

FACTFOCUS LIMITED

Report and Financial Statements

Year ended 30 June 2004



FACTFOCUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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FACTFOCUS LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H.N. Moser
S.E. Kramrisch
G.D. Beckett
M.R. Goldberg

SECRETARY

G.D. Beckett

REGISTERED OFFICE

Bracken House
Charles Street
Manchester
M1 7BD

PRINCIPAL BANKERS

Bank of Scotland Corporate Banking
9th Floor
No. 1 Marsden Street
Manchester
M2 1HW

AUDITORS

Deloitte & Touche LLP
Manchester

FACTFOCUS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2004.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE PROSPECTS

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

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

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 30 June 2004 are set out on pages 5 to 14. The profit for the year after tax was £1,153,785 (2003 - £732,097).

The directors do not recommend payment of a dividend (2003 - £nil).

DIRECTORS AND THEIR INTERESTS

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

Mr. H.N. Moser is a director of Jerrold Holdings plc, the ultimate parent company, and his interests in the share capital of that company are disclosed in its financial statements. None of the other directors have interests in the share capital of the company, or any other interests required to be disclosed under Schedule 7 of the Companies Act 1985. No director has, or had any material interest in any contract or agreement entered into by the company during the year.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G.D. Beckett
Secretary

27 April 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for establishing and maintaining the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FACTFOCUS LIMITED

We have audited the financial statements of Factfocus Limited for the year ended 30 June 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgements 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 the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

28 April 2005

FACTFOCUS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2004

	Note	2004 £	2003 £
TURNOVER			
Cost of sales	2	4,451,757 (1,647,825)	3,805,676 (1,493,638)
GROSS PROFIT		2,803,932	2,312,038
Administrative expenses		(1,040,006)	(913,109)
OPERATING PROFIT		1,763,926	1,398,929
Gain/(loss) arising on disposal of investment properties		296,951	(53,049)
Interest payable and similar charges (net)	5	(362,896)	(221,424)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,697,981	1,124,456
Tax on profit on ordinary activities	6	(544,196)	(392,359)
RETAINED PROFIT ON FOR THE FINANCIAL YEAR	14	1,153,785	732,097

All activity arose from continuing operations.

FACTFOCUS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 June 2004

	Note	2004 £	2003 £
Profit for the financial year		1,153,785	732,097
Unrealised surplus on revaluation of investment properties		-	3,324,414
Total recognised gains and losses for the year		<u>1,153,785</u>	<u>4,056,511</u>

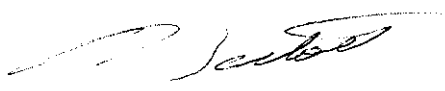
FACTFOCUS LIMITED

BALANCE SHEET 30 June 2004

		2004 £	2003 £
	Note		
FIXED ASSETS			
Investment properties	7	16,521,669	12,757,950
Tangible fixed assets	8	1	1
Investments	9	27,958	23,040
		<u>16,549,628</u>	<u>12,780,991</u>
CURRENT ASSETS			
Stocks	10	7,469,144	6,827,846
Debtors			
- due within one year	11	10,354,875	9,828,117
- due after one year	11	85,878	119,626
Cash at bank and in hand		629	305
		<u>17,910,526</u>	<u>16,775,894</u>
CREDITORS: Amounts falling due within one year	12	(17,985,359)	(14,235,875)
NET CURRENT ASSETS		<u>(74,833)</u>	<u>2,540,019</u>
NET ASSETS		<u>16,474,795</u>	<u>15,321,010</u>
CAPITAL AND RESERVES			
Called up share capital	15	200,000	200,000
Revaluation reserve	14	2,897,780	3,008,908
Profit and loss account	14	13,377,015	12,112,102
EQUITY SHAREHOLDER'S FUNDS	16	<u>16,474,795</u>	<u>15,321,010</u>

These financial statements were approved by the Board of Directors on 27 April 2005.

