



Heywood Leasing Limited Annual Report and Financial Statements

For the year ended 30 June 2016



HEYWOOD LEASING LIMITED

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

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Officers and professional advisers

DIRECTORS

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

COMPANY SECRETARY

GD Beckett

REGISTERED OFFICE

Lake View
Lakeside
Cheadle
Cheshire
SK8 3GW

AUDITOR

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

PRINCIPAL BANKERS

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

Director's report

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

Business review

Principal activities

The principal activity of the company continues to be that of financiers

The directors are satisfied with the results for the year. The company has not written any new business in the year.

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

Results and dividends

As shown in the Company's statement of comprehensive income on page 8, in 2016, the Company made a profit after tax of £354 (2015: £6,818).

On the recommendation of the directors, the Company paid a dividend of £598,555 (2015: £nil) during the year.

Principal risk and uncertainties

Credit risk

Credit risk is the risk of suffering financial loss should borrowers default on their contractual obligations. The Company is exposed to changes in the economic position of its customers, which may adversely impact their ability to make loan repayments. The level of this risk is driven by both macro-economic factors, as well as by factors relating to specific customers, such as a change in the borrower's circumstances. Note 15 to the financial statements provides further detail relating to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its current and future financial obligations as they fall due, or can do so only at excessive cost. The Company actively monitors and considers compliance with its funding covenants, including formal monthly reporting and by performing stress-test analysis as part of its budgeting and forecasting process.

Market risk

The main market risk potentially faced by the Company is interest-rate risk, the risk of loss through mismatched asset and liability positions sensitive to changes in interest rates. The Company has limited material market risk as its assets are mainly amounts due from group undertakings and are materially matched by amounts due to group undertakings.

Directors' report (continued)

Principal risk and uncertainties (continued)

Operational risk

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

Statement of going concern

As set out in the statement of directors' responsibilities, 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 Company'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 is reliant on its parent company, Jerrold Holdings Limited, for a significant proportion of its funding. The Board of Jerrold Holdings Limited has confirmed that it is a going concern.

On the basis that the Company has adequate funding as detailed above, together with its current performance and financial position, the directors have a reasonable expectation that the Company 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.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Audit information

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

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

This statement is given and should be interpreted in accordance with the provisions of S418(2) of the Companies Act 2006.

Directors' report (continued)

Auditor

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

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



GD Beckett
Chief Financial Officer

\\ November 2016

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 *Reduced Disclosure Framework*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEYWOOD LEASING LIMITED

We have audited the financial statements of Heywood Leasing Limited for the year ended 30 June 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Independent Auditor's report (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 in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



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

11 November 2016

Statement of comprehensive income

Year ended 30 June 2016

All amounts are stated in £'s.

Income statement

	Note	2016	2015
Interest receivable and similar income	4	2,271	11,803
NET INTEREST INCOME		2,271	11,803
Fee and commission expense		-	(620)
Other income		1	-
OPERATING INCOME		2,272	11,183
Administrative expenses	5	(1,820)	(2,661)
OPERATING PROFIT		452	8,522
Impairment releases	8	12	-
PROFIT BEFORE TAXATION		464	8,522
Income tax	7	(110)	(1,704)
PROFIT AFTER TAXATION		354	6,818

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

The results for the current and preceding years relate entirely to continuing operations.

There is no other comprehensive income in either year.

Statement of financial position

As at 30 June 2016

All amounts are stated in £'s.

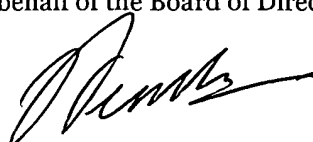
	Note	2016	2015
FIXED ASSETS			
Deferred tax asset	7	152	206
		152	206
CURRENT ASSETS			
Loans and advances to customers	8	-	-
Debtors	9	24,360	12,481
Cash and cash equivalents		36	620,264
		24,396	632,745
CREDITORS: amounts falling due within one year	10	(3,952)	(5,553)
NET CURRENT ASSETS		20,444	627,192
TOTAL ASSETS LESS CURRENT LIABILITIES		20,596	627,398
CREDITORS amounts falling due after more than one year	11	(20,142)	(28,743)
NET ASSETS		454	598,655
CAPITAL AND RESERVES			
Share capital	12	100	100
Retained earnings		354	598,555
TOTAL EQUITY		454	598,655

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

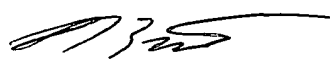
These financial statements were approved by the Board of Directors on 11 November 2016.

