



# **Jerrold Mortgage Corporation Limited**

## **Annual Report and Financial Statements**

**For the year ended 30 June 2019**



**Jerrold Mortgage Corporation Limited**  
Annual report and financial statements for the year ended 30 June 2019

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# Officers and professional advisers

## Directors

HN Moser  
GD Beckett  
MR Goldberg  
J Lowe

Chief Executive Officer

(Appointed 12 December 2018)

## Secretary

GD Beckett

## Registered office

Lake View  
Lakeside  
Cheadle  
Cheshire  
SK8 3GW

## Auditor

Deloitte LLP  
Statutory Auditor  
2 Hardman Street  
Manchester  
M3 3HF

# Strategic report

The directors present their annual report and the audited financial statements for the year ended 30 June 2019.

## Business review

### Business model and strategy

The principal activity of Jerrold Mortgage Corporation Limited ('the Company') was that of financiers, but the Company transferred its residual loan book to a fellow subsidiary during 2017 and ceased to trade. The Company is a wholly-owned subsidiary of Together Financial Services Limited which, with its subsidiaries, operates as the Together Group of businesses.

### Results

As shown in the Company's statement of comprehensive income on page 7, the Company made a profit before tax of £21,095 (2018: £1,303).

### Position

As shown in the Company's statement of financial position on page 8, the deficit on equity has reduced to £132 from £11,621 at 30 June 2018, reflecting the retained profit for the year of £11,489.

## Principal risks and uncertainties

### Credit risk<sup>1</sup>

Credit risk is the risk arising as a result of default by counterparties due to failure to honour obligations when they fall due.

The Company's only material credit risk relates to its cash and cash equivalents which consist of surplus cash placed overnight with institutions with sufficiently high credit ratings.

### Liquidity and funding risk<sup>1</sup>

Liquidity risk is the risk that the Company is unable to meet its current and future financial obligations as they fall due. Funding risk is the risk of being unable to access funding or able to do so only at excessive cost.

Liquidity and funding risk is managed and mitigated by the regular monitoring of cash inflows and outflows.

### Market risk<sup>1</sup>

Market risk is the risk of loss as a result of the value of financial assets or liabilities being adversely affected by movements in market rates or prices. The Company has no material market risk.

Approved on behalf of the Directors  
and signed on behalf of the Board



J Lowe  
Director  
28 October 2019

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<sup>1</sup> This section forms part of the IFRS 7 disclosures in respect of the financial statements on pages 7 to 13.

# Directors' report

## Directors

The directors of the Company are set out on page 1.

## Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

## Environment

As the Company is no longer trading, its actions do not have a significant environmental impact.

## Statement of going concern

As set out in the statement of directors' responsibilities, the directors are required to prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Company will continue in business.

As explained under business model and strategy, the Company has transferred its residual loan book to a fellow subsidiary and ceased to trade. As required by UK accounting standards, the directors have therefore prepared the financial statements on the basis that the Company is no longer a going concern. For further details see Note 2 in the financial statements.

## Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company is contained in the strategic report.

## Dividends

The directors of the Company do not recommend the payment of a dividend (2018: £nil).

## Audit information

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- as far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

Approved by the Board of Directors  
and signed on behalf of the Board



J Lowe  
Director  
28 October 2019

# Statement of directors' responsibilities

The directors are responsible for preparing the annual 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), including FRS 101 *Reduced Disclosure Framework*. 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 its 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.

# Independent auditor's report

## Independent auditor's report to the members of Jerrold Mortgage Corporation Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Jerrold Mortgage Corporation Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the disclosures in the "Principal Risks and Uncertainties" section of the strategic report on page 2 of the Annual Report and Financial Statements that are denoted as forming part of the financial statements; and
- the related Notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to Note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

# Independent auditor's report (continued)

## Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Report on other legal and regulatory requirements

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report or the strategic report.

### Matters on which we are required to report by exception

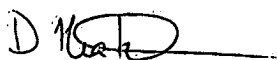
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

### Use of our report

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.



