliance including authorisation of procedural and policy changes, sample reviews, employee awareness and training programmes along with employee and customer feedback including the assessment and understanding of complaints received

POST BALANCE SHEET EVENTS

On 28 August 2012, the group renewed and amended the £400m (£378m drawn) syndicated loan facility which was in place at the year end and which was due to expire in November 2012 The new facility of £245m (£240m drawn) expires on 28 August 2015 In addition, on 28 August 2012, the group and the company renewed and amended the £288 5m (£288 5m drawn) securitisation facility and its associated liquidity lines which were in place at the year end and which were due to expire in November 2012 The new facility and its associated liquidity lines of £395 5m (£395 5m drawn) expire on 31 July 2015 The net reduction in the total loan facilities available to the group has been financed through cash reserves

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The company is exposed to changes in economic position of its customers, which may impact adversely on their ability to make loan repayments The level of risk in this respect is driven by both macro-economic factors, such as house prices, as well as by factors relating to specific customers, such as a change in borrowers circumstances Credit risk is managed at loan inception, via stringent underwriting policies with regard to affordability levels, credit worthiness and loan to property value ratios and throughout the life of the loan via monitoring of arrears levels, property loan to value ratios and by applying macroeconomic sensitivity analysis

Interest rate risk

The company's loan book consists primarily of variable rate mortgages This is matched by the company's and group's funding facilities which are subject to monthly movements in the external costs of funds In addition the group has the ability to undertake hedging transactions in order to mitigate potential interest rate risk

Liquidity risk

The company is financed by another group company and a securitisation facility The group and the company closely monitors its cash position and cash utilisation levels on a regular basis taking into consideration the level of redemption activity, recurring income levels and planned expenditure and advance levels to ensure that sufficient headroom exists at all times

On the 28 August 2012 the group renewed and amended its syndication facility with the new facility expiring on the 28 August 2015 Also on the 28 August 2012 the group and the company renewed and amended its securitisation facility with the new facility expiring on the 31 July 2015

Regulatory risk

The company undertakes activities which are regulated by the Office of Fair Trading The group continues to maintain its risk, compliance and internal audit functions as part of its corporate governance structure It also uses third party specialist advisors to support its business operations

Exchange rate risk

All the company's activities are in sterling and are not subject to exchange rate risk

ENVIRONMENT

As the company operates in the financial services sector, its actions do not have a significant environmental impact However, the company does recognise the importance of the environment and acts to minimise its impact on the environment wherever it can, including recycling and reducing energy consumption

DIRECTORS' REPORT (continued)

STATEMENT OF GOING CONCERN

As set out in the Directors' Responsibilities Statement, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors of the company have considered the group's forecast funding and liquidity positions and applied reasonable sensitivities thereon in order to confirm that the preparation of the company's financial statements on a going concern basis is appropriate

The company is part of the group headed by Jerrold Holdings Limited The company is reliant on other companies in the group for a significant proportion of its funding The Board of Jerrold Holdings Limited has confirmed that it is a going concern and that it will provide funding to the company for the foreseeable future

On 28 August 2012, the group renewed and amended the £400m (£378m drawn) syndicated loan facility which was in place at the year end and which was due to expire in November 2012 The new facility of £245m (£240m drawn) expires on 28 August 2015 In addition, on 28 August 2012, the group and the company renewed and amended the £288 5m (£288 5m drawn) securitisation facility and its association liquidity lines which was in place at the year end and which was due to expire in November 2012 The new facility and its associated liquidity lines of £395 5m (£395 5m drawn) expire on 31 July 2015

The group syndicated loan facility is made between The Royal Bank of Scotland plc, Lloyds TSB Bank plc, National Australia Bank Limited and Co-operative Bank plc (as Mandated Lead arrangers), The Royal Bank of Scotland plc, as Agent and Security Agent, and all of the trading, non trading and dormant group subsidiary companies as listed in the notes of the accounts of Jerrold Holdings Limited

The securitisation facility is made between Charles Street Conduit Asset Backed Securitisation 1 Limited, as Loan Purchaser and Note Issuer, The Royal Bank of Scotland plc as Facility Agent, Liquidity Facility provider, Standby Cash Administrator and Security Trustee, Blemain Finance Limited, Bridging Finance Limited, Cheshire Mortgage Corporation Limited, Harpmanor Limited, Lancashire Mortgage Corporation Limited and Auction Finance Limited as Originators, Servicers and Subscription Noteholders, Jerrold Holdings Limited as Cash Administrator and Guarantor, National Westminster Bank plc as Account Bank, Thames Asset Global Securitization No 1 INC, National Australia Bank Limited and Gresham Receivables (No 20) Limited as Loan Note Purchasers, and Lloyds TSB Bank Plc as Gresham's Agent