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 2004

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention, as modified by the revaluation of investment properties and listed investments.

Tangible fixed assets

Fixed assets are stated at cost, net of depreciation and any provision for impairment.

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

Fixtures, fittings and other equipment 20% to 33% on cost.

Investments

Listed investments are stated at market value. Other investments are stated at the lower of cost and estimated net realisable value.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

1. ACCOUNTING POLICIES (continued)

Investment properties

A valuation of investment properties is made annually as at the balance sheet date by the directors, at open market value. A sample of valuations is conducted by external Chartered Surveyors on a periodic basis. Changes in the market value of investment properties are accounted for by way of a movement in revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual investment property is expected by the directors to be permanent, in which case the change in market value is charged (credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account reserve.

In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been decreased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of the cost/value as between land and buildings.

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.

Turnover

Turnover consists of proceeds of properties disposed of which were previously held for resale, interest recoverable on loans and related commissions on money lending agreements, rental income and the invoiced value (excluding VAT) for goods and services supplied to third parties.

The interest credit to the profit and loss account is calculated on an accruals basis.

2. TURNOVER

	2004	2003
	£	£
Disposal of properties	2,372,261	1,895,102
Loan interest and commissions	411,581	410,688
Rental income	1,657,867	1,486,137
Other income (net)	10,048	13,749
	<u>4,451,757</u>	<u>3,805,676</u>

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2004 £	2003 £
Directors' emoluments	33,989	14,361
	No.	No.
Average number of persons employed		
Office and management	17	19
	£	£
Staff costs during the year (including directors)		
Wages and salaries	177,760	222,930
Social security costs	14,784	14,357
	192,544	237,287

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004 £	2003 £
Profit on ordinary activities before taxation is stated after charging:		
Staff costs (see note 3)	192,544	237,287
Auditors' remuneration		
- audit	-	2,060
- non-audit	-	-

In the current year the audit fee has been borne by another group undertaking.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2004 £	2003 £
<i>Investment income</i>		
Income from listed investments	852	679
Bank interest	-	338
	852	1,017

	2004 £	2003 £
<i>Interest payable and similar charges</i>		
Bank loans and overdrafts	363,748	218,894
Other interest	-	3,547
	363,748	222,441

	2004 £	2003 £
Investment income	852	1,017
Interest payable	(363,748)	(222,441)
	(362,896)	(221,424)

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2004 £	2003 £
Current tax		
UK corporation tax	519,599	336,842
Adjustment in respect of prior years - UK corporation tax	7,063	49,769
Total current tax	<u>526,662</u>	<u>386,611</u>
Deferred tax		
Origination and reversal of timing differences	17,534	5,748
Total deferred tax (see note 13)	<u>17,534</u>	<u>5,748</u>
Total tax on profit on ordinary activities	<u>544,196</u>	<u>392,359</u>

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 is as follows:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>1,697,981</u>	<u>1,124,456</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2003 - 30%)	509,394	337,337
Effects of:		
Expenses not deductible for tax purposes	17,578	860
Utilisation of tax losses	(11,424)	-
Capital allowances in excess of depreciation	(72)	(95)
Other timing differences	4,123	(1,260)
Adjustments to tax charge in respect of previous periods	7,063	49,769
Current tax charge for year	<u>526,662</u>	<u>386,611</u>

7. FREEHOLD INVESTMENT PROPERTIES

	2004 £
Valuation	
At 1 July 2003	12,757,950
Additions	5,043,224
Disposals	(1,279,505)
At 30 June 2004	<u>16,521,669</u>

If investment properties had not been revalued, they would have been included in the balance sheet at an historical cost of £13,623,889 (2003 - £9,956,872).

The investment properties have been valued on an open market basis by Roger Hannah & Co. an external valuer, a member of the Royal Institute of Chartered Surveyors as at 30 June 2003. In the opinion of the directors these valuations continue to reflect the open market value of the properties at 30 June 2004.

