

**BLEVINS FRANKS HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2006**

**Company No 01796211**



# BLEVINS FRANKS HOLDINGS LIMITED

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# **BLEVINS FRANKS HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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**COMPANY NUMBER**

01796211

**DIRECTORS**

D S Franks  
W G Blevins

**SECRETARY**

D S Franks

**REGISTERED OFFICE**

Barbican House  
26-34 Old Street  
London  
EC1V 9QQ

**BUSINESS ADDRESS**

Barbican House  
26-34 Old Street  
London  
EC1V 9QQ

# **BLEVINS FRANKS HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report and financial statements for the year ended 31 October 2006

### **Principal activities**

The company's principal activity during the year continued to be the provision of accountancy, and management services to subsidiary and other companies

### **Business review and future developments**

The state of the company's affairs are as shown in the attached financial statements. Both the level of business and year end financial position were satisfactory. The directors are hopeful that the company will continue to trade profitably in the future.

### **Dividends**

The directors do not propose a dividend for this financial year.

No dividend has been declared on the 14% preference shares since 1999 as the shareholders have waived their dividends.

### **Directors and their interests**

The directors who served during the year were as follows -

D S Franks  
W G Blevins

The directors have no interest in the share capital of the company.

The directors' interests in the shares of the ultimate parent company, Eton Hermitage Limited are disclosed in that company's accounts.

The directors between them hold a controlling interest in Blevins Franks International Limited. Blevins Franks International Limited holds all of the preference shares in Blevins Franks Holdings Limited.

### **Directors' responsibilities**

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 and of its profit or loss 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **BLEVINS FRANKS HOLDINGS LIMITED**

## **REPORT OF THE DIRECTORS (continued)**

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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 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 has been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

The report was approved by the board and signed on its behalf



Director David S. Franks

Date 17 August 2007

## **BLEVINS FRANKS HOLDINGS LIMITED**

### **ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS**

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In accordance with your request and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of the financial statements.

You have acknowledged on the balance sheet for the year ended 31 October 2006 your duty to ensure that the company has kept proper accounting records and to prepare the financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

**Blevins Franks Limited**  
Chartered Accountants  
Barbican House  
26-34 Old Street  
London  
EC1V 9QQ

BA/DSF/B310

Date 17 August 2007

**BLEVINS FRANKS HOLDINGS LIMITED****PROFIT AND LOSS ACCOUNT**  
For the year ended 31 October 2006

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	<b>Notes</b>	<b>2006</b> £	<b>2005</b> £
<b>Turnover</b>	<b>1</b>	<b>561,730</b>	<b>523,937</b>
Administrative expenses		<u><b>(548,581)</b></u>	<u><b>(634,213)</b></u>
<b>Operating Profit/(Loss)</b>	<b>2</b>	<b>13,149</b>	<b>(110,276)</b>
Interest receivable and similar income		<u><b>8,227</b></u>	<u><b>6,324</b></u>
<b>Profit/(Loss) On Ordinary Activities</b>		<b>21,376</b>	<b>(103,952)</b>
Tax on profit/(loss) on ordinary activities	<b>4</b>	<u><b>(1,600)</b></u>	<u><b>-</b></u>
<b>Retained profit/(Loss) For The Year</b>		<b>19,776</b>	<b>(103,952)</b>
<b>Retained Profit Brought Forward</b>		<u><b>507,431</b></u>	<u><b>611,383</b></u>
<b>Retained Profit Carried Forward</b>		<u><u><b>527,207</b></u></u>	<u><u><b>507,431</b></u></u>

The notes on page 7 to 13 form part of these financial statements

# BLEVINS FRANKS HOLDINGS LIMITED

## BALANCE SHEET As at 31 October 2006

	Notes	2006 £	2005 £
<b>Fixed Assets</b>			
Tangible fixed assets	5	9,151	15,156
Investments	6	<u>170,126</u>	<u>170,126</u>
		<u>179,277</u>	<u>185,282</u>
<b>Current Assets</b>			
Debtors	7	1,772,037	1,541,222
Cash at bank and in hand		<u>110,813</u>	<u>301,203</u>
		1,882,850	1,842,425
<b>Creditors. Amounts falling due within one year</b>	8	<u>(1,234,920)</u>	<u>(1,220,276)</u>
<b>Net Current Assets</b>		<u>647,930</u>	<u>622,149</u>
<b>Net Assets</b>		<u>827,207</u>	<u>807,431</u>
<b>FINANCED BY.</b>			
<b>Capital and Reserves</b>			
Equity share capital	9	50,000	50,000
Non-equity share capital	9	<u>50,000</u>	<u>250,000</u>
<b>Called up share capital</b>	9	300,000	300,000
<b>Equity reserves</b>			
Profit and loss account		<u>527,207</u>	<u>507,431</u>
<b>Shareholders' Funds</b>	10	<u>827,207</u>	<u>807,431</u>

### Audit exemption

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 October 2006 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved and authorised for issue by the board and signed on its behalf by

  
Director David S. Franks

Date 17 August 2007



## **BLEVINS FRANKS HOLDINGS LIMITED**

The notes on page 7 to 13 form part of these financial statements

# BLEVINS FRANKS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2006

### 1 ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards

#### b) Group accounts

The financial statements present information about the company only and not about the group. The company and its subsidiaries comprise a small group. The company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

#### c) Turnover

Turnover comprises management fee income exclusive of value added tax. All income is derived in the U.K.

