

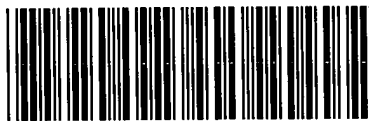
FN Mortgages Limited

Directors' report and financial statements

for the year ended 30 November 2015

Registered number: 01989335

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FN Mortgages Limited

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FN Mortgages Limited

Directors' report for the year ended 30 November 2015

The directors present their report and the audited financial statements for the year ended 30 November 2015.

Principal activity and business review

The principal activity of FN Mortgages Limited ("the company") was the provision of mortgages and secured personal loans.

On 6 April 2016, the directors took the decision to cease trading following the signing of an agreement to sell the company's portfolio of loan assets. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.1.

The company will continue to exceed regulatory expectations, appropriately redress past conduct issues and ensure that the principle of Treating Customers Fairly ("TCF") continues to be embedded at all levels of the company.

Results and dividends

The profit for the year, after taxation, amounted to £98,000 (2014: £206,000).

During the year, the company paid an interim dividend of £nil (2014: £1,000,000), to its immediate parent undertaking, GE Money Home Finance Limited.

The directors do not recommend the payment of a final dividend (2014: £nil).

Directors

The directors who served during the year and up to the date of directors' report were:

B P M van Bunnik
M Uria Fernandez
L A R Perrin (appointed 16 February 2015)
S M Pickering (resigned 11 September 2015)
A Xavier-Phillips (resigned 5 February 2015)

Post balance sheet event

On 4 December 2015, the majority of the loan portfolio was sold for cash consideration of £1.7million. The proceeds were used to pay a dividend to its parent company of £1.7million.

At 30th November 2015, the loan portfolio was carried at management's estimate of the recoverable amount, which included a further impairment of £0.01 million booked during the year. On 6 April 2016, the remaining loan portfolio was subsequently sold for a cash consideration of £0.01 million at no material profit or loss and no further adjustment was required.

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, on 6 April 2016 the directors took the decision to cease trading following the signing of an agreement to sell the company's portfolio of loan assets. As they do not intend to acquire a replacement trade, the directors have not prepared the financial statements for year ending 30 November 2015 on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

FN Mortgages Limited

Directors' report for the year ended 30 November 2015

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Under section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 23 May 2016 and signed on its behalf.



M Uria Fernandez
Director

Building 4, Hatters Lane
Croxley Green Business Park
Watford
Hertfordshire
United Kingdom
WD18 8YF

FN Mortgages Limited

Strategic report for the year ended 30 November 2015

Economic environment

During 2015, the recovery in the UK economy continued, with GDP growth of 2.2% being recorded for the full year. Since the summer, there have been some signs of a slowdown. However, whilst potential continuing stagnation in the Eurozone, slowdown in China and other global geopolitical risks provide reasons for caution; continued growth is expected in 2016.

Consumer price inflation ("CPI") remained very low in 2015, with 0.2% growth in prices recorded in the year to December 2015 driven by falling oil prices and a reduction in the cost of food and household goods. Inflation is expected to increase in 2016, but remaining at historically low levels, with the Office for Budget Responsibility (OBR) predicting 1.0% for 2016.

The improving economic environment, increased new mortgage volumes and the impact of government schemes, has supported the continued revival in the housing market. House price inflation rose to an annual rate of 9.5% in the 4th quarter of 2015, as reported in the Halifax House Price Index.

The relatively favourable macroeconomic conditions have continued to help to relieve pressure on customers' incomes and, together with the impact of portfolio sales, contributed to improved underlying delinquency levels compared with the prior year.

Financial Performance

The results for the company set out on page 10, show a profit before tax for the year ended 30 November 2015 of £0.1 million compared with £0.2 million profit before tax for the year ended 30 November 2014.

The fall in profit has been driven by a reduction in interest income, resulting from the decrease in the size of the loan portfolio. The lower net interest income has been partly compensated for by reduced administrative charges and lower funding costs.