David Heaton (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester  
28 October 2019



# Statement of comprehensive income

Year ended 30 June 2019

Unless otherwise indicated, all amounts are stated in £

Income statement	Note	2019	2018
Fee and commission income	3	-	2,487
Other income	4	21,130	-
<b>Operating income</b>		<b>21,130</b>	<b>2,487</b>
Administrative expenses	5	(35)	(1,184)
<b>Profit before taxation</b>		<b>21,095</b>	<b>1,303</b>
Income tax	6	(9,606)	(1,470)
<b>Profit/(loss) after taxation</b>		<b>11,489</b>	<b>(167)</b>

The results for the current and preceding years relate entirely to discontinued operations. There is no other comprehensive income in either year.

# Statement of financial position

As at 30 June 2019

Unless otherwise indicated, all amounts are stated in £

	Note	2019	2018
<b>Assets</b>			
Cash and cash equivalents		6,386	6,386
Deferred tax asset	7	-	9,359
<b>Total assets</b>		<b>6,386</b>	<b>15,745</b>
<b>Liabilities</b>			
Other liabilities	8	6,518	27,366
<b>Total liabilities</b>		<b>6,518</b>	<b>27,366</b>
<b>Equity</b>			
Share capital	9	55,000	55,000
Accumulated losses		(55,132)	(66,621)
<b>Total equity</b>		<b>(132)</b>	<b>(11,621)</b>
<b>Total equity and liabilities</b>		<b>6,386</b>	<b>15,745</b>

These financial statements were approved and authorised for issue by the Board of Directors on 28 October 2019.

Company Registration No. 0521009

Signed on behalf of the Board of Directors

  
HN Moser  
Director

  
J Lowe  
Director

# Statement of changes in equity

Year ended 30 June 2019

Unless otherwise indicated, all amounts are stated in £

<b>2019</b>	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
At beginning of the year	55,000	(66,621)	(11,621)
Profit for the year	-	11,489	11,489
<b>At end of the year</b>	<b>55,000</b>	<b>(55,132)</b>	<b>(132)</b>

<b>2018</b>	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
At beginning of the year	55,000	(66,454)	(11,454)
Loss for the year	-	(167)	(167)
<b>At end of the year</b>	<b>55,000</b>	<b>(66,621)</b>	<b>(11,621)</b>

# Notes to the financial statements

## 1. Reporting entity and general information

Jerrold Mortgage Corporation Limited is incorporated in the United Kingdom under the Companies Act 2006 and registered in England. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The Company is limited by shares. The Company was primarily involved in financial services, but trading has ceased.

## 2. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year.

### **Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 101, *Reduced Disclosure Framework* (FRS 101). This applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) but provides certain exemptions from the disclosure requirements of IFRS.

The Company has taken advantage of the disclosure exemptions under FRS 101 in relation to presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective and related party transactions. Consolidated financial statements are prepared by the Company's parent, Together Financial Services Limited (see Note 11).

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### **Presentation of risk disclosures**

Disclosures under IFRS 7 *Financial instruments: Disclosures* concerning the nature and extent of principal risks have been presented within the strategic report.

### **IFRS 15**

IFRS 15 was issued in May 2014 and is effective for annual periods beginning on or after 1 January 2018. The effects of IFRS 15 are deemed to be immaterial for the Company, as the Company is no longer trading.

### **Going concern**

The Company's business activities, together with the factors likely to affect its future position, are set out in the strategic report.

The Company has ceased trading and the annual financial statements have been prepared on a basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

### **Fee and commission expense**

Fees and commission income primarily consist of insurance commission and charges which are not considered integral to the effective interest rate and generally recognised when the service has been provided.

# Notes to the financial statements (continued)

## 2. Significant accounting policies (continued)

### **Taxation**

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Company intends to settle its current tax assets and liabilities on a net basis.

### **Cash and cash equivalents**

Cash comprises cash in hand, demand deposits and bank overdrafts. Cash equivalents comprise highly liquid investments which are convertible into cash with an insignificant risk of changes in value with a maturity of three months or less at the date of acquisition, including short-term highly liquid debt securities.

