

PHONE-A-LOAN LIMITED

Annual Report and Financial Statements

For the year ended 30 June 2014

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PHONE-A-LOAN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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PHONE-A-LOAN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H.N. Moser
S.P. Baker
G.D. Beckett
M.R. Goldberg
G.A. Jennison (appointed 4 October 2013)

COMPANY SECRETARY

G.D. Beckett (appointed 6 December 2013)
M.J. Ridley (resigned 6 December 2013)

REGISTERED OFFICE

Lake View
Lakeside
Cheadle
Cheshire
United Kingdom
SK8 3GW

PRINCIPAL BANKERS

The Royal Bank of Scotland Plc
Spinningfields
Manchester
M3 3AP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

PHONE-A-LOAN LIMITED

The directors present their annual report and the audited financial statements for the year ended 30 June 2014.

PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS

The company's principal activity is secured loan brokerage.

The directors consider the results for the year to be satisfactory. The directors do not expect any significant change to the activities of the company.

The company qualifies as small 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

The audited financial statements for the year ended 30 June 2014 are set out on pages 6 to 12. The profit for the year after tax was £356,244 (2013: £279,371).

The directors do not recommend the payment of a dividend (2013: £nil).

COMPLIANCE

The brokerage activity of the company is regulated by the Financial Conduct Authority, "FCA". Additionally the company is an Introducer Appointed Representative of Cheshire Mortgage Corporation Limited which is regulated by the FCA. On 1 April 2014 the UK government transferred the regulation of consumer credit from the Office of Fair Trading to the FCA. As such, the FCA took over responsibility for the monitoring of compliance with the Consumer Credit Act. The company has successfully completed its preparation for its brokerage activity being regulated by the FCA, currently under the 'interim permissions' regime.

STATEMENT OF GOING CONCERN

As set out in the Directors' Responsibilities Statement, in preparing these financial statements 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.

The directors of the company have considered the Group's forecast funding and liquidity positions and applied reasonable sensitivities thereon in order to confirm that the preparation of the company's financial statements on a going concern basis is appropriate.

The company provides its parent company, Jerrold Holdings Limited, with funding. The Board of Jerrold Holdings Limited has confirmed that it is a going concern.

On the basis that the Group has adequate funding as detailed above, together with its current performance and financial position, the directors have a reasonable expectation that the Group will have sufficient funding and liquidity facilities to ensure that it will continue in operational existence for the foreseeable future. Accordingly the directors of the company have adopted the going concern basis in preparing financial statements.

DIRECTORS

The directors of the company are set out on page 1. All directors served throughout the year and subsequently thereafter except as noted 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.

PHONE-A-LOAN LIMITED

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 have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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

G.D. Beckett
Company Secretary

2nd October



2014

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 period. 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; 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 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 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 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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).

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 2014 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.

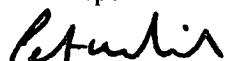
Opinion on other matter prescribed by the Companies Act 2006

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.



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

21/10/2014

PHONE-A-LOAN LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 30 June 2014

	Note	2014 £	2013 £
TURNOVER	2	96,440	98,166
Cost of sales		(65,443)	(60,373)
GROSS PROFIT		30,997	37,793
Administrative expenses		(10,875)	(78,415)
OPERATING PROFIT / (LOSS)		20,122	(40,622)
Interest receivable and similar income	4	439,671	407,064
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		459,793	366,442
Tax on profit on ordinary activities	6	(103,549)	(87,071)
RETAINED PROFIT FOR THE FINANCIAL YEAR	11	356,244	279,371

All activity has arisen from continuing operations.

The company has no recognised gains or losses in either year other than the profit for that year shown above. Accordingly, a separate statement of total recognised gains and losses has not been presented.

PHONE-A-LOAN LIMITED

BALANCE SHEET

As at 30 June 2014

	Note	2014 £	2013 £
CURRENT ASSETS			
Debtors			
- due within one year	7	8,492	11,955
- due after one year	7	6,124,813	5,663,245
Cash at bank and in hand		155,240	152,188
		<u>6,288,545</u>	<u>5,827,388</u>
CREDITORS: Amounts falling due within one year	8	<u>(107,790)</u>	<u>(2,877)</u>
NET ASSETS		<u>6,180,755</u>	<u>5,824,511</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	6,180,655	5,824,411
SHAREHOLDER'S FUNDS	11	<u>6,180,755</u>	<u>5,824,511</u>

The financial statements of Phone-A-Loan Limited were approved by the Board of Directors and authorised for issue on *2nd October* 2014.