Company Registration No. 03459649

Signed on behalf of the Board of Directors

HN Moser 

Director


GD Beckett

Director

Statement of changes in equity

All amounts are stated in £'s.

2016

	Called up share capital	Retained earnings	Total
At the beginning of the year	100	598,555	598,655
Retained profit for the financial year	-	354	354
Dividend Paid	-	(598,555)	(598,555)
At the end of the year	100	354	454

2015

	Called up share capital	Retained earnings	Total
At the beginning of the year	100	591,737	591,837
Retained profit for the financial year	-	6,818	6,818
At the end of the year	100	598,555	598,655

Notes to the financial statements

All amounts are stated in £'s.

1. REPORTING ENTITY/GENERAL INFORMATION

Heywood Leasing Limited (the Company) is incorporated and domiciled in the UK. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The Company is primarily involved in financial services.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current period and the preceding period.

Basis of preparation

The financial statements have been prepared for the first time in accordance with Financial Reporting Standard 101, *Reduced Disclosure Framework* (FRS 101). This applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) but provides certain exemptions from the disclosure requirements of IFRS.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the individual accounting policies.

The Company has taken advantage of the disclosure exemptions under FRS 101 in relation to presentation of comparative information in respect of certain assets, presentation of a statement of financial position on transition, presentation of a cashflow statement, standards not yet effective and related party transactions.

Going concern

The directors have assessed, in the light of current and anticipated economic conditions, the Company's ability to continue as a going concern. The directors confirm they are satisfied that the Company and the Group have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going-concern basis for preparing accounts.

Operating segments

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

Notes to the financial statements (continued)

All amounts are stated in £'s.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial assets

The Company's financial assets mainly consist of loans and advances to customers and amounts owed by group undertakings. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less impairment losses.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset have expired or where substantially all the risks and rewards of ownership have been transferred.

Financial liabilities

The Company's financial liabilities consist largely of amounts owed to Group undertakings, held at fair value.

Notes to the financial statements

All amounts are stated in £'s.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Company regularly assesses whether there is evidence that financial assets are impaired. Financial assets are impaired and impairment losses incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the assets and prior to the reporting date and that have had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the original effective interest rate. All impairment losses are reviewed at least at each reporting date. If subsequently the amount of the loss decreases as a result of a new event, the relevant element of the outstanding impairment loss is reversed. Impairment losses and any subsequent reversals are recognised in the income statement.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the asset group and historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions. In addition, the Company uses its experienced judgement to correct model deficiencies and systemic risks where appropriate and supported by historic loss experience data. The use of such judgements and reasonable estimates is considered by management to be an essential part of the process and improves reliability.

Where a loan is uncollectable, it is written off against the related provision. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are taken through the income statement.

Interest income and expense

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

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

Notes to the financial statements

All amounts are stated in £'s.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fee and commission income and expense

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

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

Cash and cash equivalents

Cash comprises cash in hand, demand deposits and bank overdrafts. Cash equivalents comprise highly liquid investments which are convertible into cash with an insignificant risk of changes in value with a maturity of three months or less at the date of acquisition, including short-term highly liquid debt securities.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which is reliably measurable and when it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In applying the accounting policies set out above, the Company makes significant estimates and assumptions that affect the reported amounts of assets and liabilities as follows:

a) Loan impairment allowances

Allowances for loan impairment represent management's best estimate of the losses incurred in the loan portfolios at the reporting date. Charges to the allowances for loan impairment are reported in the income statement as impairment losses on loans and advances. Impairment provisions are made if there is objective evidence of impairment as a result of one or more subsequent events regarding a significant loan or a portfolio of loans and its impact can be reliably estimated.

Individual impairment losses are determined as the difference between the carrying value and the present value of estimated future cash flows, discounted at the loan's original effective interest rate. Impairment losses determined on a portfolio basis are calculated using a formulaic approach which allocates a loss rate dependent on the arrears status of the loan. Loss rates are based on the discounted expected future cash flows, from historical experience and are regularly benchmarked against actual outcomes to ensure they remain appropriate.

Estimating the amount and timing of future recoveries involves significant judgement, and considers the level of arrears as well as the assessment of matters such as future economic conditions and the value of collateral. All impairment losses are reviewed at least annually.

Notes to the financial statements (continued)

All amounts are stated in £'s.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

b) Revenue

Interest income

The effective interest rate method applies a rate that discounts estimated future cash payments or receipts relating to a financial instrument to its net carrying amount. The estimated future cash flows take into account all contractual terms of the financial instrument including transaction costs and all other premiums or discounts but not future credit losses. Models are reviewed at least annually to assess expected lives of groups of assets based upon actual repayment profiles.