Fees are recognised as income when the fee is chargeable.

#### d) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

	<i>% per annum</i>	<i>method</i>
Leasehold improvements	10%	straight line
Computers and software	33 <sup>1</sup> / <sub>3</sub> %	straight line
Fixtures and fittings	15%	straight line
Equipment	25%	straight line

#### e) Deferred taxation

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.

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

#### f) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

### 2 OPERATING LOSS

	2006	2005
The operating loss is stated after charging	£	£
Directors' emoluments	-	-
Depreciation	8,049	16,446
Operating lease - land & buildings	<u>110,000</u>	<u>110,000</u>

# BLEVINS FRANKS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2006

### 3 STAFF COSTS

	2006 £	2005 £
Total remuneration of employees, including directors, was		
Wages and salaries	231,258	284,805
Social security costs	27,963	31,806
	<u>259,221</u>	<u>316,611</u>

No directors are accruing retirement benefits

### 4. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2006 £	2005 £
Corporation tax at 19%	<u>1,600</u>	<u>-</u>

Factors affecting future tax charge

The company has tax losses of approximately £180,000 (2005 £224,000) which can be offset against future trading profits

The deferred tax asset in respect of losses carried forward has not been recognised on the grounds of uncertainty with regards to recoverability

### 5 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computer and software £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>					
As at 1 November 2005	7,371	43,435	3,648	65,101	119,555
Additions	-	2,044	-	-	2,044
Disposals	-	(19,877)	(2,105)	(46,960)	(68,942)
<b>As at 31 October 2006</b>	<u>7,371</u>	<u>25,602</u>	<u>1,543</u>	<u>18,141</u>	<u>52,657</u>
<b>Depreciation:</b>					
As at 1 November 2005	5,405	38,792	3,014	57,188	104,399
Charge for the year	737	3,201	231	3,880	8,049
Disposals	-	(19,877)	(2,105)	(46,960)	(68,942)
<b>As at 31 October 2006</b>	<u>6,142</u>	<u>22,116</u>	<u>1,140</u>	<u>14,108</u>	<u>43,506</u>
<b>Net Book Value:</b>					
<b>As at 31 October 2006</b>	<u>1,229</u>	<u>3,486</u>	<u>403</u>	<u>4,033</u>	<u>9,151</u>
As at 31 October 2005	<u>1,966</u>	<u>4,643</u>	<u>634</u>	<u>7,913</u>	<u>15,156</u>

# BLEVINS FRANKS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2006

### 6 FIXED ASSET INVESTMENTS Shares in group undertakings

	2006 £	2005 £
At cost at 1 November 2005 and 31 October 2006	<u>170,126</u>	<u>170,126</u>

Details of the subsidiary undertakings, which are all incorporated in Great Britain

Direct Subsidiaries	Shares Held	% of shares held	Nominal value of shares held
Blevins Franks Investment Management Limited	Ordinary Shares 10% Redeemable Preference Shares	100% 100%	94,000 16,000
Blevins Franks Unit Trust Managers Limited	Ordinary Shares	100%	60,000
Blevins Franks Trustees and Executors Limited	Ordinary Shares	100%	2
Winsure Investment Limited	Preference Shares Ordinary Shares	100% 100%	98 3

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the last financial year to 31 October 2006 were as follows

	Aggregate Capital and reserves £	Profit/(loss) for the year £
Blevins Franks Investment Management Limited	595,552	-
Blevins Franks Unit Trust Managers Limited	241,644	-
Blevins Franks Trustees and Executors Limited	2	-
Winsure Investment Limited	<u>2,790</u>	<u>-</u>
	<u>839,988</u>	<u>-</u>

The above subsidiaries were dormant and did not trade in the year

**BLEVINS FRANKS HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 October 2006**7 DEBTORS**

	2006 £	2005 £
<b>Amounts falling due within one year:</b>		
Amounts due from related undertakings	1,661,740	1,441,846
Other debtors	20,500	14,171
Prepayments and accrued income	89,797	85,205
	<u>1,772,037</u>	<u>1,541,222</u>

**8 CREDITORS**

	2006 £	2005 £
<b>Amounts falling due within one year</b>		
Trade creditors	10,856	12,268
Amounts owed to group undertakings	862,813	862,813
Amounts owed to related undertakings	244,909	264,551
Corporation tax	1,600	-
Other taxes and social security costs	17,334	28,622
Other creditors	16,257	2,500
Accruals and deferred income	81,151	49,522
	<u>1,234,920</u>	<u>1,220,276</u>

