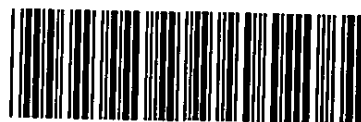


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JV LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

Company Registration Number 04491974

RSM Tenon Limited
Accountants & Business Advisers
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

JV LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

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JV LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2012

The board of directors	CC Hickling GP Brewster PR Gratton I Fergusson
Company secretary	CS Staley
Business address	3 and 4 Regan Way Chetwynd Business Park Chilwell Nottingham NG9 6RZ
Registered office	3 and 4 Regan Way, Chetwynd Business Park, Chilwell, Nottingham NG9 6RZ
Auditor	RSM Tenon Audit Limited The Poynt 45 Wollaton Street Nottingham NG1 5FW
Accountants	RSM Tenon Limited Accountants & Business Advisers The Poynt 45 Wollaton Street Nottingham NG1 5FW
Bankers	HSBC Bank plc 26 Clumber Street Nottingham NG1 3GA

JV LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements of the company for the year ended 31 March 2012

Principal activity and business review

The principal activity of the business during the year is the supply of valuation services

The company specialises in the provision of property surveys and valuations. Clearly, the current period of economic uncertainty has had a significant effect on the UK mortgage market. Like many of our peers, we have experienced a higher level of speculative Professional Indemnity claims as lenders look to recover losses from non performing mortgages granted before the "credit crunch". The impact for JV Limited has been the significant increases in professional fees and internal costs associated with defending speculative cases rather than paying for successful claims. We are pleased that the level of speculative claims has started to reduce.

We are satisfied that in this context turnover has remained consistent and the underlying trading results before claims remain profitable.

Directors

The directors who served the company during the year were as follows

CC Hickling
GP Brewster
PR Gratton
I Fergusson

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

JV LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed on behalf of the directors



CS Staley

Secretary

Approved by the directors on 23 July 2012

JV LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JV LIMITED

YEAR ENDED 31 MARCH 2012

We have audited the financial statements of JV Limited for the year ended 31 March 2012 on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

JV LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JV
LIMITED *(continued)*

YEAR ENDED 31 MARCH 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

Alistair Hunt, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
The Poynt
45 Wollaton Street
Nottingham
NG1 5FW

23 July 2012

JV LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
Turnover		3,966,818	4,618,565
Cost of sales		(4,220,773)	(2,703,194)
Gross (loss)/profit		<u>(253,955)</u>	<u>1,915,371</u>
Administrative expenses		(1,330,061)	(1,536,614)
Operating (loss)/profit	2	<u>(1,584,016)</u>	<u>378,757</u>
Interest payable and similar charges		-	(3,538)
(Loss)/profit on ordinary activities before taxation		<u>(1,584,016)</u>	<u>375,219</u>
Tax on (loss)/profit on ordinary activities	3	121,819	55,127
(Loss)/profit for the financial year		<u>(1,462,197)</u>	<u>430,346</u>

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

JV LIMITED
Registered Number 04491974


BALANCE SHEET

31 MARCH 2012

	Note	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	4		49,790		53,028
Current assets					
Debtors due within one year	5	539,901		251,660	
Debtors due after one year	5	202,694		80,875	
		<u>742,595</u>		<u>332,535</u>	
Creditors: amounts falling due within one year	7	<u>(1,580,863)</u>		<u>(477,784)</u>	
Net current liabilities			(838,268)		(145,249)
Total assets less current liabilities			<u>(788,478)</u>		<u>(92,221)</u>
Provisions for liabilities	8		<u>(2,184,809)</u>		<u>(1,418,869)</u>
			<u>(2,973,287)</u>		<u>(1,511,090)</u>
Capital and reserves					
Called-up share capital	11		200,000		200,000
Profit and loss account	12		(3,173,287)		(1,711,090)
Shareholders' funds			<u>(2,973,287)</u>		<u>(1,511,090)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 23 July 2012, and are signed on their behalf by


P R Gratton
Director

The notes on pages 8 to 13 form part of these financial statements

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, based on the continued support of its fellow group undertakings, directors and the company's bankers. The directors have prepared projections for the period to 31 March 2017. These projections have been prepared using assumptions which the directors consider to be appropriate to the current financial position of the company as regards to current expected revenues and its cost base.

Whilst the directors are confident that these cashflow projections are reasonable based upon its assumptions, there can be no certainty of achieving them as a result of the unpredictable variations in the timing of the cashflows due to the nature of the company's business and the rapidly changing market.

The directors therefore consider it appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that may be necessary in the event that adequate funding was not made available.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Turnover

Turnover comprises revenue recognised by the company when a valuation report is issued, exclusive of value added tax.

