

# Factfocus Limited

Accounts 30 June 1999  
together with directors' and auditors' reports

Registered number: 1402330



**DIRECTORS**

H.N. Moser

S.E. Kramrisch

M.B. Richards

(Appointed 6 August 1998)

**SECRETARY**

G.D. Beckett

(Appointed 6 August 1998)

**REGISTERED OFFICE**

Bracken House

Charles Street

Manchester

M1 7BD

**AUDITORS**

Arthur Andersen

Bank House

9 Charlotte Street

Manchester

M1 4EU

**BANKERS**

Bank of Scotland

19/21 Spring Gardens

Manchester

M2 1FB

## Directors' report

For the year ended 30 June 1999

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 June 1999.

### **Directors' responsibilities**

Company law requires the directors to prepare accounts for each financial year 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 those accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

### **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 payment of a dividend.

### **Directors**

The present directors of the company are set out on page 1.

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 had an interest in the share capital of the company at any time during the year. No director has, or had any material interest in any contract or agreement entered into by the company during the year.

## Directors' report (continued)

### 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.

### Year 2000

The group is heavily reliant upon computers for the day to day running and control of its business.

The Board are very aware of the importance of the Year 2000 issue and a timetable has been drawn up to achieve Year 2000 compliance for any hardware or software which is not already compliant. The costs associated with this work are charged to the profit and loss account as incurred.

### Auditors

The board will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

By order of the Board,



G.D. Beckett  
Secretary

20 April 2000

# Auditors' report



## To the Shareholders of Factfocus Limited:

We have audited the accounts on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

## Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

## Opinion

In our opinion the accounts give a true and fair view of the company's state of affairs at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads "Arthur Andersen".

Arthur Andersen

Chartered Accountants and Registered Auditors

Bank House  
9 Charlotte Street  
Manchester  
M1 4EU

20 April 2000

## Profit and loss account

For the year ended 30 June 1999

	Notes	1999 £	1998 £
Turnover	2	1,781,094	1,861,173
Cost of sales		(501,828)	(451,606)
<b>Gross profit</b>		<b>1,279,266</b>	<b>1,409,567</b>
Administrative expenses		(675,134)	(771,971)
<b>Operating profit</b>		<b>604,132</b>	<b>637,596</b>
Gain arising on disposal of investment properties		245,068	227,884
Interest receivable and similar income	3	77,222	62,758
Interest payable	4	(1,522)	(210)
<b>Profit on ordinary activities before taxation</b>	5	<b>924,900</b>	<b>928,028</b>
Tax on profit on ordinary activities	6	(344,202)	(242,656)
<b>Profit for the financial year</b>	18	<b>580,698</b>	<b>685,372</b>

All activity has arisen from continuing operations. There are no recognised gains or losses other than the profit for the financial year.

A statement of movement in reserves is given in note 18.

The accompanying notes are an integral part of this profit and loss account.

## Note of historical cost profits and losses

For the year ended 30 June 1999

	1999 £	1998 £
Reported profit on ordinary activities before taxation	924,900	928,028
Realisation of property revaluation gains of previous years	17,490	-
<b>Historical cost profit on ordinary activities before taxation</b>	<b>942,390</b>	<b>928,028</b>
<b>Historical cost profit for the financial year</b>	<b>598,188</b>	<b>685,372</b>

# Balance sheet

30 June 1999

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Investment properties	9	6,396,073	6,885,817
Other tangible assets	10	1	1
Investments	11	102,657	113,598
		<u>6,498,731</u>	<u>6,999,416</u>
<b>Current assets</b>			
Stocks	12	578,174	777,549
Debtors - due within one year	13	8,020,962	7,163,131
Debtors - due after one year	13	245,932	323,208
Cash at bank and in hand		200	200
		<u>8,845,268</u>	<u>8,264,088</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(5,905,497)</u>	<u>(6,374,980)</u>
<b>Net current assets</b>		<u>2,939,771</u>	<u>1,889,108</u>
<b>Total assets less current liabilities</b>		<u>9,438,502</u>	<u>8,888,524</u>
<b>Creditors: Amounts falling due after more than one year</b>	15	<u>(61,441)</u>	<u>(92,161)</u>
<b>Net assets</b>		<u>9,377,061</u>	<u>8,796,363</u>
<b>Capital and reserves</b>			
Called-up share capital	17	200,000	200,000
Profit and loss account	18	9,014,115	8,415,927
Revaluation reserve	18	162,946	180,436
<b>Equity shareholders' funds</b>	19	<u>9,377,061</u>	<u>8,796,363</u>

Signed on behalf of the Board

M.B. Richards

Director

H.N. Moser

Director

20 April 2000

The accompanying notes are an integral part of this balance sheet.

# Notes to accounts

30 June 1999

## 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year and the preceding year, is set out below.

### *a) Basis of accounting*

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of investment properties and listed investments, 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 effect of this is to reduce the value of the assets by £110,650 (1998 - £110,650). 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.

### *b) 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 rated to repayments recoverable on accruals basis.

### *c) 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
Other equipment	20% to 33% on cost

### *d) Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal.

Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.



## Notes to accounts (continued)

### 1 Accounting policies (continued)

#### e) *Fixed asset investments*

Investments in listed companies are included at market value.

#### f) *Investment properties*

A valuation of investment properties is made annually as at the balance sheet date by the directors, at open market value. 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.

Additions to investment properties under development comprise construction costs excluding attributable interest incurred in bringing a project to its present state of completion.

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.

