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Prospect 6 (Jersey) Limited

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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	A27	*AQVPF2Hi* 22/08/2008 COMPANIES HOUSE	107
	RM	14/08/2008 COMPANIES HOUSE	131

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Directors' report

The directors present their annual report together with the audited financial statements of Prospect 6 (Jersey) Limited ("the Company") for the year ended 31 December 2006. It is the intention of the directors to wind-up the Company in 2007. These financial statements are prepared on a wind up basis of accounting where all assets are stated at their net recoverable amounts.

Principal activities

The Company did not trade during the year.

Financial results

The Company made no profit on ordinary activities after taxation (2005: £nil). The directors paid an interim dividend of £9,169 (2005: nil) and do not recommend payment of a final dividend (2005: £nil).

Business review

The Company did not trade during the financial year and the directors do not believe that the Company will trade for the foreseeable future.

Directors and their interests

The directors who held office during the year and up to the date of approval of these financial statements were as follows:

F L Newell
C J Rivers (as alternate to F Newell)
A Gower (resigned 31.10.06)
P Scull (resigned 26.01.06)
I G Roberts (appointed 26 October 2007)
L Hazzard (alternate to I G Roberts) (appointed 26 October 2007)
O Lynch (appointed 26.01.06, resigned 30.03.07)
G Younou (resigned 29.06.07)

None of the directors had at any time during the year any disclosable interest in the shares of the Company or any other companies within the group.

Secretary

Capita Secretaries Ltd

Auditors

A resolution proposing the reappointment of KPMG Audit Plc will be put to the next General Meeting at which accounts are laid before the Company.

Future developments

It is the intention of the directors to wind up the Company in 2007. These financial statements are prepared on a wind up basis of accounting where all assets are stated at their net recoverable amounts. Additionally, any operating losses or costs expected to be incurred up to the date the entity ceases to trade as a Company will be borne by a third party.

Directors' responsibilities


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

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 the 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;
state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
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 (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board


Authorised Signatory
Capita Secretaries Ltd
Secretary

21 December 2007

Ian Roberts

Independent auditors' report to the member of Prospect 6 (Jersey) Limited

We have audited the financial statements of Prospect 6 (Jersey) Limited for the period ended 31 December 2006 which comprise the balance sheet and related notes. 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 Article 110 of the Companies (Jersey) Law 1991. 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

15 January 2008

Income Statement

For the year ended 31 December	Note	2006 £	2005 £
Turnover	2	-	5 036 839
Interest receivable	3	-	46 425
Interest payable	4	-	(2 493 298)
Gross profit			<u>2 589,966</u>
Other income		-	1 653 304
Administrative expenses	5	-	(4 239 921)
Operating profit and profit on ordinary activities before taxation		<u>-</u>	<u>5,349</u>
Taxation on profit on ordinary activities	10	-	(795)
Profit for the financial year		<u>-</u>	<u>4,554</u>

The notes on pages 6 and 7 form an integral part of these financial statements

Balance sheet

As at 31 December

	Notes	2006 £	2005 £
Current assets			
Debtors	8	10	-
Cash at bank and in hand		-	10,532
Creditors - amounts falling due within one year	7	-	(559)
Net current assets		<u>10</u>	<u>9,973</u>
Corporation tax payable	10	-	(795)
Net assets		<u>10</u>	<u>9,178</u>
Capital and reserves			
Called-up share capital	8	10	10
Profit and loss account	12		9,168
Shareholders' funds - equity	12	<u>10</u>	<u>9,178</u>

The financial statements on pages 4 and 5 were approved by the Board of Directors on 21 December 2007 and were signed on its behalf by:


Director

The notes on pages 6 and 7 form an integral part of these financial statements

IAN ROBERTS

Notes to the financial statements

1 Principal accounting policies

The following accounting policies have been applied consistently throughout the period, in dealing with items which are considered material in relation to the Company's financial statements

General

(a) Basis of preparation

The Company is in the process of an orderly wind-up and therefore these financial statements have not been prepared on the going concern basis.

Accordingly these financial statements are presented on a wind-up basis of accounting where all assets are stated at their estimated net recoverable amounts. Any wind up costs expected to be incurred up to the date the company will cease to trade will be borne by the HSBC Group of companies.

Under Financial Reporting Standard ('FRS') 1 (revised 1996) the Company has not prepared a cash flow statement because its parent undertaking, Prospect Heights (Holdings) Limited which is incorporated in the United Kingdom, prepares consolidated accounts which are publicly available.

As a wholly owned subsidiary of Prospect Heights (Holdings) Limited, the Company has taken advantage of the exemption under FRS 8 not to disclose interCompany transactions within the Prospect Heights (Holdings) Limited Group. The consolidated financial statements of Prospect Heights (Holdings) Limited, within which the Company is included, can be obtained from the address given in note 11.

On 17 October 2005 all personal loan receivables in the receivables trust in which the Company held an interest were sold to HFC Bank Limited, and all outstanding debt was repaid. Accordingly the Company's business activities are considered as discontinued operations.

