



# **Jerrold Mortgage Corporation Limited**

## **Annual Report and Financial Statements**

**For the year ended 30 June 2020**

Registration No. 0521009



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## Officers and professional advisers

### Directors

HN Moser  
GD Beckett  
MR Goldberg  
J Lowe

(Resigned 30 September 2020)

### Secretary

GD Beckett

### Registered office

Lake View  
Lakeside  
Cheadle  
Cheshire  
SK8 3GW

### Auditor

Ernst & Young LLP  
2 St Peter's Square  
Manchester  
M2 3DF

## Directors' report

### Directors' report

The directors present their report for the year ended 30 June 2020.

#### Directors

The directors of the Company are set out on page 2.

#### 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 and dividends

As shown in the Company's statement of comprehensive income on page 8, the Company made a loss before tax of £6,035 (2019 profit: £21,095). As shown in the Company's statement of financial position on page 10, the deficit on equity has increased to £10,175 from £132 at 30 June 2019, reflecting the retained loss for the year of £10,043.

The directors of the Company do not recommend the payment of a dividend (2019: £nil).

#### Principal risks and uncertainties

##### *Credit risk*

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*

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*

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.

#### Corporate governance

The Company is a wholly owned subsidiary of Together Financial Services Limited.

The Board of Together Financial Services Limited ('the Board') meets a minimum of 6 times a year to provide leadership and oversight to the Company in line with its terms of reference, legal and regulatory provisions. The Board delegates certain responsibilities to its Board sub-committees and to senior management as appropriate. The Company's Board meets separately to discharge its statutory and regulatory responsibilities when required.

#### 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.

## Directors' report (continued)

## Directors' report (continued)

### 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 ceased trading and it is the intention of the directors to dissolve the Company, which may occur in the forthcoming year. 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.

### Strategic report

The directors have taken an exemption to prepare a strategic report as it's a small company as defined in the Companies Act 2006.

### Audit information

The directors, having considered the requirements for rotation of auditors, voluntarily tendered the audit. After a competitive tender, Ernst & Young LLP were appointed as the Group's auditors for the year ended 30 June 2020.

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 s.418 (2) of the Companies Act 2006.

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



MR Goldberg  
Director  
23 October 2020

## 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. For the reasons stated in the Directors' report and note 2, the financial statements of the Company have been prepared on a basis other than going concern.

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.

## 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

We have audited the financial statements of Jerrold Mortgage Corporation Limited for the year ended 30 June 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### 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 below. 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 on a basis other than going concern

We draw attention to note 2 to the financial statements, which explains that the directors intend to dissolve the company in the forthcoming year and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than of a going concern as described in note 2. Our opinion is not modified in respect of this matter.

##### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

##### 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

## Independent auditor's report (continued)

### Report on the audit of the financial statements (continued)

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

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 material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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.

DocuSigned by:  
*Blake Adlem*  
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Blake Adlem (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Manchester  
27 October 2020



Statement of comprehensive income  
Year ended 30 June 2020  
Unless otherwise indicated, all amounts are stated in £

Income statement	Note	2020	2019
Other income	3	-	21,130
<b>Operating income</b>		<b>-</b>	<b>21,130</b>
Administrative expenses	4	(6,035)	(35)
<b>Profit/(Loss) before taxation</b>		<b>(6,035)</b>	<b>21,095</b>
Income tax	5	(4,008)	(9,606)
<b>Profit/(Loss) after taxation</b>		<b>(10,043)</b>	<b>11,489</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 2020

Unless otherwise indicated, all amounts are stated in £

	Note	2020	2019
<b>Assets</b>			
Cash and cash equivalents		-	6,386
Deferred tax asset	6	-	-
<b>Total assets</b>		<b>-</b>	<b>6,386</b>
<b>Liabilities</b>			
Borrowings	7	6,000	-
Other liabilities	8	4,175	6,518
<b>Total liabilities</b>		<b>10,175</b>	<b>6,518</b>
<b>Equity</b>			
Share capital	9	55,000	55,000
Accumulated losses		(65,175)	(55,132)
<b>Total equity</b>		<b>(10,175)</b>	<b>(132)</b>
<b>Total equity and liabilities</b>		<b>-</b>	<b>6,386</b>

These financial statements were approved and authorised for issue by the Board of Directors on 23 October 2020.

