
Factfocus Limited

Report and Financial Statements

◆ *Year ended 30 June 1996* ◆

COMPANY NO: 1402330

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FACTFOCUS LIMITED

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FACTFOCUS LIMITED

COMPANY INFORMATION

Directors	H N Moser C J Punshon S E Kramrisch
Secretary	M B Richards
Registered office	Bracken House Charles Street Manchester M1 7BD
Registered number	1402330
Auditors	Robson Rhodes Chartered Accountants Colwyn Chambers 19 York Street Manchester M2 3BA
Bankers	National Westminster Bank Plc 55 King Street Manchester M60 2DB

FACTFOCUS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 30 June 1996.

Principal activity

The principal activities of the company continued to be those of financiers, property developers and property rentals.

Business review and future developments

The directors consider the results for the year to be satisfactory and look forward to the future with confidence.

Results and dividend

The results for the period are set out in detail on page 5. The directors do not recommend the payment of a dividend.

Directors

The present directors of the company are set out on page 1. All of the directors served throughout the year.

Mr H N Moser is a director of the company's parent company, Blemain Group plc and, as such, his interest in the share capital of that company is disclosed in its directors report. None of the other directors have an interest in the share capital of the company. No director has, or had any material interest in any contract or agreement entered into by the company during the year.

Payments to suppliers

The company agrees terms and conditions for its transactions with suppliers. Payment is then made, subject to the terms and conditions being met by the supplier.

Auditors

Robson Rhodes are willing to continue in office and are deemed to be reappointed in accordance with the elective resolution currently in force.

FACTFOCUS LIMITED

REPORT OF THE DIRECTORS **(Continued)**

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The report of the directors was approved by the Board on 18 April 1997 and signed on its behalf by:



Martin Basil Richards
Secretary

FACTFOCUS LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
FACTFOCUS LIMITED**

We have audited the financial statements on pages 5 to 16 which have been prepared on the basis of the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of affairs of the company as at 30 June 1996 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Manchester
18 April 1997

FACTFOCUS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30 June 1996

	Note	1996 £	1995 Restated £
Turnover: continuing operations	1 & 2	1,498,592	1,735,636
Cost of sales		(372,581)	(673,144)
		<hr/>	<hr/>
Gross profit		1,126,011	1,062,492
Administrative expenses		(494,833)	(410,547)
		<hr/>	<hr/>
Operating profit: continuing operations	3	631,178	651,945
Gain arising on disposal of investment properties		1,024	6,890
Income from fixed asset investments	4	3,938	15,343
Interest payable	5	(352,828)	(316,047)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		283,312	358,131
Tax on profit on ordinary activities	6	(68,818)	(99,333)
		<hr/>	<hr/>
Retained profit for the year	19	214,494	258,798
		<hr/> <hr/>	<hr/> <hr/>

FACTFOCUS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
for the year ended 30 June 1996

	Note	1996 £	1995 Restated £
Profit for the year		214,494	258,798
Unrealised surplus/(deficit) on revaluation of investment properties		28,893	(12,184)
Total recognised gains relating to the year		243,387	246,614
Prior year adjustment	9	394,233	-
		637,620	246,614

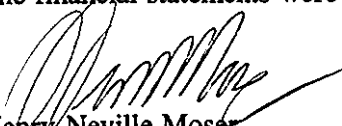
RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
for the year ended 30 June 1996

	1996 £	1995 Restated £
Total recognised gains	243,387	246,614
Opening shareholders' funds	7,800,729	7,554,115
Closing shareholders' funds	8,044,116	7,800,729

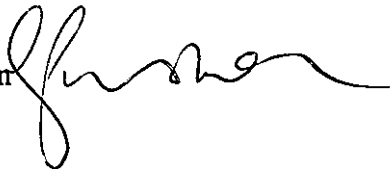
FACTFOCUS LIMITED**BALANCE SHEET**
at 30 June 1996

	Note	1996 £	1995 Restated £
Fixed assets			
Investment properties	10	4,259,457	2,577,378
Other tangible assets	11	4,104	8,052
Investments	12	108,350	109,617
		<u> </u>	<u> </u>
		4,371,911	2,695,047
		<u> </u>	<u> </u>
Current assets			
Stocks	13	1,255,046	953,221
Debtors due after one year	14	465,354	1,149,865
Debtors due within one year	14	8,200,167	8,206,791
Cash at bank and in hand		200	-
		<u> </u>	<u> </u>
		9,920,767	10,309,877
		<u> </u>	<u> </u>
Creditors: Amounts falling due within one year	15	(4,842,411)	(3,758,313)
		<u> </u>	<u> </u>
Net current assets		5,078,356	6,551,564
		<u> </u>	<u> </u>
Total assets less current liabilities		9,450,267	9,246,611
		<u> </u>	<u> </u>
Creditors: Amounts falling due after more than one year	16	(1,406,151)	(1,436,882)
Provision for liabilities and charges	17	-	(9,000)
		<u> </u>	<u> </u>
Net assets		8,044,116	7,800,729
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	18	200,000	200,000
Profit and loss account	19	7,663,680	7,449,186
Revaluation reserve	19	180,436	151,543
		<u> </u>	<u> </u>
Equity shareholders' funds		8,044,116	7,800,729
		<u> </u>	<u> </u>

