



Phone-A-Loan Limited Annual Report and Financial Statements

For the year ended 30 June 2016



PHONE-A-LOAN LIMITED

Annual report and financial statements for the year ended 30 June 2016

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Financial statements	7
Notes to the financial statements	10

Officers and professional advisers

DIRECTORS

HN Moser	Chief Executive Officer
SP Baker	(Resigned 27 April 2016)
GD Beckett	
MR Goldberg	
GA Jennison	(Resigned 30 September 2015)

SECRETARY

GD Beckett

REGISTERED OFFICE

Lake View
Lakeside
Cheadle
Cheshire
SK8 3GW

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 Hardman Street
Manchester,
United Kingdom
M3 3HF

PRINCIPAL BANKERS

The Royal Bank of Scotland PLC
135 Bishopsgate
London
EC2M 3UR

Directors' report (continued)

The directors present their annual report and the audited financial statements for the year ended 30 June 2016.

Business review

Principal activities

The Company has ceased to trade in the current year. The directors intend to dissolve the Company in the forthcoming year.

The Company qualifies as a small company in accordance with the provisions of S382(3) of the Companies Act 2006 and is therefore exempt from the requirement to present an enhanced business review and from preparing a strategic report.

Results and Dividends

As shown in the Company's statement of comprehensive income on page 7, profit after tax increased to £390,000 (2015: £378,000) due to interest receivable on amounts owed by Group undertakings.

The directors of the Company do not recommend the payment of a dividend (2015: £nil).

Principal risk and uncertainties

Credit risk

Credit risk is the risk of suffering financial loss should debtors default on their contractual obligations. The Company is exposed to changes in the economic position of its debtors, which may adversely impact their ability to make repayments. The level of this risk is driven by both macro-economic factors, as well as by factors relating to specific customers, such as a change in the borrower's circumstances.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its current and future financial obligations as they fall due, or can do so only at excessive cost. The Company has no material liquidity risk.

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.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company uses its operational systems and controls to mitigate these risks, including policies and procedures to manage specific risks. It has taken steps to ensure its IT infrastructure meets operational performance needs, is sufficiently resilient and has controls in place to mitigate cyber risk. A documented and tested business continuity plan is in place to enable the recovery of operations in the event of an incident. Financial crime-prevention controls are in place across and are overseen by the risk department.

Statement of going concern

The financial statements are prepared on a basis other than that of a going concern as the company has ceased to trade in 2016. The directors intend to dissolve the Company in the forthcoming year.

Directors' report (continued)

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.

Audit information

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

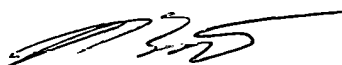
- as far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any audit information and to establish that the Company's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

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint it will be proposed at the forthcoming Annual General Meeting.

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



GD Beckett
Chief Financial Officer

11 November 2016

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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent 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 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.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHONE-A-LOAN LIMITED

We have audited the financial statements of Phone-A-Loan Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit 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.

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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Independent auditor's report (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Peter Birch (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

// November 2016

Statement of comprehensive income

Year ended 30 June 2016

Unless otherwise indicated, all amounts are stated in £'000.

Income statement

	Note	2016	2015
Interest receivable and similar income	3	498	507
NET INTEREST INCOME		498	507
Fees and commission income	4	56	91
Fees and commission expense	5	(56)	(104)
OPERATING INCOME		498	494
Administrative expenses	6	(10)	(17)
PROFIT BEFORE TAXATION		488	477
Income tax	10	(98)	(99)
PROFIT AFTER TAXATION		390	378

Comparative information has been restated for the change in accounting standards described in note 2.

All activity has arisen from discontinued operations.

There is no other comprehensive income in either year.

Statement of financial position

As at 30 June 2016

Unless otherwise indicated, all amounts are stated in £'000.

	Note	2016	2015
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	6,992	6,842
Cash and cash equivalents		159	171
Deferred tax	11	-	1
NET CURRENT ASSETS		<u>7,151</u>	<u>7,014</u>
CREDITORS: amounts falling due within one year	8	(202)	(455)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,949</u>	<u>6,559</u>
NET ASSETS		<u>6,949</u>	<u>6,559</u>
CAPITAL AND RESERVES			
Share capital	9	-	-
Retained earnings		6,949	6,559
TOTAL EQUITY		<u>6,949</u>	<u>6,559</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the Board of Directors on || November 2016.

Company Registration No. 01733267

Signed on behalf of the Board of Directors

HN Moser

Director

GD Beckett

Director

Statement of changes in equity

Unless otherwise indicated, all amounts are stated in £'000.

2016

	Called up share capital	Retained earnings	Total
At the beginning of the year	-	6,559	6,559
Retained profit for the financial year	-	390	390
At the end of the year	-	6,949	6,949

2015

	Called up share capital	Retained earnings	Total
At the beginning of the year	-	6,181	6,181
Retained profit for the financial year	-	378	378
At the end of the year	-	6,559	6,559

Notes to the financial statements

Unless otherwise indicated, all amounts are stated in £'000.

1. REPORTING ENTITY/GENERAL INFORMATION

Phone-A-Loan Limited is incorporated and domiciled in the UK. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The Company is primarily involved in financial services.

