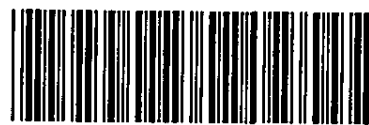


**HARPMANOR LIMITED**

**Report and Financial Statements**

**Year ended 30 June 2010**

WEDNESDAY



\*A84P4RPV\*

A08

16/02/2011

206

COMPANIES HOUSE

# **HARPMANOR LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2010**

### **CONTENTS**

### **Page**

<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8</b>

# **HARPMANOR LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2010**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

H N Moser  
S P Baker  
S Bean (resigned 3 August 2010)  
G D Beckett  
M R Goldberg  
A J Grant  
A G Lawton (resigned 3 August 2010)  
M J Ridley (resigned 3 August 2010)

#### **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 LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
M60 2AT

# **HARPMANOR LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2010

### **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 directors do not expect any significant change to the activities of the company

The company qualifies as small in accordance with the provisions of S382(3) of the Companies Act 2006 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 2010 are set out on pages 6 to 12. The profit for the year after tax was £848,901 (2009 £592,264)

The directors do not recommend the payment of a dividend (2009 £nil)

### **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 facilities insofar as to the extent to which they might affect the preparation of the company's financial statements on a going concern basis

Current group funding primarily consists of a £378m drawn syndicated loan facility (made between Royal Bank of Scotland plc, as Agent and Security Agent, and all of the trading and non trading group subsidiary companies as listed in Note 9 of the Jerrold Holdings Limited accounts) and a £375m drawn revolving securitisation facility (made between Charles Street Conduit Asset Backed Securitisation 1 Limited, as Purchaser, Royal Bank of Scotland plc as Facility Agent, Bleman Finance Limited, Bridging Finance Limited, Cheshire Mortgage Corporation Limited, Harpmanor Limited, Lancashire Mortgage Corporation Limited and Auction Finance Limited as Originators and Servicers)

The syndicated facility is not due for renewal until 9 November 2012. The securitised facility is supported by a revolving 364 day liquidity facility which was renewed on 11 November 2010. Based on recent successful renewal experience and the lack of receipt of any indication to the contrary from the relevant parties, the directors are of the opinion that the securitised facility will be renewed substantially in the same form as forecast

The company has liabilities due within one year greater than assets due within one year as a result of the revolving loan notes being classified as current liabilities. The terms of these liabilities are that they renew every three months and are underpinned by the liquidity facility detailed above

On the basis that the group and company have adequate funding, together with their current performance and financial position, the directors have a reasonable expectation that, despite the uncertainty in market 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**

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

# HARPMANOR LIMITED

## DIRECTORS' REPORT (continued)

### AUDIT INFORMATION

In the case of each of the persons who are directors of the company at the date when this report is approved

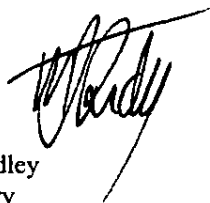
- as far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any audit information and to establish that the company's auditors are aware of that information

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

### AUDITORS

A resolution to re-appoint Deloitte 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

10<sup>th</sup> Feb 2011

# **HARPMANOR LIMITED**

## **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, 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 AUDITORS' REPORT TO THE MEMBERS OF HARPMANOR LIMITED**

We have audited the financial statements of Harpmanor Limited for the year ended 30 June 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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 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 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 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 (APB'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.

### **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 2010 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Stephen Williams (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Manchester, United Kingdom

10 FEBRUARY 2011

# HARPMANOR LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2010

	Note	2010 £	2009 £
<b>TURNOVER</b>	2	1,828,516	1,196,874
Cost of sales		<u>(362,329)</u>	<u>(209,151)</u>
<b>GROSS PROFIT</b>		1,466,187	987,723
Administrative expenses		<u>(247,914)</u>	<u>(116,055)</u>
<b>OPERATING PROFIT</b>		1,218,273	871,668
Interest payable and similar charges	5	(108,469)	(74,211)
Interest receivable and similar income	5	<u>69,225</u>	<u>24,756</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	1,179,029	822,213
Tax on profit on ordinary activities	6	<u>(330,128)</u>	<u>(229,949)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	12	<u>848,901</u>	<u>592,264</u>

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. Accordingly, a statement of total recognised gains and losses has not been presented.



# HARPMANOR LIMITED

## BALANCE SHEET

30 June 2010

	Note	2010 £	2009 £
<b>CURRENT ASSETS</b>			
Debtors			
- due within one year	7	5,627,667	5,124,965
- due after one year	7	6,040,533	2,833,971
Cash at bank and in hand		26,030	134,865
		<u>11,694,230</u>	<u>8,093,801</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>(5,676,326)</u>	<u>(2,917,953)</u>
<b>NET CURRENT ASSETS</b>		<u>6,017,904</u>	<u>5,175,848</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>(3,000)</u>	<u>(9,845)</u>
<b>NET ASSETS</b>		<u>6,014,904</u>	<u>5,166,003</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account	12	<u>6,014,902</u>	<u>5,166,001</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>	13	<u>6,014,904</u>	<u>5,166,003</u>

These financial statements were approved by the Board of Directors on *10 FEB* 2011

Company Registration No 1954109

Signed on behalf of the Board of Directors

G D Beckett  
Director



M R Goldberg  
Director



# HARPMANOR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding 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.

#### 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, fees 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 the financing, any fees and 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. 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.

#### 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.

# HARPMANOR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2010

### 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

The Directors of the company may also be Directors of other Jerrold Holdings Limited group companies. Directors received collective remuneration of £1,984,000 (2009 £1,905,000) in respect of services to the group. It is not however, practicable to allocate this between individual group companies.

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee of £618 (2009 £600) was borne by another group undertaking

### 5. FINANCE CHARGES

	2010 £	2009 £
<i>Interest payable and similar charges</i>		
Interest payable on intragroup loans	-	-
Discount payable on loan notes	(108,469)	(74,211)
	<u>(108,469)</u>	<u>(74,211)</u>

	2010 £	2009 £
<i>Interest receivable and similar income</i>		
Interest receivable on intragroup loans	69,225	24,741
Other interest receivable	-	15
	<u>69,225</u>	<u>24,756</u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

	2010 £	2009 £
<b>Current tax</b>		
UK corporation tax	335,567	230,454
Adjustment in respect of prior years - UK corporation tax	-	(270)
<b>Total current tax</b>	<u>335,567</u>	<u>230,184</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,439)	(235)
<b>Total deferred tax (see note 10)</b>	<u>(5,439)</u>	<u>(235)</u>
<b>Total tax on profit on ordinary activities</b>	<u><u>330,128</u></u>	<u><u>229,949</u></u>

# HARPMANOR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2010

### 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 are as follows

	2010 £	2009 £
<b>Profit on ordinary activities before tax</b>	<u>1,179,029</u>	<u>822,213</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2009 28%)	330,128	230,219
Effects of Other timing differences	5,439	235
Adjustments to tax charge in respect of previous periods	<u>-</u>	<u>(270)</u>
<b>Current tax charge for year</b>	<u><u>335,567</u></u>	<u><u>230,184</u></u>

#### Post balance sheet events

As a result of the post-election Budget announced by the Chancellor of the Exchequer enacted into United Kingdom law in July 2010, the corporation tax for large companies in the United Kingdom will reduce from 28% to 27% from April 2011. Further reductions from 27% to 24% over the subsequent three years have been announced but are not yet enacted into United Kingdom law.

### 7. DEBTORS

	2010 £	2009 £
Amounts falling due within one year		
Trade debtors	5,626,045	5,124,775
Prepayments	1,622	190
	<u>5,627,667</u>	<u>5,124,965</u>
Amounts falling due after more than one year		
Trade debtors	5,455,324	2,091,234
Amounts owed by group undertakings	569,617	732,584
Deferred taxation (see note 10)	15,592	10,153
	<u>6,040,533</u>	<u>2,833,971</u>
	<u><u>11,668,200</u></u>	<u><u>7,958,936</u></u>

Included within Trade Debtors are mortgage assets totalling £6,150,092 (2009 £2,902,543) which is funded through a securitisation vehicle.

In the current year, the terms of the intercompany loan were extended, resulting in the balance not being repayable prior to 31 March 2012.

# HARPMANOR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2010

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Loan notes	4,801,965	2,459,799
Corporation tax	167,784	115,227
Other Creditors	22,389	20,109
Accruals and deferred income	684,188	322,818
	<u>5,676,326</u>	<u>2,917,953</u>

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 are supported by a revolving 364 day liquidity facility which was renewed on 11 November 2010.

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

	2010	2009
	£	£
Amounts owed to group undertakings	3,000	9,845
	<u>3,000</u>	<u>9,845</u>
Borrowings are repayable as follows		
Within one year	4,801,965	2,459,799
Between two and five years	3,000	9,845
	<u>4,804,965</u>	<u>2,469,644</u>

In the current year, the terms of the intercompany loan were extended, resulting in the balance not being repayable prior to 31 March 2012.

### 10. DEFERRED TAX ASSET

	£
Balance at 1 July 2009	10,153
Credit to profit and loss account	5,439
	<u>15,592</u>
Balance at 30 June 2010	<u>15,592</u>

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

	2010	2009
	£	£
Other timing differences	<u>15,592</u>	<u>10,153</u>

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

# HARPMANOR LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 June 2010

### 11. CALLED UP SHARE CAPITAL

	2010	2009
	£	£
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 2009	5,166,001
Retained profit for the financial year	<u>848,901</u>
At 30 June 2010	<u>6,014,902</u>

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

	2010	2009
	£	£
Opening equity shareholder's funds	5,166,003	4,573,739
Profit for the financial year	<u>848,901</u>	<u>592,264</u>
Closing equity shareholder's funds	<u>6,014,904</u>	<u>5,166,003</u>

### 14. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of £378 million of bank borrowings of the group (2009 £378 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 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

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