Tangible fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Motor vehicles	- 25% reducing balance
Office and computer equipment	- 33% reducing balance

The cost of tangible fixed assets is the purchase price together with any incidental costs of acquisition.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. Accounting policies (continued)

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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the 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 enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Claims provision

The company provides for the estimated liability for claims where the customer has suffered a loss resulting from past valuations of properties that are proven to be the fault of the company

2. Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	19,692	26,089
Auditors remuneration	3,640	3,500
Operating leases	26,564	18,574
Claims provision charge (note 8)	<u>1,620,440</u>	<u>36,064</u>

During the year, no director received any emoluments (2011 £nil)

3. Taxation on ordinary activities

Analysis of charge in the year

	2012		2011	
	£	£	£	£
Deferred tax				
Origination and reversal of timing differences	<u>(121,819)</u>		<u>(55,127)</u>	
Total deferred tax (note 6)		<u>(121,819)</u>		<u>(55,127)</u>

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

4. Tangible fixed assets

	Motor Vehicles £	Office and computer equipment £	Total £
Cost			
At 1 April 2011	9,513	596,509	606,022
Additions	—	16,454	16,454
At 31 March 2012	<u>9,513</u>	<u>612,963</u>	<u>622,476</u>
Depreciation			
At 1 April 2011	7,260	545,734	552,994
Charge for the year	564	19,128	19,692
At 31 March 2012	<u>7,824</u>	<u>564,862</u>	<u>572,686</u>
Net book value			
At 31 March 2012	<u>1,689</u>	<u>48,101</u>	<u>49,790</u>
At 31 March 2011	<u>2,253</u>	<u>50,775</u>	<u>53,028</u>

5. Debtors

	2012 £	2011 £
Trade debtors	497,141	152,718
Other debtors	42,760	98,942
Deferred taxation (note 6)	202,694	80,875
	<u>742,595</u>	<u>332,535</u>

The debtors above include the following amounts falling due after more than one year

	2012 £	2011 £
Other debtors	<u>202,694</u>	<u>80,875</u>

6. Deferred taxation

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 5)	<u>202,694</u>	<u>80,875</u>

The movement in the deferred taxation account during the year was:

	2012 £	2011 £
At 1 April 2011	80,875	25,748
Profit and loss account movement arising during the year	121,819	55,127
At 31 March 2012	<u>202,694</u>	<u>80,875</u>

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

6. Deferred taxation (continued)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of depreciation over taxation allowances	7,694	6,188
Tax losses available	195,000	74,687
	<u>202,694</u>	<u>80,875</u>

7. Creditors: amounts falling due within one year

	2012	2011
	£	£
Overdrafts	955,050	101,840
Trade creditors	265,243	54,554
Taxation and social security	207,083	163,000
Other creditors	153,487	158,390
	<u>1,580,863</u>	<u>477,784</u>

8 Other provisions

	Claims provision
	£
Balance brought forward	1,418,869
Provided during the year	1,620,440
Paid during the year	(854,500)
Balance carried forward	<u>2,184,809</u>

The provision carried forward represents the estimated cost to JV Limited of settling claims against previous property valuations undertaken by the company

9. Commitments under operating leases

At 31 March 2012 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2012	2011
	£	£
Operating leases which expire		
Within 1 year	2,770	447
Within 2 to 5 years	14,395	14,122
	<u>17,165</u>	<u>14,569</u>

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

10. Related party transactions

Advantage has been taken of the exemption provided by the Financial Reporting Standard for Smaller Entities (effective April 2008) not to disclose transactions with fellow group companies as consolidated financial statements are prepared for the group and are publicly available

The J & E Shepherd partnership is related to the company as it has partners who have an interest in J & E Nominees Limited, a major shareholder in Shepherd Direct Limited the company's ultimate parent company. During the year the company purchased services totalling £549,903 (2011 £364,457) from the J & E Shepherd partnership. At the year end £16,669 (2011 £7,861) was owed to the J & E Shepherd partnership. The company made management charges and other recharges of £nil (2011 £81,420) to J&E Shepherd Partnership. J & E Shepherd Partnership also owed the company £nil (2011 £81,785) at the year end

The company made recharges of £nil (2011 £920) to X-Bond Limited, a company in which P R Gratton and C C Hickling are both directors and shareholders. At the year end the company was owed £nil (2011 £nil) by X-Bond Limited in respect of these recharges

In addition the company made management charges and other recharges of £nil (2011 £5,352) to Gasbox Limited, a company in which P R Gratton was a director. At the year end £nil (2011 £1,454) was owed to the company

The company made management charges and other recharges of £860,699 (2011 £nil) to Sesame Bankhall Valuation Services Limited, a company in which a group company has an investment and in which P R Gratton was a director. At the year end £347,889 (2011 £nil) was owed to the company

11 Share capital

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
100,000 A ordinary shares of £1 each	100,000	100,000	100,000	100,000
100,000 B ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

12. Profit and loss account

	2012	2011
	£	£
Balance brought forward	(1,711,090)	(2,141,436)
(Loss)/profit for the financial year	(1,462,197)	430,346
Balance carried forward	<u>(3,173,287)</u>	<u>(1,711,090)</u>

13. Contingent Liabilities

The company is party to a composite company limited multilateral guarantee in respect of the bank facilities with Shepherd Direct Limited, Direct Valuations Limited and Moneyquest Mortgage Brokers Limited. At 31 March 2012 the liability was £66,406 (2011 £970,223)

The directors take advice as to the likelihood of success and claims and actions against the company and no provision is made where the directors consider, based on that advice, that the action is unlikely to succeed

JV LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

14. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Direct Valuations Limited which is in turn wholly owned by the ultimate parent undertaking Shepherd Direct Limited. The largest and smallest group in which the results of the company are consolidated is that headed by Shepherd Direct Limited. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the directors of Shepherd Direct Limited there is no ultimate controlling party.