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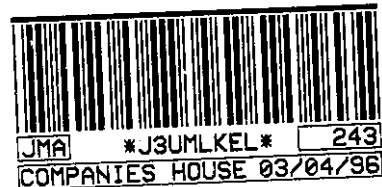
# Blemain Finance Limited

Report and Financial Statements

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◆ *Year ended 30 June 1995* ◆

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COMPANY NO: 1185052

**BLEMAIN FINANCE LIMITED**

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## **BLEMAIN FINANCE LIMITED**

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### **COMPANY INFORMATION**

#### **Directors**

H N Moser  
A J Grant (appointed 29 July 1994)  
C J Punshon (appointed 29 July 1994)

#### **Secretary**

M B Richards

#### **Registered office**

Bracken House  
Charles Street  
Manchester M1 7BD

#### **Registered number**

1185052

#### **Auditors**

Robson Rhodes  
Chartered Accountants  
Colwyn Chambers  
19 York Street  
Manchester M2 3BA

#### **Bankers**

National Westminster Bank Plc  
59 Hanging Ditch  
Manchester M4 3ER

## **BLEMAIN FINANCE LIMITED**

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### **REPORT OF THE DIRECTORS**

The directors present their report and the audited financial statements of the company for the year ended 30 June 1995.

#### **Principal activity**

The principal activity of the company continued to be that of financiers.

#### **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 (1994: £nil) leaving the retained profit of £374,923 to be transferred to reserves (1994 : loss £113,802).

#### **Fixed assets**

The movement in the tangible fixed assets account is set out in Note 9 to the financial statements.

#### **Directors**

The present directors of the company are set out on page 1. All served throughout the year with the exception of Mr A J Grant and Mr C J Punshon who were appointed directors on 29 July 1994.

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 period.

#### **Auditors**

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

## **BLEMAIN FINANCE LIMITED**

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### **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 12 January 1996 and signed on its behalf by:



Martin Basil Richards  
Secretary

## **BLEMAIN FINANCE LIMITED**

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### **AUDITORS' REPORT TO THE SHAREHOLDERS OF BLEMAIN FINANCE LIMITED**

We have audited the financial statements on pages 5 to 18 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes  
Chartered Accountants and Registered Auditor

Manchester

12 January 1996

**BLEMAIN FINANCE LIMITED****PROFIT AND LOSS ACCOUNT**  
for the year ended 30 June 1995

	Note	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Turnover: continuing operations	1 & 2	1,051,274	1,554,705
Administrative expenses		(423,422)	(1,222,331)
		<hr/>	<hr/>
Operating profit: continuing operations	3	627,852	332,374
Gain arising on transfer of investment properties		1,000	-
Interest receivable and similar income	4	11	528
Interest payable	5	(253,940)	(406,221)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		374,923	(73,319)
Tax on (loss)/profit on ordinary activities	8	-	(40,483)
		<hr/>	<hr/>
Profit/(loss) for the year/period	18	374,923	(113,802)
		<hr/>	<hr/>

The company made no recognised gains or losses other than as disclosed above.

**BLEMAIN FINANCE LIMITED**

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**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
for the year ended 30 June 1995

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Total recognised gains/(losses)	374,923	(113,802)
Opening shareholders' funds	582,279	696,081
	<hr/>	<hr/>
Closing shareholders' funds	957,202	582,279
	<hr/>	<hr/>

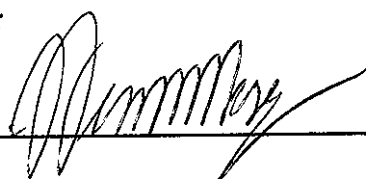


**BLEMAIN FINANCE LIMITED****BALANCE SHEET**  
at 30 June 1995

	Note	1995 £	1994 £
<b>Fixed assets</b>			
Tangible assets	9	97,649	118,075
Investment properties	10	-	47,237
Investment in group undertaking	11	70,050	70,050
		<u>167,699</u>	<u>235,362</u>
<b>Current assets</b>			
Debtors due after one year	12	3,564,567	1,764,906
Debtors due within one year	12	4,136,566	3,939,032
Investments	13	1,500	10,223
Cash at bank and in hand		350	250
		<u>7,702,983</u>	<u>5,714,411</u>
<b>Creditors: Amounts falling due within one year</b>	14	(5,986,662)	(4,854,704)
<b>Net current assets</b>		<u>1,716,321</u>	<u>859,707</u>
<b>Total assets less current liabilities</b>		1,884,020	1,095,069
<b>Creditors: Amounts falling due after more than one year</b>	15	(926,818)	(512,790)
<b>Net assets</b>		<u>957,202</u>	<u>582,279</u>
<b>Capital and reserves</b>			
Called up share capital	17	100,000	100,000
Profit and loss account	18	857,202	482,279
<b>Equity shareholders' funds</b>		<u>957,202</u>	<u>582,279</u>

The financial statements were approved by the Board on 12 January 1996 and signed on its behalf by:

Henry Neville Moser  
Director



Colin John Punshon  
Director



**NOTES TO THE FINANCIAL STATEMENTS**

**30 June 1995**

**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. The lack of depreciation is necessary to give a true and fair view for the reason explained below in the investments accounting policy note.