Administrative expenses during the year decreased by 56% to £0.2 million (2014: £0.5 million), reflecting lower servicing charges from a group company, GE Money Servicing Limited, as described in note 6 to the accounts, when compared to the previous year. These decreases have been offset, in part, by a rise in customer redress.

The loan portfolio has declined by 70% to £1.7 million (2014: £5.7 million) during the year, reflecting the absence of new originations and continued customer repayments and redemptions.

During the year the company sold portfolio for cash consideration of £0.7 million. A pre-tax loss of £0.02 million was recorded after releasing reserves and other accounting adjustments.

On 4 December 2015, the majority of the remaining first charge loan portfolio was sold for cash consideration of £1.7million. The proceeds were used to pay a dividend to its parent company of £1.7million.

At 30th November 2015, the loan portfolio was carried at management's estimate of the recoverable amount, which included a further impairment of £0.01 million booked during the year. On 6 April 2016, the remaining loan portfolio was subsequently sold for a cash consideration of £0.01 million at no material profit or loss and no further adjustment was required.

The company calculates its provision for bad and doubtful debts using statistical models, overlaid by management's judgment. To reflect the current economic situation, and the further impairment described above, the bad debts provision, as a percentage of the portfolio increased to 1.5% (2014: 1.1%).

FN Mortgages Limited

Strategic report (continued) for the year ended 30 November 2015

Governance and oversight

The company has a formal governance structure for ensuring effective oversight of all operations, strategic planning and risk management within GE Money Home Lending Holdings Limited and its subsidiaries ("the group"), of which this company is a member.

Day to day operations are managed by a group Executive Committee comprising executive members of the Board of Directors of the company and key senior managers. The Executive Committee, along with selected subject matter experts, are responsible for strategic planning.

The Board of GE Money Home Lending Holdings Limited has an Audit Committee and Risk Committee. These are chaired by Non-Executive Directors of the company and provide independent oversight of the financial accounting and policies, audit plans, risk management framework and internal control systems of "the group".

The Enterprise Risk Management Committee ("ERMC") monitors risk across the full spectrum of enterprise risk: strategic, compliance, credit, operational, liquidity and market, conducting strategic review/assessment of consolidated key risks and identifying any trends for further discussion/escalation, including any breaches in established triggers/risk appetite. The ERMC includes all members of the Senior Management Team and reports to the Risk Committee.

An Asset & Liability Committee ("ALCO") measures, monitors, and manages risk in the following areas: capital adequacy, counterparty, funding & liquidity, interest rates and foreign exchange. Minimum standards are set in each of the areas that ensure compliance with both UK regulatory requirements and corporate guidelines. The ALCO reports to the ERMC and includes members of the Executive Committee and representatives from the Finance and Treasury teams.

Internal Audit

The role of Internal Audit is to provide independent, objective, reliable and timely assurance to the GE Money Home Lending Holdings Limited ("the group") Audit Committee (following the division of the ARC), the group Board, senior management and regulators over the effectiveness of risk management, governance and controls to mitigate risk and enhance the control culture within the group. Further, Internal Audit provides senior management and the Audit Committee with information, analyses, and recommendations about the adequacy, effectiveness and efficiency of business operations, internal controls and the integrity of financial reports to assist them in the effective discharge of their responsibilities.

Principal risks and uncertainties

The company has dedicated risk and compliance functions responsible for ensuring effective control of its key risks. Additionally, the effectiveness of the internal control system is currently reviewed regularly by the Audit Committee, Risk Committee (following the division of the ARC) and ERMC, which also receives reports of reviews undertaken by the risk and internal audit functions.

The identified key risks are as follows:

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations. A specific Credit Risk function exists to establish and agree the company's risk appetite and establish appropriate and responsible lending policies. This unit monitors and reports on adherence to the credit policy and continually evaluates and refines credit underwriting strategies.

Interest rate risk

Interest rate risks arise through potential mismatches and shifts between funding and lending rates. In conjunction with the GE corporate Treasury Function any such risks are closely monitored and managed. The company does not undertake any proprietary trading or assume other market risks.