### **Financial liabilities**

#### *Financial liabilities*

All the Company's financial liabilities are designated as financial liabilities at amortised cost and largely consist of amounts owed to the parent company. A financial liability is measured initially at fair value less the transaction costs that are directly attributable to its issue. Interest and fees payable are recognised in the statement of comprehensive income over the term of the instruments using the effective interest rate method.

Financial liabilities are derecognised when their contractual obligations are discharged, cancelled or have expired.

### **Critical accounting estimates and judgements**

There are no critical accounting estimates and judgements.

## Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

### 3. Fee and commission income

	2019	2018
Insurance commissions and charges	21,130	2,487

### 4. Other income

	2019	2018
Sundry receipts on previously redeemed accounts	21,130	1,184

### 5. Administrative expenses

	2019	2018
Administrative costs	35	1,184

The audit fee in respect of the Company of £1,000 (2018: £1,000) was borne by Blemain Finance Limited, a fellow subsidiary of Together Financial Services Limited.

### 6. Income tax

	2019	2018
<b>Current tax</b>		
Corporation tax	-	-
Adjustment in respect of prior years	247	-
<b>Total current tax</b>	<b>247</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	1,470
Transfer of deferred tax asset to fellow subsidiary	9,359	-
Adjustment in respect of prior years	-	-
<b>Total deferred tax</b>	<b>9,359</b>	<b>1,470</b>
<b>Tax charge for the year</b>	<b>9,606</b>	<b>1,470</b>

Corporation tax is calculated at 19.00% (2018: 19.00%) of the estimated profit for the year.

The differences between the Company tax charge for the period and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2019	2018
<b>Profit before tax</b>	<b>21,095</b>	<b>1,303</b>
Tax on profit at standard UK corporation tax rate of 19.00%	4,008	247
<b>Effects of:</b>		
Group relief	(4,008)	1,223
Transfer of deferred tax asset to fellow subsidiary	9,359	-
Adjustment in respect of prior years	247	-
<b>Tax charge for year</b>	<b>9,606</b>	<b>1,470</b>

## Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

### 7. Deferred tax asset

	2019	2018
At beginning of the year	9,359	10,829
Credit to income statement	-	(1,470)
Transfer of deferred tax asset to fellow subsidiary	(9,359)	-
	-	9,359

The deferred tax asset consisted of the following:

Short-term timing differences	-	9,359
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### 8. Other liabilities

	2019	2018
Amounts owed to parent company	5,579	5,297
Other creditors	939	22,069
	6,518	27,366

Amounts owed to parent company are repayable on demand.

### 9. Share capital

All amounts are stated in pounds.

	2019	2018
<b>Authorised, called-up, allotted and fully paid</b>		
55,000 ordinary shares of £1 each	55,000	55,000

### 10. Contingent liabilities

The Company has received an industrial injury claim from a former employee seeking in excess of £200,000 in respect of their employment in the 1980's. The Company considers the claim to be without merit and intends to defend it. No provision has been made because no obligation has yet been established, but it remains a possibility. In the event that a payment is required, it is expected that the cost to the Company, net of reimbursement by the Company's insurers, could be up to £135,000, but may be significantly less.

As at 30 June 2019, the Company's assets, along with those of the Together Group, were subject to a fixed and floating charge in respect of £725m senior secured notes (2018: £725m) and £55m in respect of bank borrowings (2018: £25m).

### 11. Ultimate parent company

The Company is a subsidiary undertaking of Together Financial Services Limited, a company incorporated in the UK and registered in England.

The smallest group of which the Company is a member, and for which group financial statements are drawn up, is that headed by Together Financial Services Limited. The largest group of which the Company is a member, and for which group financial statements will be drawn up, is that headed by Redhill Famco Limited. The principal place of business and registered office for Together Financial Services and Redhill Famco Limited, where copies of the financial statements can be obtained, is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. Together Financial Services Limited and Redhill Famco Limited are both privately owned and limited by shares.