On the basis that the group and company have adequate funding as detailed above, together with the financial position of the company, the directors have a reasonable expectation that, despite the continued economic conditions, the group will have sufficient funding and liquidity facilities to ensure that it will continue in operational existence for the foreseeable future Accordingly the directors of the company have adopted the going concern basis in preparing financial statements

DIRECTORS' REPORT (continued)

DIRECTORS

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

DIRECTORS INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

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 of which the company's auditor is 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 and to establish that the company's auditor is aware of that information

This statement is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

AUDITOR

A resolution to re-appoint Deloitte LLP as the company's auditor 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
25 OCTOBER 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANCASHIRE MORTGAGE CORPORATION LIMITED

We have audited the financial statements of Lancashire Mortgage Corporation Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Peter Birch (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
26th October 2012

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2012

	Note	2012 £	2011 £
TURNOVER	2	30,032,864	27,535,870
Cost of sales		(570,017)	(645,643)
GROSS PROFIT		29,462,847	26,890,227
Administrative expenses		(8,460,988)	(10,249,728)
OPERATING PROFIT		21,001,859	16,640,499
Interest payable and similar charges	4	(20,364,043)	(21,864,630)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	637,816	(5,224,131)
Tax on profit/(loss) on ordinary activities	6	(599,183)	(73,901)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	12	38,633	(5,298,032)

All activity has arisen from continuing operations

There were no recognised gains or losses in either year other than the result for that year shown above Accordingly, a separate statement of total recognised gains and losses has not been presented

BALANCE SHEET
As at 30 June 2012

	Note	2012 £	2011 £
CURRENT ASSETS			
Debtors			
- due within one year	7	197,442,114	206,983,987
- due after one year	7	145,102,562	157,393,845
Cash at bank and in hand		239,834	-
		342,784,510	364,377,832
CREDITORS: Amounts falling due within one year	8	(57,393,965)	(73,350,254)
NET CURRENT ASSETS		285,390,545	291,027,578
CREDITORS: Amounts falling due after more than one year	9	(219,145,537)	(224,821,203)
NET ASSETS		66,245,008	66,206,375
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	66,245,006	66,206,373
SHAREHOLDER'S FUNDS	13	66,245,008	66,206,375

These financial statements were approved by the Board of Directors on 25 OCTOBER 2012

Company Registration No 2058813

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 2012

1. ACCOUNTING POLICIES

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

Accounting convention

The company prepares its accounts under the historic cost convention and on the going concern basis The directors continue to adopt the going concern basis as disclosed in the Directors' Report - Statement of Going Concern

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 Limited which has produced consolidated financial statements that are publicly available

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 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

Cost of sales includes the direct costs of financing, including commissions payable

Provisions for 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 Incurred but not reported loss 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

1 ACCOUNTING POLICIES (continued)

Loan notes

Loan notes are recognised at amortised cost Interest and fees payable to the loan note holders during the financial period are recognised in the profit and loss account over the term of the notes using the effective interest rate method

Interest payable and similar charges

Finance costs of financial liabilities are recognised in the profit and loss account over the term of the facilities at the applicable rates on the carrying amounts in the financial period

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

Directors' emoluments are borne by a fellow subsidiary company of Jerrold Holdings Limited, Blemain Finance Limited

4. FINANCE CHARGES

	2012 £	2011 £
Interest payable and similar charges		
Interest payable on intragroup loans	(17,989,521)	(19,275,589)
Discount and fees payable on loan notes	(2,370,048)	(2,589,041)
Other interest	(4,474)	-
	(20,364,043)	(21,864,630)

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee was borne by another group undertaking

6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge comprises

	2012 £	2011 £
Current tax		
- UK corporation tax	536,468	-
Total current tax	536,468	-
Deferred tax		
Origination and reversal of timing differences	62,923	73,916
Adjustment in respect of prior years	(208)	(15)
Total deferred tax (see note 10)	62,715	73,901
Total tax on profit/(loss) on ordinary activities	599,183	73,901

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 loss before tax are as follows