FN Mortgages Limited

Strategic report (continued) for the year ended 30 November 2015

Liquidity risk

Liquidity risk is the risk that the company will not be able to settle its obligations as they fall due. This risk is managed by the company's finance function, through ongoing monitoring of our obligations and sources of liquidity. The company finances its operations through an appropriate mixture of equity and borrowings from within the GE group.

Regulatory environment risk

Regulatory environment risk is the risk that the company is unable to respond in a timely manner to changes in its regulatory environment or breaches in existing regulatory requirements. This risk is managed through an established system of internal controls, which seeks to ensure that the company operates in a fully compliant and responsible manner at all times, through a dedicated legal & compliance function. Management proactively seeks to engage with regulators in order to anticipate regulatory changes and respond accordingly.

Operational risk

Operational risk is the risk of a loss arising from inadequate or failed internal processes or systems, human error or external events. This risk is managed through policies, procedures and an internal framework to ensure compliance with laws and regulations. Management relies on expertise within each function to identify risk areas and to design the necessary process and control requirements needed to prevent occurrence and when necessary, to take mitigating actions in relation to risk events. A specialist Operational Risk function also exists to provide advice, guidance and central monitoring of key operational risks. Appropriate processes are in place to manage conduct risk, including prompt elevation and involvement of Management into any potentially material finding related to current or historical practices.

Key performance indicators (KPI's)

The management of the business and the execution of the company's strategy are managed at the GE Money Home Lending Holdings Limited group level and, accordingly, KPI's are set and monitored at that group level. KPI's relevant to the company include management of portfolio size, delinquency levels, bad debt coverage and new business pipeline. The head count reporting below shows the results for the GE Money Home Lending Holdings Limited group.

	As at 30 November 2015	As at 30 November 2014
Mortgage loans	£2 million	£6 million
Bad debt provision	£0.03 million	£0.1 million
Coverage rate	1.5%	1.1%
Delinquency		
30 days past due	39.1%	33.9%
90 days past due	28.0%	30.1%
Head count:		
Directors	9 (Male 8 and Female 1)	10 (Male 8 and Female 2)
Senior Managers (excl. directors)	37 (Male 20 and Female 17)	37 (Male 23 and Female 14)
Employees	448 (Male 189 and Female 259)	538 (Male 241 and Female 297)

FN Mortgages Limited

Strategic report (continued)
for the year ended 30 November 2015

Treating Customers Fairly ('TCF')

Treating customers fairly continues to be at the core of our business philosophy. The company's Customer Promise/TCF Management Information is in place to measure how the business is treating its customers fairly. Each Approved Person is responsible for leading and embedding the TCF initiative in their functional area and has Customer Promise Management information embedded in their regular cycle of reports, ensuring it is frequently monitored and acted on.

This report was approved by the board on 23 May 2016 and signed on its behalf.



M Uria Fernandez
Director

FN Mortgages Limited

Directors' responsibilities statement for the year ended 30 November 2015

The directors are responsible for preparing the strategic report, the directors' 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. (As explained in note 1.1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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.

FN Mortgages Limited

Independent auditors' report to the members of FN Mortgages Limited

We have audited the financial statements of FN Mortgages Limited for the year ended 30 November 2015, set out on pages 10 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 auditors

As explained more fully in the directors' responsibilities statement set out on page 7, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 November 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter- Non going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note.

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.

FN Mortgages Limited

Independent auditors' report to the members of FN Mortgages Limited

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.



Andrew Jones (Senior statutory auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
United Kingdom
LS1 4DA

14 June 2016

FN Mortgages Limited

Profit and loss account for the year ended 30 November 2015

	Note	2015 £000	2014 £000
Interest receivable	1	268	560
Interest payable	2	-	(47)
		<hr/>	<hr/>
Net interest income		268	513
Administrative expenses	6	(206)	(472)
Other operating income	1	52	26
Reversal of provision for bad and doubtful debts	11	19	140
		<hr/>	<hr/>
Operating profit		133	207
Exceptional items related to Portfolio disposals	7	(35)	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	6	98	207
Tax on profit on ordinary activities	8	-	(1)
		<hr/>	<hr/>
Profit for the financial year	16	98	206
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 12 to 21 form part of these financial statements.

FN Mortgages Limited
Registered number: 01989335

Balance sheet
as at 30 November 2015

	Note	£000	2015 £000	£000	2014 £000
Fixed assets					
Investments	9		-		-
Current assets					
Debtors: amounts falling due after more than one year	10	380		1,393	
Debtors: amounts falling due within one year	10	5,509		4,419	
Cash at bank		-		5	
		5,889		5,817	
Creditors: amounts falling due within one year	12	(23)		(5)	
Net current assets			5,866		5,812
Total assets less current liabilities			5,866		5,812
Provisions for liabilities					
Other provisions	14		(25)		(69)
Net assets			5,841		5,743
Capital and reserves					
Called up share capital	15		250		250
Profit and loss account	16		5,591		5,493
Shareholders' funds	17		5,841		5,743

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 May 2016.



M Uria Fernandez
Director

The notes on pages 12 to 21 form part of these financial statements.

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, on 6 April 2016 the directors took the decision to cease trading following the signing of an agreement to sell the company's portfolio of loan assets. As they do not intend to acquire a replacement trade, the directors have not prepared the financial statements for year ending 30 November 2015 on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Any incremental costs associated with the closure of the business and cessation of trading will be borne by GE Money Servicing Limited, another group company.

1.2 Cash flow

The company, being a subsidiary undertaking of General Electric Company, where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment is estimated based on its net asset value. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised as an expense.

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

1. Accounting policies (continued)

1.5 Transactions with related parties

The company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in FRS 8, "Related Party Disclosures", in preparing its financial statements. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements of General Electric Company, in which the company is included, are publicly available.

1.6 Interest receivable

Interest receivable relates to the company's principal activity and arises wholly in the United Kingdom.

Interest receivable is recognised on an accruals basis and comprises mortgage interest income receivable from the company's lending activities.

Interest on doubtful debts ceases to be recognised when there is reasonable doubt over the collectability of principal or interest in accordance with the loan agreement.

1.7 Other operating income

Other operating income comprises the fees charged on loans in respect of arrangement, administration, arrears and early settlements and commissions earned on the sale of third party insurance. Other operating income is recognised on an accruals basis and is net of VAT.

1.8 Bad and doubtful debts

A credit loss provision has been established to reflect losses from impairment estimated to have occurred up to the balance sheet date. This is calculated primarily through application of provisioning models based on past experience overlaid with management's judgments as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling.

In addition, on reporting the accounts for the year ended 30 November 2015, management have recognised a further impairment to reflect the expected recoverable amount from the portfolio sale completed on 6 April 2016.

The provisioning models have applied historical information, up to the balance sheet date, on each portfolio to predict the amount of the debt at the balance sheet date that will be irrecoverable. The information used in the models takes into account the company's experience of default rates, loss emergence periods and the effect of historic movements in house prices, as well as specific loan factors including payment history, borrower credit rating and whether the account has been restructured as a result of forbearance actions.

All bad debts are written off against the provision in the period in which they are classified as irrecoverable. The amount necessary to bring the provisions to the assessed levels net of write offs and recoveries is charged to the profit and loss account.

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

2. Interest payable

	2015 £000	2014 £000
On amounts owed to group undertakings	-	47

3. Auditors' remuneration

	2015 £000	2014 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	16	16

Remuneration paid to the auditors for their audit services to the company was borne by a fellow group undertaking.

4. Staff costs

There are no direct employees of the company (2014: nil). Employees are remunerated by another group company, under their contracts of employment with that company. There were no recharged costs to the company in the current or prior period. Full disclosure regarding employees can be found in the financial statements of GE Money Servicing Limited.

The company reviews the bonus and remuneration schemes with GE Money Servicing Limited to ensure that adequate consideration is given to long term decision making and the interests of the employees are aligned to the success of the company.

5. Directors' remuneration

The company paid for no directors' remuneration (2014: £nil). During the year, none of the directors had any pension benefits provided by the company (2014: nil).

All of the directors are/were also directors or employees of GE Money Home Lending Holdings Limited, a parent undertaking and/or GE Money Servicing Limited, a fellow subsidiary undertaking, and do not specifically receive any remuneration in respect of their services as directors of this company. It was not possible to determine an appropriate proportion of their services on behalf of the company. Accordingly disclosure regarding their total emoluments as directors can be found in the financial statements of GE Money Home Lending Holding Limited.

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

6. Profit on ordinary activities before taxation

The profit on ordinary activities before tax is stated after charging:

	2015 £000	2014 £000
Management charges	219	402

The management charge, which is included in administrative expenses represents a servicing fee from a group company, GE Money Servicing Limited, which bears the costs of operating and administering the company's loan portfolio. These management charges are calculated to ensure that GE Money Servicing Limited is appropriately remunerated for the services provided to group companies. The management charge takes account of both the costs of the services provided and the returns and level of assets under management of the companies benefiting from these services.

Further disclosure of the management charge calculation is set out in the financial statements of GE Money Servicing Limited.

7. Exceptional items related to portfolio disposals

	2015 £000	2014 £000
Loss on sale of portfolio	35	-

During the year the company sold portfolio for cash consideration of £0.7 million. A pre-tax loss of £0.02 million was recorded after releasing reserves and other accounting adjustments.

On 4 December 2015, the majority of the remaining first charge loan portfolio were sold for cash consideration of £1.7 million. The proceeds were used to pay a dividend to its parent company of £1.7 million.

At 30th November 2015, the loan portfolio was carried at management's estimate of the recoverable amount, which included a further impairment of £0.01 million booked during the year. On 6 April 2016, the remaining loan portfolio was subsequently sold for a cash consideration of £0.01 million at no material profit or loss and no further adjustment was required.

8. Taxation

	2015 £000	2014 £000
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	-
Deferred tax (see note 13)		
Movement in deferred tax not provided	-	1
Tax on profit on ordinary activities	-	1

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

8. Taxation (continued)

Factors affecting current tax (credit)/charge for the year

The current tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.33% (2014: 21.7%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	98	207
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.33% (2014: 21.7%)	20	45
Effects of:		
Group relief for £nil consideration	(20)	(45)
Current tax (credit)/charge for the year (see note above)	-	-

Factors that may affect future tax charges

The UK corporation tax rate was reduced from 21% to 20% on 1 April 2015. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted at the balance sheet date. This will reduce any current tax charges accordingly. Subsequently, the UK government announced that the UK corporation tax rate will reduce further to 17% from 1 April 2020.

Deferred tax assets and liabilities on all timing differences have been calculated at 18%, including those expected to reverse in the years ending 30 November 2016 to 30 November 2020 (the overall average rate ranging from 20% to 18.3%). The impact of this on the financial statements is not considered material. There are no other factors that may significantly affect future tax charges.

9. Fixed asset investments

	2015 £000
Cost	
At 1 December 2014 and 30 November 2015	-
Impairment	
At 1 December 2014 and 30 November 2015	-
Net book value	
At 30 November 2015	-
At 30 November 2015	-

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

Details of the company's principal subsidiary undertakings, all of which are incorporated in England and Wales, are as follows:

Name	Percentage of share held	Class of shares held
MAES ECP No 1 Limited - <i>Dormant</i>	100%	Ordinary
MAES Finance Limited - <i>Dormant</i>	100%	Ordinary
Household Mortgage Corporation Limited - <i>Dormant</i>	100%	Ordinary
First National Mortgage Corporation Limited - <i>Dormant</i>	100%	Ordinary

10. Debtors

	2015 £000	2014 £000
<i>Due after more than one year</i>		
Mortgage loans (see note 10)	380	1,393
	<hr/>	<hr/>
	2015 £000	2014 £000
<i>Due within one year</i>		
Mortgage loans (see note 10)	1,317	4,277
Amounts owed by group undertakings	4,123	142
Other debtors	69	-
	<hr/>	<hr/>
	5,509	4,419
	<hr/>	<hr/>

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

11. Mortgage loans

	2015 £000	2014 £000
Cost		
At beginning of the year	5,736	11,027
Repayments, redemptions and write offs net of originations and interest	(4,012)	(5,291)
At end of the year	1,724	5,736
Provision		
At beginning of the year	(66)	(290)
Net credit for the year	19	140
Amount utilised, net of recoveries	34	84
Impairment charge on loans sold post year end to expected recoverable amount	(14)	-
At the end of the year	(27)	(66)
Net book value		
Due after more one year	380	1,393
Due within one year	1,317	4,277
At the end of the year	1,697	5,670

During the year the company sold portfolio for cash consideration of £0.7 million. A pre-tax loss of £0.02 million was recorded after releasing reserves and other accounting adjustments.

On 4 December 2015, the majority of the remaining first charge loan portfolio was sold for cash consideration of £1.7million. The proceeds were used to pay a dividend to its parent company of £1.7million.

At 30th November 2015, the loan portfolio was carried at management's estimate of the recoverable amount, which included a further impairment of £0.01 million booked during the year. On 6 April 2016, the remaining loan portfolio was subsequently sold for a cash consideration of £0.01 million at no material profit or loss and further adjustment was required.

12. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	15	-
Other creditors	8	5
	23	5

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

13. Deferred taxation

	2015 £000	2014 £000
At beginning of year	-	(1)
Charge during the year	-	1
At end of year	-	-

The amounts recognised and unrecognised in respect of deferred taxation are set out below:

	2015 Provided £000	2015 Unprovided £000	2014 Provided £000	2014 Unprovided £000
Accelerated capital allowances	-	1	-	1

14. Provisions for liabilities

	Other provisions £000
At 1 December 2014	69
Amounts reversed during the year	(15)
Amounts used	(29)
At 30 November 2015	25

Other provisions

The company recognised a provision for the expected cost of redress to customers who have claimed that they were mis sold products funded by the company or have suffered loss as a result of the company not managing their account in accordance with the terms and conditions. Management have conducted an analysis and intend to remediate impacted customers.

15. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
250,000 ordinary shares of £1 each	250	250

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

16. Reserves

	Profit and loss account £000
At 1 December 2014	5,493
Profit for the financial year	98
At 30 November 2015	<u>5,591</u>

17. Reconciliation of movement in shareholders' funds

	2015 £000	2014 £000
Opening shareholders' funds	5,743	6,537
Profit for the financial year	98	206
Dividends (note 18)	-	(1,000)
Closing shareholders' funds	<u>5,841</u>	<u>5,743</u>

18. Dividends

	2015 £000	2014 £000
Dividends paid on equity capital	-	1,000

19. Post balance sheet event

On 4 December 2015, the majority of the remaining first charge loan portfolio was sold for cash consideration of £1.7million. The proceeds were used to pay a dividend to its parent company of £1.7million.

At 30th November 2015, the loan portfolio was carried at management's estimate of the recoverable amount, which included a further impairment of £0.01 million booked during the year. On 6 April 2016, the remaining loan portfolio was subsequently sold for a cash consideration of £0.01 million at no material profit or loss and no further adjustment was required.

20. Capital and financial commitments

The company had no capital or financial commitments at 30 November 2015 or 30 November 2014.

FN Mortgages Limited

Notes to the financial statements for the year ended 30 November 2015

21. Contingent liabilities

The company is subject to consumer protection laws, regulations and regulatory supervision in respect of the conduct of its business. An ongoing review of operational procedures and practices has identified certain instances where some of these procedures and practices may not have been in full compliance with the relevant laws and regulations and these matters are the subject of ongoing regulatory engagement. In those instances where it has been concluded that it is more likely than not that a liability arises, a provision has been made to recognise management's best estimate of that liability. However, assessments are continuing and it remains possible that these assessments may identify a need for further provisions in due course.

22. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is GE Money Home Finance Limited, a company registered in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at www.ge.com.