Fees and commission income

Fee and commission income is recognised depending on the nature of service provided:

- Income which forms an integral part of the effective interest rate is recognised as an adjustment to the contractual interest rate and recorded in interest income;
- Income earned from provision of services is recognised as the services are provided; and
- Income earned on the execution of a significant act is recognised when the act is completed.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
Interest on loans and advances to customers	105	8,207
Interest on amounts due from group undertakings	2,166	3,596
	<u>2,271</u>	<u>11,803</u>

5. ADMINISTRATIVE EXPENSES

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

6. TAX ON PROFIT

	2016	2015
Current tax		
Corporation tax	56	1,659
	<u>56</u>	<u>1,659</u>
Deferred tax (as shown in note 13)		
Origination and reversal of temporary differences	37	45
Effect of tax rates	17	-
Total deferred tax	<u>54</u>	<u>45</u>
Total tax on profit	<u>110</u>	<u>1,704</u>

Notes to the financial statements (continued)

All amounts are stated in £'s.

6. TAX ON PROFIT (continued)

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

Profit before tax	464	8,522
	<u> </u>	<u> </u>
Tax on profit at standard UK corporation tax rate of 20.00%/20.00%	93	1,704
Effects of:		
Effect of changes in tax rate	17	-
	<u> </u>	<u> </u>
Tax charge	110	1,704
	<u> </u>	<u> </u>

7. DEFERRED TAX

	2016	2015
Deferred taxation asset		
At beginning of the year	206	251
Charge to income statement	-	(45)
Adjustment in respect of prior years	(54)	-
	<u> </u>	<u> </u>
At end of the year	152	206
	<u> </u>	<u> </u>

The deferred tax asset consisted wholly of accelerated capital allowances.

8. LOANS AND ADVANCES TO CUSTOMERS

	2016	2015
Aggregate gross loans and advances	53,499	53,509
Less: allowances for impairment on loans and advances	(53,499)	(53,509)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>
Aggregate gross loans and advances include:		
Due within one year	53,499	53,509
	<u> </u>	<u> </u>
	53,499	53,509
	<u> </u>	<u> </u>
Allowance for impairment losses		
Balance at beginning of the year	(53,511)	(53,509)
Releases to the income statement	12	-
	<u> </u>	<u> </u>
Balance at end of the year	(53,499)	(53,509)
	<u> </u>	<u> </u>

9. DEBTORS

	2016	2015
Amounts owed by group undertakings	24,360	12,481
	<u> </u>	<u> </u>
	24,360	12,481
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

All amounts are stated in £'s.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
Current tax liability	56	1,659
Other creditors	3,894	3,893
Other taxation and social security	2	1
	<u>3,952</u>	<u>5,553</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2016	2015
Amounts owed to group undertakings	<u>20,142</u>	<u>28,743</u>
	<u>20,142</u>	<u>28,743</u>

Amounts due to group undertakings are repayable between one and two years.

12. SHARE CAPITAL

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

13. FINANCIAL INSTRUMENTS AND FAIR VALUES

All the Company's financial assets and liabilities are held at amortised cost. The table below summarises the carrying value, excluding deferred income and the fair value of financial assets as at the year end:

	2016		2015	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans and advances to customers	-	-	-	-
Amounts owed by group undertakings	24,360	24,360	12,481	12,481
Cash and cash equivalents	36	36	620,264	620,264
	<u>24,396</u>	<u>24,396</u>	<u>632,745</u>	<u>632,745</u>
Financial liabilities				
Amounts owed to group undertakings	20,142	20,142	28,743	28,743
Other creditors	3,894	3,894	3,893	3,893
Other taxation and social security	2	2	1	1
	<u>24,038</u>	<u>24,038</u>	<u>32,637</u>	<u>32,637</u>

The carrying value is a reasonable approximation of fair value for all financial instruments.

Notes to the financial statements

All amounts are stated in £'s.

14. ULTIMATE PARENT COMPANY

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

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

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

Events after the year end

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

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

15. CREDIT RISK

Credit risk is the risk of suffering financial loss should borrowers default on their contractual obligations to the Company.

	2016	2015
Gross loans and advances	53,499	53,509
Allowance for impairment	(53,499)	(53,509)
Loans and advances to customers	-	-
Amounts owed by group undertakings	24,360	12,481
Cash and cash equivalents	36	620,264
	<u>24,396</u>	<u>632,745</u>

The Company does not have any material external credit risk due to its loans and advances to customers being fully impaired and thus management deemed that a credit risk analysis was not required.