Signed on behalf of the Board of Directors

G.D. Beckett
Director



G.A. Jennison
Director



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current year and the prior year.

Accounting convention

The company prepares its Financial Statements under the historic cost convention and on the going concern basis. The directors continue to adopt the going concern basis as disclosed in the Directors' report - Statement of Going Concern.

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Jerrold Holdings Limited which has produced consolidated financial statements that are publicly available.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. TURNOVER

Turnover is wholly-derived from within the UK and relates to the principal activity of the company. Turnover consists of arrangement fees recognised on an accruals basis.

3. STAFF COSTS

The company had no employees and paid no directors' emoluments during either year.

Directors' emoluments are borne by a fellow subsidiary company of Jerrold Holdings Limited and Blemain Finance Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014	2013
	£	£
Interest receivable on intragroup loans	<u>439,671</u>	<u>407,064</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014	2013
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on owned tangible fixed assets	<u>-</u>	<u>142</u>

The audit fee of was borne by another group undertaking.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2014	2013
	£	£
Current tax		
UK corporation tax	103,316	86,882
Adjustment in relation to prior period	<u>-</u>	<u>1</u>
Total current tax	<u>103,316</u>	<u>86,883</u>
Deferred tax		
Origination and reversal of timing differences (see note 9)	143	151
Effect of changes in tax rates	<u>90</u>	<u>37</u>
Total deferred tax (see note 9)	<u>233</u>	<u>188</u>
Total tax on profit on ordinary activities	<u><u>103,549</u></u>	<u><u>87,071</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard companies rate of UK corporation tax to the profit before tax are as follows:

	2014 £	2013 £
Profit on ordinary activities before tax	459,793	366,442
Tax on profit on ordinary activities at UK corporation tax rate of 22.5% (2013: 23.75%)	103,460	87,033
Effects of:		
Expenses not deductible for tax purposes	(1)	-
Capital allowances in excess of depreciation	(143)	(151)
Adjustment in relation to prior years	-	1
Current tax charge for year	103,316	86,883

The main rate of corporation tax reduced from 23% to 21% from 1 April 2014 resulting in a standard rate of corporation tax for the year to 30 June 2014 of 22.5%.

There is no unprovided deferred tax at the year end (2013: £nil).

7. DEBTORS

	2014 £	2013 £
Amounts falling due within one year:		
Other debtors	8,492	11,955
	8,492	11,955
Amounts falling due after more than one year:		
Amounts owed by group undertakings	6,124,232	5,662,431
Deferred taxation (see note 9)	581	814
	6,124,813	5,663,245
	6,133,305	5,675,200

The terms of the intercompany loan result in the balance not being repayable prior to 31 December 2015.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	-	389
Corporation tax	103,316	-
Accruals and deferred income	4,474	2,488
	107,790	2,877

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

9. DEFERRED TAXATION

	£
Deferred tax asset at 1 July 2013	814
Charge to profit and loss account	(233)
	<u>581</u>
Deferred tax asset at 30 June 2014	<u>581</u>

The amounts provided in the financial statements comprising full provision as follows:

	2014 £	2013 £
Capital allowances in advance of depreciation	<u>581</u>	<u>814</u>

The directors believe that future profitability will be sufficient to ensure that the deferred tax asset is recovered.

9. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. PROFIT AND LOSS ACCOUNT

	£
At 1 July 2013	5,824,411
Retained profit for the financial year	356,244
	<u>6,180,655</u>
At 30 June 2014	<u>6,180,655</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £	2013 £
Opening shareholder's funds	5,824,511	5,545,140
Profit for the financial year	356,244	279,371
	<u>6,180,755</u>	<u>5,824,511</u>
Closing shareholder's funds	<u>6,180,755</u>	<u>5,824,511</u>

12. CONTINGENT LIABILITY

As at 30 June 2014 the company's assets were subject to a fixed and floating charge in respect of £35.0m of bank borrowings of the group (2013: £204.5m).

13. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary undertaking of Jerrold Holdings Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with other members of the group headed by Jerrold Holdings Ltd.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 30 June 2014

14. ULTIMATE PARENT COMPANY

The company is a wholly owned 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 is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings Limited, whose principal place of business is at Lake View, Lakeside, Cheadle, Cheshire, United Kingdom SK8 3GW.

H.N. 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.