The financial statements were approved by the Board on 18 April 1997 and signed on its behalf by:


Henry Neville Moser
Director

Colin John Punshon
Director



NOTES TO THE FINANCIAL STATEMENTS
30 June 1996

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of investment properties and listed investments. The financial statements are prepared in accordance with applicable accounting standards including SSAP 19, which unlike the detailed rules of the Companies Act does not require depreciation of freehold and long leasehold investment properties. In addition, grants received in respect of investment properties under construction have been deducted from the cost of such assets, which is also not in accordance with the detailed rules of the Companies Act. The lack of depreciation and treatment of grants are necessary to give a true and fair view for the reason explained below in the investment properties accounting policy note.

The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of Blemain Group plc which publishes a consolidated cash flow statement.

Turnover

Turnover, which is derived wholly within the UK, consists of proceeds of properties disposed of which were previously held for resale, interest received and related commissions on money lending agreements and rental income. The interest credit to the profit and loss account is calculated on a straight line basis pro rata to repayments recoverable on accruals basis.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Tangible fixed assets and depreciation

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

Motor vehicles	25% reducing balance
Office equipment	20% on cost
Computer equipment	33 $\frac{1}{3}$ % on cost

Fixed assets investments

Investments in listed companies are included at market value.

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 June 1996

1. ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties where construction and development work have been completed are revalued annually at open market value and the surplus or deficit is transferred to investment property revaluation reserve. As these properties are held for investment purposes, not consumption, depreciation is not considered to be relevant.

In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise be shown cannot be separately identified or quantified.

Gains/(losses) arising on the disposal of investment properties, as included in the profit and loss account, are based on the carrying value of the related property at the date of disposal.

Investment properties where construction and development work has not been completed are stated at cost less grants received.

Grants received in respect of investment properties under construction have been deducted from the cost of such assets. This is not in accordance with Schedule 4 to the Companies Act 1985, which requires assets to be shown at their purchase price or production cost and hence grants would be shown as deferred income. This departure from the requirements of the Act is, in the opinion of the directors, necessary to give a true and fair view as no provision is made for depreciation and any grants would not be taken to the profit and loss account. The effect of this departure is that the net book value of investment properties is £92,000 lower than it would otherwise have been.

Stocks

Properties held for resale are valued at the lower of cost and estimated net realisable value. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

2. TURNOVER

	1996	1995
	£	Restated £
Disposal of property proceeds	343,936	765,279
Loan interest and commissions	664,880	739,045
Rental income	489,776	231,312
	<hr/>	<hr/>
	1,498,592	1,735,636
	<hr/>	<hr/>

FACTFOCUS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
30 June 1996**3. OPERATING PROFIT**

Operating profit is arrived at after (crediting)/charging:

	1996 £	1995 £
Bad and doubtful debt credit	(77,093)	(19,076)
Auditors' remuneration	7,250	7,750
Depreciation of tangible fixed assets	4,798	4,613
	<u> </u>	<u> </u>

4. INCOME FROM FIXED ASSET INVESTMENTS

	1996 £	1995 £
Income from listed investments	3,938	2,933
Amount released against listed investments	-	12,410
	<u> </u>	<u> </u>
	3,938	15,343
	<u> </u>	<u> </u>

5. INTEREST PAYABLE

	1996 £	1995 £
Bank loans and overdrafts	217,116	202,478
Other loans	117,829	114,438
Other interest	16,616	(869)
Provision against listed investment	1,267	-
	<u> </u>	<u> </u>
	352,828	316,047
	<u> </u>	<u> </u>

FACTFOCUS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
30 June 1996**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1996	1995
	£	Restated £
Corporation tax	94,706	100,373
Adjustment to prior period	(16,888)	(1,040)
Transfer from deferred taxation	(9,000)	-
	<u>68,818</u>	<u>99,333</u>

7. EMPLOYEES

	1996	1995
	£	£
Staff costs, including directors:		
Wages and salaries	249,449	23,422
Social security costs	5,049	2,598
	<u>254,498</u>	<u>26,020</u>

The average weekly number of employees, including directors, during the year was made up as follows:

	1996	1995
	No	No
Office and management	5	3

8. DIRECTORS**Emoluments of the company's directors**

	1996	1995
	£	£
As directors	-	-
Remuneration as executives	<u>228,140</u>	<u>17,035</u>

The emoluments of the chairman, who is also the highest paid director was £228,140 (1995: £17,035) exclusive of pension contributions. No other director received any emoluments from the company.

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 June 1996

9. PRIOR YEAR ADJUSTMENT

Previously, the company did not recognise interest income on loans until repayments were received or final realisation or otherwise of the underlying security. As a result of a change in taxation legislation, income on loans is now recognised and accrued as repayments fall due and are deemed to be recoverable. The effect of this change in policy has been to increase profit before tax by £73,602 in the year under review (1995: £113,253).