# BLEVINS FRANKS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2006

### 9 SHARE CAPITAL

	2006 £	2005 £
<b>Authorised:</b>		
<b>Equity</b>		
1,000,000 Ordinary shares of 5p each	50,000	50,000
<b>Non-equity</b>		
250,000 14% redeemable preference shares of £1 each	<u>250,000</u>	<u>250,000</u>
<b>Total</b>	<u><b>300,000</b></u>	<u><b>300,000</b></u>
<b>Allotted, called up and fully paid</b>		
<b>Equity</b>		
1,000,000 Ordinary shares of 5p each	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>
<b>Non-equity</b>		
250,000 14% redeemable preference shares of £1 each	<u>250,000</u>	<u>250,000</u>
<b>Total</b>	<u><b>300,000</b></u>	<u><b>300,000</b></u>

#### Redeemable Preference shares

##### a) Dividend rights

These shares are entitled to payment of a non-cumulative preferential dividend of 14% per annum. The preference shareholders have waived their rights to these dividends since 1999. Accordingly, the unpaid dividend payable of £35,000 per annum for eight years from 1999 to 31 October 2006 of £280,000 (2005 £245,000) has not been appropriated and credited to non-equity shareholders.

##### b) Winding up

The shares rank in preference to the ordinary shares in the event of a winding up.

##### c) Voting rights

The shares carry no voting rights.

##### d) Redemption of shares

These shares are redeemable at par either at the option of the company or the ordinary shareholders at any time after 26 January 1990. No such option notice has been served.

### 10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006			2005		
	Non Equity £	Equity £	Total £	Non Equity £	Equity £	Total £
Profit/(Loss) for the year	-	19,776	19,776	-	(103,952)	(103,952)
Opening shareholders' funds	<u>250,000</u>	<u>557,431</u>	<u>807,431</u>	<u>250,000</u>	<u>661,383</u>	<u>911,383</u>
Closing shareholders' funds	<u><b>250,000</b></u>	<u><b>577,207</b></u>	<u><b>827,207</b></u>	<u><b>250,000</b></u>	<u><b>557,431</b></u>	<u><b>807,431</b></u>

# BLEVINS FRANKS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 October 2006

### 11 RELATED PARTY TRANSACTIONS

D S Franks and W G Blevins are directors and/or shareholders of the following trading companies

Blevins Franks Holdings Limited

Blevins Franks Financial Management Limited

Mortgage Partner Services Limited

Blevins Franks International Limited

Blevins Franks Limited

Details of the transactions with these companies were -

Blevins Franks Holdings Limited bears all the establishment and central overhead costs which are then recharged to the individual companies

The total costs recharged in the year and the major balances at the 31<sup>st</sup> October 2006 are as follows

	Amount Recharged	Balances due (to)/from Blevins Franks Holdings Limited	
		31 10 06	31 10 05
	£	£	£
Blevins Franks Financial Management Limited	82,740	(121,612)	1,380
Blevins Franks Limited	95,256	42,783	33,957
Blevins Franks International Limited	84,000	1,333,514	1,269,994
Mortgage Partner Services Limited	48,000	4,817	(194,812)
Blevins Franks Tax Advisory Service Limited	31,214	273,555	130,479
Blevins Franks Investment Management Limited	-	(597,920)	(597,920)
Blevins Franks Unit Trust Managers Limited	-	(222,307)	(222,307)
Eton Hermitage Limited	-	(39,910)	(39,910)
Winsure Investment Limited	-	(2,676)	(2,676)
Winsure (UK) Limited	-	(41,422)	(58,880)

Blevins Franks Holdings Limited paid Blevins Franks Limited £21,820 for services provided at arms length

Blevins Franks International holds all the 250,000 preference shares of £1 each in Blevins Franks Holdings Limited

# **BLEVINS FRANKS HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 31 October 2006

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### **12 OPERATING LEASE COMMITMENTS**

At 31 October 2006, the company had annual rent and service charges commitments of £110,000 (2005 £110,000) under non cancelable operating lease which expire over five years

### **13 CONTROLLING PARTIES**

The ultimate parent company is Eton Hermitage Limited which is incorporated in Great Britain  
The ultimate controlling party is the board of directors of Eton Hermitage Limited

Copies of the parent company's accounts can be obtained by writing to the company secretary at Barbican House, 26-34 Old Street, London, EC1V 9QQ

### **14 CONTINGENT LIABILITIES**

The company is included in a group registration for value added tax with, Mortgage Partner Services Limited, Blevins Franks Financial Management Limited and Blevins Franks Tax Advisory Services Limited. Blevins Franks Holdings Limited is the lead company in the value added tax group. At the balance sheet date, the total balance due to HM Customs & Excise under the group registration was £4,368 (2005 £48,096)