	2012 £	2011 £
Profit / (loss) on ordinary activities before tax	637,816	(5,224,131)
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 25 5% (2011 27 5%)	162,661	(1,436,708)
Effects of		
Group relief	-	1,465,065
Expenses not deductable for tax purposes	401,996	8,514
Capital allowances in excess of depreciation	(22)	(30)
Other timing differences	(27,963)	(36,841)
Utilisation of tax losses	(204)	-
Current tax charge for year	536,468	-

The main rate of corporation tax reduced from 26% to 24% from 1 April 2012 resulting in a standard rate of corporation tax for the year to 30 June 2012 of 25 5% Expenses not deductible for tax purposes arise on interest charged on related party loans that has not been recognised during the year due to concerns over recoverability

There is no unprovided deferred tax at the year end (2011 £nil)

7. DEBTORS

	2012 £	2011 £
Amounts falling due within one year		
Trade debtors	197,219,750	206,705,675
Prepayments	16,260	83,590
Other debtors	206,104	194,722
	197,442,114	206,983,987
Amounts falling due after more than one year		
Trade debtors	144,579,730	156,914,567
Amounts owed by fellow group undertakings	112,645	6,376
Deferred taxation (see note 10)	410,187	472,902
	145,102,562	157,393,845
	342,544,676	364,377,832

Included in trade debtors is £955,303 (2011 £1,270,303) loaned to August Blake Developments Limited, £7,244,788 (2011 £4,976,787) loaned to Edgworth Developments Limited and £5,387,759 (2011 £5,536,023) loaned to Sunnywood Estates Limited H N Moser is a director and shareholder of each of these companies All loans are on a commercial basis and secured on the assets of that company

Included within Trade Debtors are mortgage assets totalling £72,368,933 (2011 £89,129,801) which is funded through a securitisation vehicle The remainder of the loan book is funded by amounts owed to group undertakings and reserves

The terms of the intercompany loan result in the balance not being repayable prior to 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 30 June 2012

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Bank loans and overdrafts	-	731,118
Loan notes	53,061,412	65,093,201
Trade creditors	2,966	4,145
Corporation tax	536,468	-
Other taxes and social security	757	474
Accruals and deferred income	2,700,080	3,698,331
Other creditors	1,092,282	3,822,985
	57,393,965	73,350,254

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

The loan notes are provided through a securitisation vehicle They are transacted at market value and carry a fixed rate discount They are secured on specific loan assets All loan notes revolve within a three month period and were, where appropriate, supported by a revolving liquidity line which was due for renewal in November 2012 On 28 August 2012, the securitisation facility and its associated liquidity lines was renewed and amended with a new expiry date of 31 July 2015

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Amounts owed to group undertakings	219,145,537	224,821,203

Borrowings are repayable as follows

	2012 £	2011 £
Less than one year	53,061,412	65,824,319
Between one and two years	219,145,537	224,821,203
	272,206,949	290,645,522

The terms of the intercompany loan result in the balance not being repayable prior to 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 30 June 2012

10. DEFERRED TAXATION

	£
Balance at 1 July 2011	472,902
Charge to profit and loss account	(62,715)
Balance at 30 June 2012	410,187

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

	2012 £	2011 £
Capital allowances in advance of depreciation	84	114
Other timing differences	410,103	472,788
	410,187	472,902

The directors believe that future profits will be sufficient to ensure that the deferred taxation asset is recovered

11. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid		
2 ordinary shares of £1 each	2	2

12. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2011	66,206,373
Retained profit for the financial year	38,633
At 30 June 2012	66,245,006

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
Opening shareholder's funds	66,206,375	71,504,407
Profit / (loss) for the financial year	38,633	(5,298,032)
Closing shareholder's funds	66,245,008	66,206,375

14. CONTINGENT LIABILITY

As at 30 June 2012 the company's assets were subject to a fixed and floating charge in respect of £378m of bank borrowings of the group (2011 £378m) This charge has been replaced with a fixed and floating charge in respect of £245m of bank borrowings of the group on 28 August 2012

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 30 June 2012

15. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary undertaking of Jerrold Holdings Limited, 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 Limited

Details relating to other related party transactions are contained in note 8 of the accounts

16. ULTIMATE PARENT COMPANY

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

The largest and smallest group of which Lancashire Mortgage Corporation Limited is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings Limited, whose principal place of business is at Lakeview, Lakeside, Cheadle, Cheshire, SK8 3GW

H N Moser, a director of Jerrold Holdings Limited, and members of his close family, control the company as a result of controlling directly or indirectly 70% of the voting rights of Jerrold Holdings Limited