The financial statements only present information about the company and do not contain information relating to the group as a whole. The company is not required to prepare group accounts or a cash flow statement because it is a wholly owned subsidiary undertaking of Blemain Group plc which publishes group accounts including a consolidated cash flow statement.

**Turnover**

Turnover, which is derived wholly within the UK, consists of interest received and related commissions on money lending agreements, rental income together with income derived from the provision of management services. The interest credit to the profit and loss account is calculated on a straight line basis pro rata to repayments.

**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:

Office equipment	20% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	33⅓% on cost

**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.

Advance corporation tax on dividends paid and provided for in the period is not written off if UK corporation tax liability for the period up to the next balance sheet date is expected to be sufficient to absorb this tax.

**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1995****1. ACCOUNTING POLICIES (Continued)****Investments**

Investment properties 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.

Current asset investments comprising investments in listed companies are stated at market value.

Investment in group undertakings are stated at cost less provision for permanent diminution in value.

**Leased assets**

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Rentals in respect of all other leases are charged to the profit and loss account as incurred.

**Pension**

The company operates a defined contribution pension scheme. The assets of the scheme were invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the year.

**2. TURNOVER**

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Interest and commissions from money lending agreements	1,051,274	1,508,635
Management service income	-	40,000
Rental income	-	6,070
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	1,051,274	1,554,705
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**BLEMAIN FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS****30 June 1995****3. OPERATING PROFIT**

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

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Bad debt charge	51,301	45,870
Auditors' remuneration	7,500	7,500
Depreciation	32,399	54,370
Loss/(profit) on sale of tangible fixed assets	1,727	(10,158)
Directors emoluments	227,521	111,188
Operating lease-land and buildings	27,495	-
	<hr/>	<hr/>

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Income from listed investments	11	528
	<hr/>	<hr/>

**5. INTEREST PAYABLE**

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Interest on bank overdraft	179,945	289,806
Interest on pension fund loan	76,079	109,171
Interest on hire purchase agreements	4,867	6,225
Interest on other loan repayable by instalments within five years	11,676	-
Other interest	(18,627)	1,019
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	253,940	406,221
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**BLEMAIN FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS****30 June 1995****6. EMPLOYEES**

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Staff costs, including directors:		
Wages and salaries	507,355	493,849
Social security costs	51,750	63,330
Other pension costs	107,950	51,188
	<hr/>	<hr/>
	667,055	608,367
	<hr/>	<hr/>

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

	Year ended 30 June 1995 No	18 months ended 30 June 1994 No
Office and management	24	21
	<hr/>	<hr/>

**BLEMAIN FINANCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 June 1995****7. DIRECTORS**

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
As directors	-	-
Remuneration as executives	119,571	60,000
Pension contribution	107,950	51,188
	<u>227,521</u>	<u>111,188</u>

Excluding pension contributions:

There was no elected chairman during the year/period

Highest paid director	46,984	60,000
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The emoluments of the directors, exclusive of pension contributions, were in the following ranges:

£0 - £5,000	-	2
£30,001 - £35,000	1	-
£40,001 - £45,000	1	-
£45,001 - £50,000	1	-
£55,001 - £60,000	-	1

**8. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	Year ended 30 June 1995 £	18 months ended 30 June 1994 £
Corporation tax at 33% (1994: 33%)	-	-
Deferred taxation	-	40,483
Adjustment in respect of prior periods	-	-
	<u>-</u>	<u>40,483</u>

**BLEMAIN FINANCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 June 1995****9. TANGIBLE FIXED ASSETS**

	Computer equipment £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 1994	-	10,852	251,900	262,752
Capital expenditure	1,401	-	14,799	16,200
Disposals	-	-	(23,506)	(23,506)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	1,401	10,852	243,193	255,446
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 July 1994	-	9,385	135,292	144,677
Charged in year	7	1,466	30,926	32,399
Disposals	-	-	(19,279)	(19,279)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	7	10,851	146,939	157,797
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 30 June 1995	1,394	1	96,254	97,649
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1994	-	1,467	116,608	118,075
	<hr/>	<hr/>	<hr/>	<hr/>

Included above are motor vehicles held under hire purchase agreements with a net book value of £75,060 (1994: £76,941) on which depreciation of £23,136 (1994: £8,341) has been charged.