10. INVESTMENT PROPERTIES

	Freehold £
At 1 July 1995	2,577,378
Additions	1,755,487
Grants received	(92,000)
Disposals	(10,301)
Revaluation	28,893
	<hr/>
Open market value at 30 June 1996	4,259,457
	<hr/> <hr/>

Investment properties where construction and development work have been completed have been valued on an open market basis by the directors as at 30 June 1996.

If investment properties had not been revalued, they would have been included in the balance sheet at £4,079,021.

FACTFOCUS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
30 June 1996**11. OTHER FIXED ASSETS**

	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 July 1995	16,805	-	16,805
Additions	-	850	850
	<hr/>	<hr/>	<hr/>
At 30 June 1996	16,805	850	17,655
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 1995	8,753	-	8,753
Charged in year	4,727	71	4,798
	<hr/>	<hr/>	<hr/>
At 30 June 1996	13,480	71	13,551
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 1996	3,325	779	4,104
	<hr/>	<hr/>	<hr/>
At 30 June 1995	8,052	-	8,052
	<hr/>	<hr/>	<hr/>

12. FIXED ASSET INVESTMENTS

	1996	1995
	£	£
Listed investments at market value	108,350	109,617
	<hr/>	<hr/>

The cost of the above investments at 30 June 1996 was £193,797 (1995: £193,797).

13. STOCKS

	1996	1995
	£	£
Properties held for resale	1,255,046	953,221
	<hr/>	<hr/>

FACTFOCUS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
30 June 1996****14. DEBTORS**

	1996	1995
	£	Restated £
Trade debtors falling due within one year	2,213,906	2,621,751
Amount owed by group undertakings: fellow subsidiaries	5,913,533	5,486,130
Amount owed by related companies	72,509	86,661
Other debtors	219	6,109
Prepayments and accrued income	-	6,140
	<hr/>	<hr/>
	8,200,167	8,206,791
Trade debtors falling due after more than one year	465,354	1,149,865
	<hr/>	<hr/>
	8,665,521	9,356,656
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by related companies are in respect of Tennisview Limited and Basilgrove Limited, companies related by way of a common director.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£	Restated £
Secured loan	500,000	-
Bank overdraft (secured)	2,520,526	2,618,502
Amounts owed to group undertakings: fellow subsidiaries	921,067	499,432
Corporation tax	191,742	284,345
Other taxation and social security	23,052	28,610
Other creditors	480,121	129,888
Accruals	182,903	182,536
Amount owed to related company	23,000	15,000
	<hr/>	<hr/>
	4,842,411	3,758,313
	<hr/> <hr/>	<hr/> <hr/>

The bank overdraft is secured by way of a mortgage debenture over all of the company's assets.

The related company balance is with Sedgewick House Properties Limited which is related by way of common director.

FACTFOCUS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
30 June 1996**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1996	1995
	£	Restated £
Pension fund loan	1,252,548	1,252,558
Corporation tax	153,603	184,324
	<u>1,406,151</u>	<u>1,436,882</u>

The loan is from the pension fund of Jerrold Mortgage Corporation Limited (formerly Jerrold Manufacturing Company (Textiles) Limited), a fellow subsidiary undertaking. It is repayable on 28 February 1998 and bears interest at 3% over the prevailing bank base rate.

17. DEFERRED TAXATION

Deferred taxation comprises:

	Amounts provided		Amounts not provided	
	1996	1995	1996	1995
	£	£	£	£
Accelerated capital allowances	-	400	-	-
Other timing differences	-	8,600	-	-
	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>-</u>

Unprovided deferred taxation does not include a provision relating to the revaluation surplus on the company's investment properties. It is anticipated that, if they were disposed of at their revalued amounts, a tax liability would not arise, due to the relief expected to be available as a result of investing in replacement assets.

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1996**18. SHARE CAPITAL**

	1996	1995
	£	£
Authorised		
200,000 ordinary shares of £1 each	200,000	200,000
	<u> </u>	<u> </u>
Allotted and fully paid		
200,000 ordinary shares of £1 each	200,000	200,000
	<u> </u>	<u> </u>

19. RESERVES

	Investment property revaluation reserve £	Profit and loss account £
At 1 July 1995 (restated)	151,543	7,449,186
Revaluation of investment properties	28,893	-
Profit for the year	-	214,494
	<u> </u>	<u> </u>
At 30 June 1996	180,436	7,663,680
	<u> </u>	<u> </u>

20. CAPITAL COMMITMENTS

Capital expenditure commitments which represent refurbishment work on investment properties were £61,959 at 30 June 1996 (1995: £Nil). Grants in respect of this work totalling £42,282 are receivable by the company.

21. CONTINGENT LIABILITY

The company has guaranteed the bank overdrafts of certain of its fellow subsidiary undertakings. At 30 June 1996 the contingent liability amounted to £7,487,810 (1995: £5,652,883).

22. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Blemain Group plc, company number 2939389, a company registered in England.