(b) Turnover

Turnover comprises interest receivable and other finance charges on personal loan receivables.

(c) Servicing fees

Servicing fees are payable by the Company under the terms of the servicing agreement with HFC Bank Limited.

(d) Floating rate notes

The floating rate notes were issued at a discount. The value of the discount is deducted from the principal balance of the notes and is charged to the profit and loss account on a sum of digits basis such that the discount will be fully amortised by the earlier of the contractual or expected repayment date of the notes.

(e) Issue costs

Costs relating to the issuance of finance are shown as a reduction of creditors in accordance with FRS 4 'Capital Instruments'. The issue costs have been funded by the fees part of the facility agreement and have been amortised over the life of the floating rate notes. The income to repay the fees part of the facility agreement has been recognised to match the amortisation of these issuer costs.

(f) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Turnover

	2006 £	2005 £
Interest received on personal loan receivables		5,012,330
All turnover arose from personal loan receivables and originated in the United Kingdom.		

3 Interest receivable and similar income

	2006 £	2005 £
Interest receivable on bank deposits and swap income		16,425

4 Interest payable and similar charges

	2006 £	2005 £
Interest payable comprises:		
Interest on asset backed floating rate notes		(1,527,642)
Interest on subordinated loan		(631,156)
Swap payment	-	(32,850)
		(2,191,648)

5 Administrative expenses

	2006 £	2005 £
Administrative expenses comprise:		
Servicing fees payable		(7,834)
Provision for bad and doubtful debts	-	(1,655,304)
Deferred consideration*		(2,46,148)
Other expenses		(58,272)
		(1,757,921)

* The deferred consideration relates to the purchase of Prospect 6 (Jersey) Limited by HSBC Bank Limited.

Notes to the financial statements (continued)

6 Debtors

	2006 £	2005 £
Unpaid share capital	10	0

7 Creditors - amounts falling due within one year

	2006 £	2005 £
Amounts owed to HFC Bank Limited	-	559

8 Share capital

	2006 £	2005 £
Authorised Equity 1 000 ordinary shares of £1 each	1 000	1 000
Issued and unpaid 2 ordinary shares of £1 each	10	10

9 Fees

The audit fee of £2 333 (2005: £2 333) and annual return fee of £150 (2005: £150) will be borne by a third party. If a late filing fee is levied it will be borne by a third party. The Company had no employees during the year and the directors' remuneration was £Nil for 2006 (2005: £Nil).

10 Taxation

	2006 £	2005 £
UK Corporation Tax	-	795
Total current tax and tax on profit on ordinary activities	-	795

The current tax charge for the period is lower than (2005: lower than) the small companies rate of corporation tax in the UK of 19% (2005: 19%). The differences are explained below.

Current tax reconciliation

Profit on ordinary activities before tax		5 349
Current tax at 19% (2005: 19.25%)	-	1 016

Effects of

Marginal relief claimed	-	(221)
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Total current tax charge (see above)		795
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Effective tax rate	0%	15%
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11 Ultimate parent undertaking

The Company's immediate parent undertaking is Prospect Heights (Holdings) Limited. The smallest and largest group into which the Company is consolidated is Prospect Heights (Holdings) Limited, the consolidated accounts of which are available to the public from the registered office of Prospect Heights (Holdings) Ltd at North Street, Winkfield, Windsor Berkshire SL4 4TD.

The entire issued share capital of the immediate parent undertaking is held by Royal Exchange Trust Company Limited, a Company registered in England, and its nominee as trustee for various United Kingdom institutions established for charitable purposes. The directors consider Prospect Heights (Holdings) Limited to be the ultimate parent and controlling party of the Company.

12 Reserves

	2006 £	2005 £
Profit and loss account		
Opening retained profit	9 168	4 614
Retained profit for year	-	1 544
Dividend	(9 168)	

Closing retained profit		5 108
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Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Opening shareholders' funds	9 178	1 624
Profit for the financial year		1 544
Dividend	(9 168)	
Closing shareholders' funds	10	3 178



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Please complete in typescript,
or in bold black capitals.

CHWP000

Change in situation or address of Registered Office

Company Number

Company Name in full

New situation of registered office

NOTE

The change in the situation of the registered office does not take effect until the Registrar has registered this notice

For 14 days beginning with the date that a change of registered office is registered, a person may validly serve any document on the company at its previous registered office

PO Box numbers only are not acceptable

For English and Welsh companies, the address must be in England or Wales For Scottish companies, the address must be in Scotland

Address

Post town

County / Region

Postcode

Signed

Date

† Please delete as appropriate

† a director / secretary / administrator / administrative receiver / liquidator / receiver manager / receiver

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form The contact information that you give will be visible to searchers of the public record

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DX exchange

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**This form has been provided free of charge
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10/03

When you have completed and signed the form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

for companies registered in England and Wales

or

Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB

for companies registered in Scotland

DX 33050 Cardiff

**DX 235 Edinburgh
or LP - 4 Edinburgh**