Company Registration No. 0521009

Signed on behalf of the Board of Directors



HN Moser  
Director



MR Goldberg  
Director

# Statement of changes in equity

Year ended 30 June 2020

Unless otherwise indicated, all amounts are stated in £

<b>2020</b>	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
At beginning of the year	55,000	(55,132)	(132)
Loss for the year	-	(10,043)	(10,043)
<b>At end of the year</b>	<b>55,000</b>	<b>(65,175)</b>	<b>(10,175)</b>

<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>

## Notes to the financial statements

Unless otherwise indicated, all amounts are stated in £

### 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 a private company, limited by shares, and registered in England (Company number: 00521009). 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 preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the individual accounting policies and below.

The Company's parent undertaking, Together Financial Services Limited, includes the Company in its consolidated financial statements, and therefore the Company is exempt from the obligation to prepare and deliver consolidated accounts. The consolidated financial statements of Together Financial Services Limited are available to the public and may be obtained from Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. In these financial statements, the Company has taken advantage of the disclosure exemptions under FRS 101 in relation to the presentation of comparative information in respect of certain assets, a cash flow statement, disclosures in respect of IFRS 7 and IFRS 13, standards not yet effective and related party transactions.

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

#### Going concern

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

The Company has ceased trading and it is the intention of the directors to dissolve the Company in the forthcoming year. Thus the annual financial statements have been prepared on a basis other than going concern. Though no adjustments arose as a result of ceasing to apply the going concern basis, the assets are presented at their recoverable value and liabilities at their settlement value.

The financial statements do not include any provision for the future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting period.

#### 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.

## Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

### 2. Significant accounting policies (continued)

#### Taxation (continued)

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.

#### 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 key sources of estimation uncertainty

In preparing these financial statements, the Company's management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the amounts reported for the Company's performance and financial position. Where possible, estimates and associated assumptions are based on historical experience, objective information, or other relevant factors and are reviewed at each reporting date. Actual results may differ from these estimates, and revisions to estimates are recognised prospectively.

There are no critical accounting estimates and key sources of estimation uncertainty.

### 3. Other income

	2020	2019
Sundry receipts on previously redeemed accounts	-	21,130

### 4. Administrative expenses

	2020	2019
Administrative costs	6,035	35

The audit fee in respect of the Company of £2,000 (2019: £1,000) was borne by Blemain Finance Limited, a fellow subsidiary of Together Financial Services Limited.

## Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

### 5. Income tax

	2020	2019
<b>Current tax</b>		
Corporation tax	-	-
Adjustment in respect of prior years	4,008	247
	<b>4,008</b>	<b>247</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
Transfer of deferred tax asset to fellow subsidiary	-	9,359
Adjustment in respect of prior years	-	-
<b>Total deferred tax</b>	<b>-</b>	<b>9,359</b>
<b>Tax charge for the year</b>	<b>4,008</b>	<b>9,606</b>

Corporation tax is calculated at 19.00% (2019: 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:

	2020	2019
<b>Profit/(Loss) before tax</b>	<b>(6,035)</b>	<b>21,095</b>
Tax on profit at standard UK corporation tax rate of 19.00%	(1,147)	4,008
<b>Effects of:</b>		
Group relief	1,147	(4,008)
Transfer of deferred tax asset to fellow subsidiary	-	9,359
Adjustment in respect of prior years	4,008	247
<b>Tax charge for year</b>	<b>4,008</b>	<b>9,606</b>

### 6. Deferred tax asset

	2020	2019
At beginning of the year	-	9,359
Transfer of deferred tax asset to fellow subsidiary	-	(9,359)

### 7. Borrowings

	2020	2019
<b>Bank facilities</b>	<b>6,000</b>	<b>-</b>

Bank facilities are repayable on demand.

### 8. Other liabilities

	2020	2019
Amounts owed to parent company	3,236	5,579
Other creditors	939	939
	<b>4,175</b>	<b>6,518</b>

Amounts owed to parent company are repayable on demand. Other creditors consist of aged amounts received from customers the company is unable to locate, and these will remain there until the write-off process is completed.

## Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

### 9. Share capital

All amounts are stated in pounds.

Authorised, called-up, allotted and fully paid	2020	2019
55,000 ordinary shares of £1 each	55,000	55,000

### 10. Contingent liabilities

As at 30 June 2020, the Company's assets, along with those of the Together Group, were subject to a fixed and floating charge in respect of £785m senior secured notes (2019: £725m) and £10m in respect of bank borrowings (2019: £55m).

### 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, is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. Together Financial Services Limited and Redhill Famco Limited are both privately owned and limited by shares.