**10. INVESTMENT PROPERTIES**

	£
At 1 July 1994	47,237
Intra group transfer	(47,237)
	<hr/>
At 30 June 1995	-
	<hr/>

**BLEMAIN FINANCE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****30 June 1995****11. INVESTMENT IN GROUP UNDERTAKING**

	Shares in group undertaking £
Cost	
At 1 July 1994 and 30 June 1995	70,050

The shares in group undertaking comprise investment in the following subsidiary undertaking:-

	Country of registration	Interest in ordinary shares and voting rights	Principal activity
Spot Finance Ltd	England and Wales	100%	Financiers

Under the equity method of valuation, the investment in the subsidiary undertaking would be £203,863 (1994 : £174,470).

**12. DEBTORS**

	1995 £	1994 £
Trade debtors falling due within one year	2,127,403	1,953,353
Amount owed by group undertakings: fellow subsidiaries	1,880,893	1,854,985
Amount owed by related company (Note 19)	-	6,070
Corporation tax recoverable	90,131	90,131
Other debtor	29,785	23,515
Prepayments	8,354	10,978
	<hr/>	<hr/>
	4,136,566	3,939,032
Trade debtors falling due after more than one year	3,564,567	1,764,906
	<hr/>	<hr/>
	7,701,133	5,703,938
	<hr/>	<hr/>



**BLEMAIN FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1995****13. CURRENT ASSET INVESTMENTS**

	1995 £	1994 £
At 1 July 1994	10,223	8,084
Revaluation to market value	(1,300)	6,947
Disposals	(7,423)	(4,808)
	<hr/>	<hr/>
At 30 June 1995	1,500	10,223
	<hr/>	<hr/>

Current asset investments represent an investment in listed shares at market value. The cost of the above shares at 30 June 1995 was £10,000.

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1995 £	1994 £
Secured loan (Note 15)	145,000	-
Pension fund loan	496,427	350,000
Bank overdraft	2,272,057	2,779,502
Obligation under hire purchase agreement	29,128	30,068
	<hr/>	<hr/>
Debt due within one year	2,942,612	3,159,570
Trade creditors	27,561	20,031
Amounts owed to group undertakings: fellow subsidiaries	2,822,152	1,377,333
Amount owed to related company (note 19)	13,867	-
Other taxes and social security	42,020	18,802
Other creditors	20,815	61,561
Accruals	117,635	217,407
	<hr/>	<hr/>
	5,986,662	4,854,704
	<hr/>	<hr/>

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

The pension fund loan is repayable on 18 March 1996 and bears interest at 3% above the prevailing bank base rate.

**BLEMAIN FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS****30 June 1995****15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1995 £	1994 £
Secured loan repayable within five years by instalments	555,833	-
Pension fund loan	350,000	472,591
Obligation under hire purchase agreements due within one to two years	20,985	40,199
	<hr/>	<hr/>
	926,818	512,790
	<hr/>	<hr/>

The Pension fund loan is repayable on 16 February 2000 and bears interest at 3% above the prevailing bank base rate.

The secured loan bears interest at 2% above the prevailing bank base rate and is repayable as follows:

	£
Due within one year	145,000
	<hr/>
Between one and two years	145,000
Between two and five years	410,833
	<hr/>
	555,833
	<hr/>
	700,833
	<hr/>

The secured loan is secured on book debts included in debtors above at a value of £1,064,386 (1994 : £Nil).

**BLEMAIN FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**30 June 1995****16. DEFERRED TAXATION**

Deferred taxation comprises:

	Amounts provided		Amounts not provided	
	1995	1994	1995	1994
	£	£	£	£
Accelerated capital allowances	Nil	Nil	Nil	Nil
Other timing difference asset	Nil	Nil	Nil	40,483
	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>40,483</u>

**17. SHARE CAPITAL**

	1995	1994
	£	£
Authorised 100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid 100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**18. PROFIT AND LOSS ACCOUNT**

	£
At 1 July 1994	482,279
Profit for the year	374,923
	<u>857,202</u>
At 30 June 1995	<u>857,202</u>

## **BLEMAIN FINANCE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

**30 June 1995**

#### **19. RELATED COMPANIES**

The following balances are with companies which are related by way of common directors. Blemain Finance Limited has no direct shareholding in the companies.

	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
<b>Debtor</b>		
Tennisview Limited	-	6,070
	<hr/>	<hr/>
<b>Creditor</b>		
Tennisview Limited	8,930	-
Sedgewick House Properties Limited	4,937	-
	<hr/>	<hr/>
	13,867	-
	<hr/>	<hr/>

#### **20. CAPITAL COMMITMENTS**

Capital expenditure commitments were £Nil at 30 June 1995 (1994 : £Nil)

#### **21. CONTINGENT LIABILITY**

The company has guaranteed the bank overdrafts of certain of its fellow subsidiary undertakings. At 30 June 1995 these totalled £6,299,329 (1994: £4,863,001).

#### **22. OPERATING LEASE COMMITMENT**

The payment which the company is committed to make in the next year under an operating lease is as follows:

	<b>1995</b>
	<b>£</b>
Land and buildings, lease expiring beyond five years	27,495
	<hr/>

#### **23. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary undertaking of Blemain Group plc, Co No. 2939389 a company registered in England.