

**Company Registration No. 3112042**

**PRIVILEGED PROPERTIES (NORTHERN)  
LIMITED**

**Report and Financial Statements**

**Year ended 30 June 2011**

**WEDNESDAY**



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# **PRIVILEGED PROPERTIES (NORTHERN) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

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# **PRIVILEGED PROPERTIES (NORTHERN) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

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

### **SECRETARY**

M J Ridley

### **REGISTERED OFFICE**

Bracken House  
Charles Street  
Manchester  
M1 7BD

### **PRINCIPAL BANKERS**

The Royal Bank of Scotland Plc  
Spinningfields  
Manchester  
M3 3AP

### **AUDITOR**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester  
M60 2AT

# **PRIVILEGED PROPERTIES (NORTHERN) LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

## **PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS**

The company's principal activity is that of a property holding company although the company has not traded in the current or preceding year

The directors consider the results for the year to be in line with expectations. 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 its requirement to prepare an enhanced business review

## **RESULTS AND DIVIDENDS**

The audited financial statements for the year ended 30 June 2011 are set out on pages 7 to 11. The profit for the year after tax was £1,795 (2010 £1,893)

The directors of the company do not recommend the payment of a dividend (2010 £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 The 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 £323m drawn revolving securitisation facility (made between Charles Street Conduit Asset Backed Securitisation 1 Limited, as Purchaser, The Royal Bank of Scotland plc as Facility Agent, Blemain 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 due for renewal on 9 November 2012. The securitised facility is supported by a revolving 364 day liquidity facility which is due for renewal on 11 November 2011. 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

On this basis 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 of the 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

# PRIVILEGED PROPERTIES (NORTHERN) 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 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



27 October 2011

## **PRIVILEGED PROPERTIES (NORTHERN) 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 AUDITOR'S REPORT TO THE MEMBERS OF PRIVILEGED PROPERTIES (NORTHERN) LIMITED**

We have audited the financial statements of Privileged Properties (Northern) Limited for the year ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 2011 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
PRIVILEGED PROPERTIES (NORTHERN) LIMITED**

**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



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

30/10/2011



## PRIVILEGED PROPERTIES (NORTHERN) LIMITED

### PROFIT AND LOSS ACCOUNT

Year ended 30 June 2011

	Note	2011 £	2010 £
Interest receivable and similar income	3	<u>1,795</u>	<u>1,725</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	1,795	1,725
Tax on profit on ordinary activities	5	<u>-</u>	<u>168</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	8	<u><u>1,795</u></u>	<u><u>1,893</u></u>

All activity has arisen from continuing operations

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

# PRIVILEGED PROPERTIES (NORTHERN) LIMITED

## BALANCE SHEET


As at 30 June 2011


	Note	2011 £	2010 £
<b>CURRENT ASSETS</b>			
Debtors			
- due after one year	6	24,323	22,528
Cash at bank and in hand		100	100
		<u>24,423</u>	<u>22,628</u>
<b>NET ASSETS</b>			
		<u>24,423</u>	<u>22,628</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	100	100
Profit and loss account	8	24,323	22,528
		<u>24,423</u>	<u>22,628</u>
<b>SHAREHOLDER'S FUNDS</b>			
	9	<u>24,423</u>	<u>22,628</u>

These financial statements were approved by the Board of Directors on *22 October* 2011

Company Registration No 3112042

Signed on behalf of the Board of Directors

  
G D Beckett  
Director

  
M R Goldberg  
Director

# PRIVILEGED PROPERTIES (NORTHERN) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2011

### 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.

#### 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.

### 2. 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, Bleman Finance Limited. No emoluments were paid by the company to the directors during the year (2010: £nil).

## PRIVILEGED PROPERTIES (NORTHERN) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

#### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £	2010 £
Interest receivable on intragroup balances	1,795	1,725

#### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee of £448 (2010 £433) was borne by a fellow group undertaking

#### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit comprises

	2011 £	2010 £
<b>Current tax</b>		
Adjustment in respect of previous periods	-	(168)
<b>Total current tax</b>	-	(168)

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

	2011 £	2010 £
<b>Profit on ordinary activities before tax</b>	1,795	1,725
Tax on profit on ordinary activities at standard UK corporation tax rate of 27.5% (2010 28%)	494	483
Effects of Group relief	(494)	(483)
Adjustments in respect of prior years	-	(168)
<b>Current tax credit for year</b>	-	(168)

The main rate of corporation tax reduced from 28% to 26% from 1 April 2011 resulting in a standard rate of corporation tax for the year to 30 June 2011 of 27.5%

#### 6. DEBTORS

	2011 £	2010 £
Amounts falling due after more than one year		
Amounts owed by group undertakings	24,323	22,528

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

## PRIVILEGED PROPERTIES (NORTHERN) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 30 June 2011

#### 7. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Authorised, allotted, called-up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### 8. RESERVES

	Profit and loss reserve £
At 1 July 2010	22,528
Profit for the financial year	<u>1,795</u>
At 30 June 2011	<u>24,323</u>

#### 9. RECONCILIATION OF SHAREHOLDER'S FUNDS

	2011 £	2010 £
Opening shareholder's funds	22,628	20,735
Profit for the financial year	<u>1,795</u>	<u>1,893</u>
Closing shareholder's funds	<u>24,423</u>	<u>22,628</u>

#### 10. 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 (2010 £378 million)

#### 11. 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

#### 12. RELATED PARTY TRANSACTIONS

As a wholly owned 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

#### 13. 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 Privileged Properties (Northern) 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