#### g) *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.

## Notes to accounts (continued)

### 2 Turnover

	1999 £	1998 £
Disposal of properties	575,299	578,781
Loan interest and commissions	263,620	367,658
Rental income	952,503	882,326
Other income (net)	(10,328)	32,408
	<u>1,781,094</u>	<u>1,861,173</u>

### 3 Interest receivable and similar income

	1999 £	1998 £
Income from listed investments	2,450	2,576
Other interest receivable	-	5,165
Bank interest	74,113	40,710
Movement on listed investments	659	14,307
	<u>77,222</u>	<u>62,758</u>

### 4 Interest payable

	1999 £	1998 £
Bank loans and overdrafts	-	4
Other interest	1,522	206
	<u>1,522</u>	<u>210</u>

### 5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging (crediting)

	1999 £	1998 £
Auditors' remuneration	5,010	2,475
Depreciation and amounts written off tangible fixed assets	-	62
Staff costs (see note 7)	109,339	439,389
(Profit) loss on sale of fixed assets	(341)	183
Movement in value of listed investments	(659)	(14,306)
	<u></u>	<u></u>

## Notes to accounts (continued)

### 6 Tax on profit on ordinary activities

	1999 £	1998 £
Corporation tax	302,905	268,628
Adjustment in respect of prior year	41,297	(25,972)
	<u>344,202</u>	<u>242,656</u>

### 7 Staff costs

	1999 £	1998 £
Staff costs, including directors:		
Wages and salaries	100,472	399,683
Social security costs	8,867	39,706
	<u>109,339</u>	<u>439,389</u>

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

	1999 Number	1998 Number
Office and management	<u>10</u>	<u>8</u>

### 8 Directors' remuneration

The remuneration of the directors was as follows:

	1999 £	1998 £
Emoluments	<u>30,420</u>	<u>330,140</u>

The above amounts for remuneration were in relation to the chairman. No other director received any emoluments from the company.

## Notes to accounts (continued)

### 9 Investment properties

	1999 £	1998 £
Beginning of year	6,885,817	4,937,629
Additions	451,533	2,984,406
Grants received	-	(10,650)
Disposals	(941,277)	(1,025,568)
End of year	<u>6,396,073</u>	<u>6,885,817</u>

The directors consider that the carrying values of investment properties are not materially different from the market value at year end.

### 10 Other tangible fixed assets

	Fixtures, fittings and equipment £	Total £
<b>Cost</b>		
Beginning of year	16,805	16,805
Disposals	-	-
End of year	<u>16,805</u>	<u>16,805</u>
<b>Depreciation</b>		
Beginning of year	16,804	16,804
Disposals	-	-
Charge	-	-
End of year	<u>16,804</u>	<u>16,804</u>
<b>Net book value</b>		
End of year	<u>1</u>	<u>1</u>
Beginning of year	<u>1</u>	<u>1</u>

### 11 Fixed asset investments

	1999 £	1998 £
Listed investments at market value	<u>102,657</u>	<u>113,598</u>

The cost of the above investments at 30 June 1999 was £193,797 (1998 - £193,797).

## Notes to accounts (continued)

### 12 Stocks

	1999 £	1998 £
Properties held for resale	<u>578,174</u>	<u>777,549</u>

### 13 Debtors

	1999 £	1998 £
Amounts falling due within one year:		
Trade debtors	1,274,551	1,394,487
Amount owed by group undertakings	6,647,324	5,694,714
Amount owed by related companies	97,675	67,675
Other debtors	1,412	6,255
	<u>8,020,962</u>	<u>7,163,131</u>
Amounts falling due after one year:		
Trade debtors	245,932	323,208
	<u>8,266,894</u>	<u>7,486,339</u>

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

### 14 Creditors: Amounts falling due within one year

	1999 £	1998 £
Bank overdraft	43,038	33,515
Amounts owed to fellow group undertakings	4,670,175	5,174,483
Corporation tax	674,271	384,770
Other taxation and social security	-	1,050
Other creditors	376,654	644,602
Accruals	118,359	113,560
Amount owed to related company	23,000	23,000
	<u>5,905,497</u>	<u>6,374,980</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, a company in which H.N. Moser is a director and shareholder.

## Notes to accounts (continued)

### 15 Creditors: Amounts falling due after more than one year

	1999 £	1998 £
Corporation tax	<u>61,441</u>	<u>92,161</u>

### 16 Deferred taxation

There is no unprovided deferred taxation (1998 - £Nil).

There is no 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.

### 17 Called-up share capital

	1999 £	1998 £
<i>Authorised, allotted, called-up and fully paid</i> 200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

### 18 Reserves

	Investment property revaluation reserve £	Profit and loss account £
At beginning of year	180,436	8,415,927
Profit for the financial year	-	580,698
Transfer	(17,490)	17,490
At end of year	<u>162,946</u>	<u>9,014,115</u>

### 19 Reconciliation of movements in equity shareholders' funds

	1999 £	1998 £
Profit for the financial year	580,698	685,372
Opening shareholders' funds	8,796,363	8,110,991
Closing shareholders' funds	<u>9,377,061</u>	<u>8,796,363</u>

## Notes to accounts (continued)

### **21 Capital commitments**

There were no capital commitments as at the year end (1998 - £nil).

### **22 Contingent liability**

The company's assets are subject to a fixed and floating charge in respect of the £27 million bank loan held in the parent company.

### **23 Cash flow statement**

As permitted by Financial Reporting Standard No.1 1996 (Revised), the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Blemain Group plc which has produced a consolidated group cash flow statement in its accounts.

### **24 Ultimate parent company**

The company is a wholly owned subsidiary undertaking of Blemain Group 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 accounts are drawn up, is that headed by Blemain Group plc, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD.