

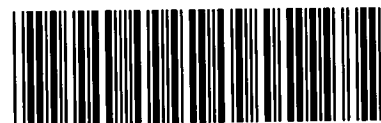
Registration number: 01989335

FN Mortgages Limited

Annual Report and Financial Statements

for the Year Ended 30 November 2016

SATURDAY



A6DNRK00

A19

26/08/2017

#84

COMPANIES HOUSE

FN Mortgages Limited

Contents

Directors' Report	1 to 2
Statement of Directors' Responsibilities	3
Independent Auditor's Report to the members of FN Mortgages Limited	4 to 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 27

FN Mortgages Limited

Directors' Report

The directors present their report and the financial statements for the year ended 30 November 2016.

Principal activity and business review

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

On 4 December 2015, the majority of the remaining first charge loan portfolio was sold for a cash consideration of £1.7million.

On 6 April 2016, the directors took the decision to cease trading following the signing of an agreement to sell the remainder of 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 2.

On 8 May 2016, the subsidiary undertaking of the company, MAES ECP No. 1 Limited was placed into liquidation.

Results and dividends

The profit for the year, after taxation, amounted to £165,000 (2015: £90,000).

On 7 December 2015, the company paid an interim dividend of £1,697,000 to its immediate parent undertaking, GE Money Home Finance Limited (2015: £nil).

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

Directors of the company

The directors who held office during the year and up to the date of the directors' report were as follows:

B P M van Bunnik (resigned 1 October 2016)

M Uria Fernandez (resigned 14 June 2016)

L A R Perrin (resigned 30 December 2016)

R W Bird (appointed 14 June 2016)

S M Jones (appointed 10 October 2016)

Going concern

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 the years ended 30 November 2016 and 30 November 2015 on a going concern basis. No adjustments were necessary to the amounts at which the remaining assets and liabilities are included in these financial statements.

Directors' liabilities

One or more of the directors have benefited from qualifying third party indemnity provisions in place during the financial year and subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report.

FN Mortgages Limited

Directors' Report (continued)

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 22 August 2017 and signed on its behalf by:



.....
R W Bird
Director

FN Mortgages Limited

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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards has 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. As explained in note 2, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

FN Mortgages Limited

Independent Auditor's Report to the members of FN Mortgages Limited

We have audited the financial statements of FN Mortgages Limited for the year ended 30 November 2016, set out on pages 6 to 27. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Statement of Directors' Responsibilities set out on page 3, 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 the 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 2016 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 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

FN Mortgages Limited

Independent Auditor's Report to the members of FN Mortgages Limited (continued)

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 from the requirement to prepare a Strategic Report.



John Ellacott (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
United Kingdom
LS1 4DA

Date: 22 Aug 2017

FN Mortgages Limited

Statement of Comprehensive Income for the Year Ended 30 November 2016

	Note	2016 £ 000	2015 £ 000
Interest receivable	4	<u>25</u>	<u>302</u>
Net interest income		25	302
Administrative expenses		(18)	(206)
Other operating income		60	52
Reversal/(provision) for bad and doubtful debts	13	<u>42</u>	<u>(25)</u>
Operating profit	8	109	123
Gain/(loss) related to portfolio disposals	9	<u>56</u>	<u>(35)</u>
Profit before tax		165	88
Tax on profit	10	<u>-</u>	<u>2</u>
Profit for the year		165	90
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>165</u>	<u>90</u>

The above results were derived from discontinued operations.

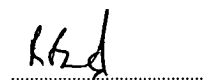
FN Mortgages Limited

Registration number: 01989335

Balance Sheet as at 30 November 2016

	Note	2016 £ 000	2015 £ 000
Fixed assets			
Investments	11	-	-
Current assets			
Debtors: amounts falling due after more than one year	12	-	380
Debtors: amounts falling due within one year	12	<u>4,345</u>	<u>5,509</u>
		4,345	5,889
Creditors: Amounts falling due within one year	14	<u>-</u>	<u>(23)</u>
Net current assets		<u>4,345</u>	<u>5,866</u>
Total assets less current liabilities		4,345	5,866
Provisions for liabilities	15	<u>(36)</u>	<u>(25)</u>
Net assets		<u>4,309</u>	<u>5,841</u>
Capital and reserves			
Called up share capital	16	250	250
Profit and loss account		<u>4,059</u>	<u>5,591</u>
Shareholders' funds		<u>4,309</u>	<u>5,841</u>

Approved by the Board on 22 August 2017 and signed on its behalf by:



R W Bird
Director

FN Mortgages Limited

Statement of Changes in Equity for the Year Ended 30 November 2016

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 December 2015	250	5,591	5,841
Comprehensive income for the year			
Profit for the year	-	165	165
Total comprehensive income for the year	-	165	165
Dividends paid	-	(1,697)	(1,697)
At 30 November 2016	250	4,059	4,309

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 December 2014 (As restated)	250	5,501	5,751
Comprehensive income for the year			
Profit for the year	-	90	90
Total comprehensive income	-	90	90
At 30 November 2015	250	5,591	5,841

FN Mortgages Limited

Notes to the Financial Statements

1 General information

The company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:

PO box 2497 Building 4
Hatters Lane
Watford
United Kingdom
WD18 1YY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the company is provided in note 21.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

FN Mortgages Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Going concern

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 the years ended 30 November 2016 and 30 November 2015 on a going concern basis. No adjustments were necessary to the amounts at which the remaining assets and liabilities 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.

The accounts of GE Money Servicing Limited are also prepared on a non-going concern basis. This company has net assets of £349 million, which the directors expect to be sufficient to cover future liabilities and closure costs of the company as well as those of other companies within the GE Money Home Lending group.

Exemption from preparing group accounts

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.

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 41 Farnsworth Street, Boston, MA 02210, USA or at www.ge.com.

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 December 2015 and have had an effect on the financial statements:

FRS 100 and FRS 101

In the current year the company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. An explanation of the impact of the adoption of FRS 100 and FRS 101 for the first time is included in the note 21.

FN Mortgages Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 of IAS 1 Presentation of Financial Statements;
 - the requirements of IAS 7 Statement of Cash Flows;
 - the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
 - the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
 - the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Investments

Investment in subsidiaries 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 and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in Statement of Comprehensive Income in the period.

Interest receivable

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

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

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.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

FN Mortgages Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Full provision is made for deferred tax 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 probable 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.

Non derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

FN Mortgages Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Identification and measurement of impairment

At each reporting date the company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restricting of a loan or advance by the company on terms that the company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the company.

The company considers evidence of impairment for loans and advances at both a specific asset and collective level. All individually significant loans and advances are assessed for specific impairment. All individually significant loans and advances found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics. Collective allowances are established using statistical methods based on historic loss rate experience. The estimate of loss arrived at on the basis of historical information is then reviewed to ensure that it appropriately reflects the economic conditions and actual loss experience at the reporting date.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. In estimating these cash flows, the company makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Losses are recognised in the profit and loss account and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the profit and loss account.

The company writes off loans and advances when they are determined to be uncollectable.

FN Mortgages Limited

Notes to the Financial Statements

2 Accounting policies (continued)

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The company uses a variety of methods and makes assumptions that are based on market conditions existing at balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for any long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The fair value of loans and other receivables is estimated by discounting the expected future cash flows at current market interest rates net of the impairment provision.

The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgment and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Provisions

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.

FN Mortgages Limited

Notes to the Financial Statements

4 Interest receivable and similar income

	2016 £ 000	2015 £ 000
Interest income from lending activities	<u>25</u>	<u>302</u>

5 Auditor's remuneration

	2016 £ 000	2015 £ 000
Audit of the financial statements	<u>10</u>	<u>16</u>

Remuneration of £10,000 (2015: £16,000) paid to the auditor for their services to the company was borne by a fellow group undertaking.

6 Staff costs

There are no direct employees of the company (2015: 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.

7 Directors' remuneration

The company paid for no directors' remuneration (2015: £nil). During the year, none of the directors had any pension benefits provided by the company (2015: 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

8 Operating profit

The operating profit is stated after charging:

	2016 £ 000	2015 £ 000
Management charges	<u>7</u>	<u>218</u>

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 basis of management charge is set out in the financial statements of GE Money Servicing Limited.

9 Gain/(loss) on sale of portfolio

	2016 £ 000	2015 £ 000
Gain/(loss) on sale of portfolio	<u>56</u>	<u>(35)</u>

10 Taxation

Tax charged/(credited) in the statement of comprehensive income

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Origination and reversal of temporary differences	<u>-</u>	<u>(2)</u>
Tax receipt in the statement of comprehensive income	<u>-</u>	<u>(2)</u>

FN Mortgages Limited

Notes to the Financial Statements

10 Taxation (continued)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20.33%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Profit before tax	165	88
Corporation tax at standard rate	33	18
Group relief for £nil consideration	(33)	(20)
Total tax credit	-	(2)

Factors that may affect future tax charges

The UK corporation tax rate will reduce from 20% to 19% on 1 April 2017. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce any current tax charges in future periods accordingly.

There are no other factors that may significantly affect future tax charges.

There were no amounts of provided or unprovided deferred taxation as at 30 November 2016 or 30 November 2015.

11 Fixed asset investments

	2016 £ 000
Cost	
At 1 December 2015	-
At 30 November 2016	-
Impairment	
At 1 December 2015	-
At 30 November 2016	-
Net book value	
At 30 November 2016	-
At 30 November 2015	-

FN Mortgages Limited

Notes to the Financial Statements

11 Fixed asset investments (continued)

Details of the company's subsidiaries as at 30 November 2016 are as follows:

Name of subsidiary	Class of shares	Registered office	Percentage of share held
MAES ECP No. 1 Limited	Ordinary	30 Finsbury Square, London	100%
MAES Finance Limited	Ordinary	PO Box 2497, Building 4, Hatters Lane, Watford, WD18 1YY, United Kingdom	100%
Household Mortgage Corporation Limited	Ordinary	PO Box 2497, Building 4, Hatters Lane, Watford, WD18 1YY, United Kingdom	100%
First National Mortgage Corporation Limited	Ordinary	PO Box 2497, Building 4, Hatters Lane, Watford, WD18 1YY, United Kingdom	100%

On 19 July 2016, the subsidiary undertaking of the company, MAES ECP No. 1 Limited was placed into liquidation.

The remaining subsidiaries are dormant and have no assets.

12 Debtors

	2016 £ 000	2015 £ 000
Due after more than one year		
Mortgage loans (see note 13)	-	380
Due within one year		
Mortgage loans (see note 13)	-	1,317
Amounts owed by group undertakings	4,345	4,123
Other debtors	-	69
	<u>4,345</u>	<u>5,889</u>

FN Mortgages Limited

Notes to the Financial Statements

13 Mortgage loans

	2016 £000	2015 £000
Cost		
At beginning of the year	1,724	5,736
Repayments, redemptions and write offs net of originations and interest	(1,724)	(4,012)
At end of the year	<u>-</u>	<u>1,724</u>
Provision		
At beginning of the year	(27)	(22)
Net credit/(provision) for the year	42	(25)
Amount utilised, net of recoveries	(15)	34
Impairment charge on loans sold past year end to expected recoverable amount	-	(14)
At the end of the year	<u>-</u>	<u>(27)</u>
Net book value		
Due after more one year	-	380
Due within one year	-	1,317
At the end of the year	<u>-</u>	<u>1,697</u>

14 Creditors: Amounts falling due within one year

	2016 £ 000	2015 £ 000
Amounts owed to group undertakings	-	15
Other creditors	<u>-</u>	<u>8</u>
	<u>-</u>	<u>23</u>

FN Mortgages Limited

Notes to the Financial Statements

15 Provisions for liabilities

	Provisions £ 000
At 1 December 2015	25
Increase during the year	<u>11</u>
At 30 November 2016	<u>36</u>

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 of the anticipated impact of customer remediation in relation to these claims and provisions are held accordingly.

16 Share capital

Allotted, called up and fully paid shares

	No.	2016 £	No.	2015 £
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

17 Dividends

	2016 £ 000	2015 £ 000
Dividend paid of £6.78 (2015: £nil) per ordinary share	<u>1,697</u>	<u>-</u>

On 7 December 2015, the company paid an interim dividend of £1,697,000 to GE Money Home Finance Limited, its immediate parent undertaking (2015: £nil).

18 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 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.

FN Mortgages Limited

Notes to the Financial Statements

19 Financial assets and liabilities

The following tables summarise the carrying value and fair values of the financial assets and liabilities and the classification of each class of financial asset and liability:

	Loans and receivables	Financial liabilities at amortised cost	Total carrying value	Fair value
	£ 000	£ 000	£ 000	£ 000
2016				
Amounts owed by group undertakings (L3)	4,345	-	4,345	4,345
Total financial assets	<u>4,345</u>	<u>-</u>	<u>4,345</u>	<u>4,345</u>

FN Mortgages Limited

Notes to the Financial Statements

19 Financial assets and liabilities (continued)

	Loans and receivables	Financial liabilities at amortised cost	Total carrying value	Fair value
	£ 000	£ 000	£ 000	£ 000
2015				
Mortgage loans (L3)	1,697	-	1,697	1,697
Amounts owed by group undertakings (L3)	4,123	-	4,123	4,123
Other assets (L3)	69	-	69	69
Total financial assets	5,889	-	5,889	5,889
Amounts owed to Group undertakings (L3)	-	(15)	(15)	(15)
Other liabilities (L3)	-	(8)	(8)	(8)
Total financial liabilities	-	(23)	(23)	(23)

The table above analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 3 (L3): inputs for the assets or liability that are not based on observable market data (unobservable inputs).

In 2016 the short-term nature of financial assets and liabilities means that their fair values approximate their carrying values. In 2015, management estimate that the fair values of financial assets and liabilities approximated their carrying values, since the carrying value of mortgage assets included additional impairment to reflect the value achieved on sale during 2016 and long term intercompany loans carried variable interest rates determined so as to represent a rate that would be expected on an arm's length basis.

Maturity analysis of assets and liabilities

Financial assets of £4,345,000 are all due within one year (2015: £5,509,000). Financial liabilities classified as due within one year amount to £nil at 30 November 2016 (2015: £23,000).

Financial risk management

The company no longer advances loans to customers and therefore does not seek financial risk.

FN Mortgages Limited

Notes to the Financial Statements

20 Ultimate parent undertaking and controlling party

The company's immediate parent is GE Money Home Finance Limited, a company registered at PO Box 2497, Building 4, Hatters Lane, Watford, United Kingdom, WD18 1YY.

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 registered at 41 Farnsworth Street, Boston, Massachusetts, 02210, USA. The consolidated financial statements of this company are available to the public and may be obtained from the registered address or at www.ge.com.

21 Transition to FRS 101

As stated in note 2, these are the company's first financial statements prepared in accordance with FRS 101. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 30 November 2016, the comparative information presented in these financial statements for the year ended 30 November 2015 and in preparation of an opening FRS 101 balance sheet at 1 December 2014 (the company's date of transition).

In preparing the FRS 101 balance sheet, the company has adjusted amounts previously reported and prepared in accordance with the previous UK GAAP basis of accounting. An explanation of how the transition from UK GAAP to FRS 101 has affected the company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

In 2016 the short-term nature of financial assets and liabilities means that their fair values approximate their carrying values. In 2015, management estimate that the fair values of financial assets and liabilities approximated their carrying values, since the carrying value of mortgage assets included additional impairment to reflect the value achieved on sale during 2016 and long term intercompany loans carried variable interest rates determined so as to represent a rate that would be expected on an arm's length basis.

FN Mortgages Limited

Notes to the Financial Statements

21 Transition to FRS 101 (continued)

Balance sheet at 1 December 2014

		As previously stated 30 November 2014 £ 000	Effect of transition 30 November 2014 £ 000	FRS101 1 December 2014 £ 000
	Note			
Current assets				
Debtors: amounts falling due after more than one year		1,393	-	1,393
Debtors: amounts falling due within one year	21.1	4,419	10	4,429
Cash at bank		5	-	5
		<u>5,817</u>	<u>10</u>	<u>5,827</u>
Creditors: Amounts falling due within one year		(5)	-	(5)
Net current assets		<u>5,812</u>	<u>10</u>	<u>5,822</u>
Total assets less current liabilities		5,812	10	5,822
Provisions for liabilities	21.4	(69)	(2)	(71)
Net assets		<u>5,743</u>	<u>8</u>	<u>5,751</u>
Capital and reserves				
Called up share capital		250	-	250
Profit and loss account		5,493	8	5,501
Shareholders' funds		<u>5,743</u>	<u>8</u>	<u>5,751</u>

FN Mortgages Limited

Notes to the Financial Statements

21 Transition to FRS 101 (continued)

Balance sheet at 30 November 2015

	As previously stated 30 November 2015 £ 000	Effect of transition 30 November 2015 £ 000	FRS101 30 November 2015 £ 000
Note			
Current assets			
Debtors: amounts falling due after more than one year	380	-	380
Debtors: amounts falling due within one year	5,509	-	5,509
	5,889	-	5,889
Creditors: Amounts falling due within one year	(23)	-	(23)
Net current assets	5,866	-	5,866
Total assets less current liabilities	5,866	-	5,866
Provisions for liabilities	(25)	-	(25)
Net assets	5,841	-	5,841
Capital and reserves			
Called up share capital	250	-	250
Profit and loss account	5,591	-	5,591
Shareholders' funds	5,841	-	5,841

FN Mortgages Limited

Notes to the Financial Statements

21 Transition to FRS 101 (continued)

Profit and loss account for the financial year ended 30 November 2015

		As previously stated 30 November 2015 £ 000	Effect of transition 30 November 2015 £ 000	FRS101 30 November 2015 £ 000
Interest receivable	Note 21.2	<u>268</u>	<u>34</u>	<u>302</u>
Net interest income		268	34	302
Administrative expenses		(206)	-	(206)
Other operating income		52	-	52
Reversal/(provision) for bad and doubtful debts	21.3	<u>19</u>	<u>(44)</u>	<u>(25)</u>
Operating profit		133	(10)	123
Loss related to Portfolio disposals		<u>(35)</u>	<u>-</u>	<u>(35)</u>
Profit before tax		98	(10)	88
Tax on profit	21.4	<u>-</u>	<u>2</u>	<u>2</u>
Profit for the year		98	(8)	90
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>98</u></u>	<u><u>(8)</u></u>	<u><u>90</u></u>

FN Mortgages Limited

Notes to the Financial Statements

21 Transition to FRS 101 (continued)

21.1 Debtors

The increase in debtors reflects a change in measurement requirements for credit impairment in accordance with FRS 101 compared to previous accounting policy. In particular, FRS 101 requires reversal of impairment where conditions improve, whereas previous policy did not permit this for loans that had previously reached 180 days past due.

21.2 Interest receivable

In accordance with FRS101, interest income is recognised on all loans, including impaired loans, using the effective interest rate. Under previous accounting policy, interest income was not recognised on certain impaired loans.

21.3 Provision for bad and doubtful debts

As a result of the adjustments to impairment as at transition to IFRS the required charge for bad debts in 2015 was increased.

21.4 Deferred tax

The adjustments to carrying value of debtors, described above, create temporary differences for deferred taxation purposes. deferred tax liabilities are recognised based on the applicable tax rates in effect.