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 for the first time 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 date of transition to FRS 101 and the date of the opening statement of financial position using IFRS recognition and measurement principles was 1 July 2014. All financial information since this date for the Company has been restated from UK GAAP to FRS101. No significant adjustments were necessary on transition, and accordingly these financial statements contain no reconciliations of changes from UK GAAP to FRS 101. The comparative figures reported for the year ended 30 June 2015 are non-statutory figures; the UK GAAP statutory figures have been submitted to the Registrar of Companies with an unqualified audit opinion.

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 consolidated financial statements are disclosed in the individual accounting policies.

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 statement of financial position on transition, presentation of a cashflow statement, standards not yet effective and related party transactions.

Going concern

The financial statements are prepared on a basis other than that of a going concern as the company has ceased to trade in 2016. The directors intend to dissolve the Company in the forthcoming year.

Operating segments

The Company has no listed financial instruments in issue. It is therefore outside the scope of IFRS 8, *Operating Segments*, and accordingly does not disclose segment information in these financial statements.

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in pounds

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Tax on the profit or 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 net profit as reported in the consolidated 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.

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.

Financial assets & liabilities

Financial assets

The majority of the Company's financial assets are amounts owed by Group undertakings that are measured at fair value.

Financial liabilities

All the Company's financial liabilities are in relation to amounts owed to Group undertakings and are measured at fair value.

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in pounds

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all instruments measured at amortised cost using the effective interest method. The effective interest method calculates the amortised cost of a financial asset or a financial liability and allocates the interest income or interest expense over the expected life of the instrument. The effective interest rate is the rate that, at inception of the instrument, discounts its estimated future cash payments or receipts to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees, transaction costs and other premiums or discounts that relate to the origination of the instrument.

Interest on impaired financial assets is recognised at the original effective interest rate applied to the carrying amount as reduced by an allowance for impairment.

Fee and commission income and expense

Fees and commissions which are an integral part of the effective interest rate of a financial instrument are recognised as an adjustment to the contractual interest rate and recorded in interest income.

Fees and commissions which are not considered integral to the effective interest rate are generally recognised on an accruals basis when the service has been provided.

Fees and commissions expenses primarily consist of legal and valuations fees and credit search fees.

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.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
On amounts owed by group undertakings	498	507
	<u>498</u>	<u>507</u>

4. FEE AND COMMISSION INCOME

	2016	2015
Fees receivable	56	91
	<u>56</u>	<u>91</u>

5. FEE AND COMMISSION EXPENSE

	2016	2015
Fees payable	56	104
	<u>56</u>	<u>104</u>

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in pounds

6. ADMINISTRATIVE EXPENSES

	2016	2015
Recharges, net of other administrative costs	10	17
	<u>10</u>	<u>17</u>

Company overheads, including directors' emoluments, wages and salaries and office administration costs, are borne by a fellow subsidiary company of Jerrold Holdings Limited, Blemain Finance Limited and are recharged to companies within the Jerrold Holdings group on a proportionate basis.

7. DEBTORS

	2016	2015
Amounts owed by group undertakings	6,992	6,839
Other debtors	-	3
	<u>6,992</u>	<u>6,842</u>

All amounts are due within one year

8. CREDITORS

	2016	2015
Amounts owed to group undertakings	103	351
Current tax liability	98	99
Accruals and deferred income	1	4
Trade creditors	-	1
	<u>202</u>	<u>455</u>

All amounts are due within one year

9. SHARE CAPITAL

	2016	2015
Authorised, allotted, called-up and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in pounds

10. TAX ON PROFIT

	2016	2015
Current tax		
Corporation tax	<u>97</u>	<u>99</u>
Deferred tax		
Effect of changes in tax rate	<u>1</u>	<u>-</u>
Total deferred tax	<u>1</u>	<u>0</u>
Total tax on profit	<u>98</u>	<u>99</u>

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 profit before tax are as follows:

Profit before tax	<u>488</u>	<u>477</u>
Tax on profit at standard UK corporation tax rate of 20.00%/20.00%	97	99
Effects of:		
Effect of changes in tax rate	<u>1</u>	<u>-</u>
Tax charge for year	<u>98</u>	<u>99</u>

11. DEFERRED TAX

	2016	2015
Deferred taxation asset		
At beginning of the year	1	1
Credit to income statement	<u>(1)</u>	<u>-</u>
At end of the year	<u>-</u>	<u>1</u>

The deferred tax asset consisted of the following:

Accelerated capital allowances	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

12. ULTIMATE PARENT COMPANY

During the year the Company was a subsidiary undertaking of Jerrold Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

The largest and smallest group of which Phone-A-Loan Limited was a member during the year, and for which group financial statements are drawn up, was that headed by Jerrold Holdings Limited, whose principal place of business is at Lake View, Lakeside, Cheadle, Cheshire, United Kingdom, SK8 3GW.

HN Moser, a director of Jerrold Holdings Limited, and members of his close family, control the Company as a result of controlling directly or indirectly 70% of the voting rights of Jerrold Holdings Limited.

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in pounds

12. ULTIMATE PARENT COMPANY (continued)

Events after the year end

On 2 November 2016 all the voting rights of Jerrold Holdings Limited were acquired by Bracken Midco2 Limited, a company whose ultimate parent is Redhill Famco Limited. Redhill Famco Limited is wholly controlled by HN Moser and members of his family.

As a consequence, from that date the Company has been a member of a group headed by Redhill Famco Limited, whose principal place of business is at Lake View, Lakeside, Cheadle, Cheshire, United Kingdom, SK8 3GW.