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

8. OTHER TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
Cost	
At 1 July 2003 and 30 June 2004	16,805
Depreciation	
At 1 July 2003 and 30 June 2004	16,804
Net book value	
At 1 July 2003 and 30 June 2004	1

9. FIXED ASSET INVESTMENTS

	2004 £	2003 £
Listed investments at market value	17,878	23,040
Other investments	10,080	-
	<u>27,958</u>	<u>23,040</u>

The cost of the above listed investments at 30 June 2004 was £49,186 (2003 - £113,918).

10. STOCKS

	2004 £	2003 £
Properties held for resale	<u>7,469,144</u>	<u>6,827,846</u>

11. DEBTORS

	2004 £	2003 £
Amounts falling due within one year:		
Trade debtors	2,464,625	1,317,273
Amounts owed by fellow group undertakings	7,781,716	8,348,311
Amounts owed by related companies	107,234	107,234
Prepayments	-	42,464
Other debtors	1,300	12,835
	<u>10,354,875</u>	<u>9,828,117</u>
Amounts falling due after one year:		
Trade debtors	78,612	94,826
Deferred taxation (see note 13)	7,266	24,800
	<u>85,878</u>	<u>119,626</u>
	<u>10,440,753</u>	<u>9,947,743</u>

Amounts owed by related companies are in respect of Centrestand Limited and UK Mortgage Corporation Limited, companies in which H.N. Moser is a director and shareholder.

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2004

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Bank loans and overdrafts	105,983	972,213
Amounts owed to group undertakings	16,456,025	12,299,770
Amount owed to related companies	12,111	2,495
Corporation tax	519,599	336,842
Other taxes and social security	3,446	3,966
Other creditors	175,645	110,309
Accruals and deferred income	712,550	510,280
	<u>17,985,359</u>	<u>14,235,875</u>

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

The related company balance is with Sedgewick House Properties Limited and Sproston Green Limited, companies in which H.N. Moser is a director and shareholder.

13. DEFERRED TAXATION

	£
Balance at 1 July 2003	24,800
Charges to profit and loss account	(17,534)
Balance at 30 June 2004	<u>7,266</u>

The amounts provided in the financial statements comprising full provision:

	2004 £	2003 £
Depreciation in advance of capital allowances	212	284
Other timing differences	7,054	24,516
Taxation on valuation surplus	-	-
	<u>7,266</u>	<u>24,800</u>

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

14. RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2003	3,008,908	12,112,102	15,121,010
Retained profit for the financial year	-	1,153,785	1,153,785
Transfer	(111,128)	111,128	-
At 30 June 2004	<u>2,897,780</u>	<u>13,377,015</u>	<u>16,274,795</u>

FACTFOCUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2004

15. CALLED UP SHARE CAPITAL

	2004	2003
	£	£
Authorised, allotted, called up and fully paid 200,000 ordinary shares of £1 each	200,000	200,000

16. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S FUNDS

	2004	2003
	£	£
Profit for the financial year	1,153,785	732,097
Other recognised gains and losses relating to the year	-	3,324,414
Net addition to equity shareholder's funds	1,153,785	4,056,511
Opening equity shareholder's funds	15,321,010	11,264,499
Closing equity shareholder's funds	16,474,795	15,321,010

17. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of the £206 million bank loan held in the parent company (2003 - £141 million).

18. CASH FLOW STATEMENT

As permitted by FRS 1 (Revised 1996), the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Jerrold Holdings plc which has produced consolidated financial statements that are publicly available.

19. RELATED PARTY TRANSACTIONS

As a subsidiary of Jerrold Holdings plc, 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 plc.

H.N. Moser is a director and shareholder in all the above companies.

20. ULTIMATE PARENT COMPANY

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

The largest and smallest group of which Factfocus Limited is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings plc, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD.