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Jerrold Mortgage Corporation Limited Annual Report and Financial Statements

For the year ended 30 June 2021



Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11

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 2021.

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.

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

Results and dividends

As shown in the Company's statement of comprehensive income on page 8, the Company made a loss before tax of £178 (2020: £6,035). As shown in the Company's statement of financial position on page 9, the Company's equity has decreased to negative £10,353 at 30 June 2021, reflecting the retained loss for the year of £178.

The directors of the Company do not recommend the payment of a dividend (2020: £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 credit risk relates to its cash and cash equivalents, which consist of surplus cash placed overnight with institutions and to its intercompany loan and the ability of its parent, Together Financial Services Limited, to meet any contractual obligations. Due to the fact that the institutions with which surplus cash is placed have sufficiently high credit ratings and that the Together Group has continued to generate profits and has a diverse funding structure with maturities ranging from 2022 to 2027; the directors consider that the Company has no material credit risk.

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.

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 explained in Note 2, it is expected that the Company will liquidate during the next 12 months from the approval of the financial statements, with no intention to recommence trading. Therefore the financial statements have been prepared on a basis other than going concern.

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

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
22 March 2022

Statement of directors' responsibilities

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

Opinion

We have audited the financial statements of Jerrold Mortgage Corporation Limited (the "Company") for the year ended 30 June 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 10, 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 2021 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. 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 next 12 months from the date of approval of the financial statements 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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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)

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 4, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006 and UK Tax Legislation.
- We understood how the Company is complying with those frameworks by making enquiries of management, internal audit, those charged with governance, and reviewing relevant committee minutes and board reports. We enquired as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by considering the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of management and internal audit for their awareness of any known instances of non-compliance or suspected non-compliance with laws and regulations, and reviewing key policies. We performed journal entry testing, with a focus on post-closing adjustments and journals indicating unusual transactions based on our understanding of the business.

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.

Independent auditor's report (continued)

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.

A handwritten signature in black ink, appearing to read "Ernst & Young LLP", is written over the printed name of the auditor.

Stephen Littler (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
22 March 2022

Statement of comprehensive income
Year ended 30 June 2021
Unless otherwise indicated, all amounts are stated in £

Income statement	Note	2021	2020
Administrative expenses	3	(178)	(6,035)
Loss before taxation		(178)	(6,035)
Income tax	4	-	(4,008)
Loss after taxation		(178)	(10,043)

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 2021

Unless otherwise indicated, all amounts are stated in £

	Note	2021	2020
Assets			
Cash and cash equivalents		50,000	-
Total assets		50,000	-
Liabilities			
Borrowings	5	-	6,000
Other liabilities	6	60,353	4,175
Total liabilities		60,353	10,175
Equity			
Share capital	7	55,000	55,000
Accumulated losses		(65,353)	(65,175)
Total equity		(10,353)	(10,175)
Total equity and liabilities		50,000	-

These financial statements were approved and authorised for issue by the Board of Directors on 22 March 2022.

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 2021

Unless otherwise indicated, all amounts are stated in £

2021	Share capital	Accumulated losses	Total
At beginning of the year	55,000	(65,175)	(10,175)
Loss for the year	-	(178)	(178)
At end of the year	55,000	(65,353)	(10,353)

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

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 next 12 months from the approval of the financial statements. Thus the annual financial statements have been prepared on a basis other than going concern. Under this 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 as these costs will be borne by the parent company, Together Financial Services Limited.

Taxation

Tax on the loss 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 loss 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.

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

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 at settlement value under the other than going concern basis. 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. Administrative expenses

	2021	2020
Administrative costs	178	6,035

Company overheads, including directors' emoluments, wages and salaries, office administration costs, and auditor remuneration were borne by a fellow subsidiary company of Together Financial Services Limited, Blemain Finance Limited, and were recharged to companies within the Group based on operational and financial drivers. On 15 March 2021, employees were transferred to Together Financial Services Limited pursuant to TUPE regulations with costs then recharged within the Group based on operational and financial drivers. On 31 March 2021, certain specified assets and liabilities were transferred to Together Financial Services Limited from Blemain Finance Limited. From the date of the transfer, all administrative expenses are borne and recharged by Together Financial Services Limited.

The audit fee borne by Blemain Finance Limited (a fellow group company) and Together Financial Services Limited in respect of the Company in 2021 is £2,000 (2020: £2,000). The Company had no employees and paid no directors' emoluments during either year.

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

4. Income tax

	2021	2020
Current tax		
Corporation tax	-	-
Adjustment in respect of prior years	-	4,008
	-	4,008
Tax charge for the year	-	4,008

Corporation tax is calculated at 19.00% (2020: 19.00%) of the estimated loss for the year.

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

	2021	2020
Loss before tax	(178)	(6,035)
Tax on loss at standard UK corporation tax rate of 19.00%	(34)	(1,147)
Effects of:		
Group relief	34	1,147
Adjustment in respect of prior years	-	4,008
Tax charge for the year	-	4,008

5. Borrowings

	2021	2020
Bank facilities	-	6,000

Bank facilities are repayable on demand.

6. Other liabilities

	2021	2020
Amounts owed to parent company	60,353	3,236
Other creditors	-	939
	60,353	4,175

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.

7. Share capital

All amounts are stated in pounds.

Authorised, called-up, allotted and fully paid	2021	2020
55,000 ordinary shares of £1 each	55,000	55,000

8. Contingent liabilities

As at 30 June 2021, the Company's assets, along with those of the Together Group, were subject to a fixed and floating charge in respect of £935m senior secured notes (30 June 2020: £785m) and £nil in respect of bank borrowings (30 June 2020: £10m).

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £

9. 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.

10. Post balance sheet event

Post year end, in September 2021, Together Financial Services Limited made a capital contribution of £50k, by way of forgiveness of a portion of the intercompany loan that it was due from Jerrold Mortgage Corporation Limited.

2