



**Heywood Leasing Limited**  
**Annual Report and Financial Statements**  
**For the year ended 30 June 2020**

Company Registration No. 03459649



Heywood Leasing Limited  
Annual report and financial statements for the year ended 30 June 2020

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## Officers and professional advisers

### Directors

HN Moser  
GD Beckett  
MR Goldberg  
J Lowe

Chief Executive Officer

(Resigned 30 September 2020)

### Secretary

GD Beckett

### Registered office

Lake View  
Lakeside  
Cheadle  
Cheshire  
SK8 3GW

### Auditor

Ernst & Young LLP  
2 St Peter's Square  
Manchester  
M2 3DF

## Directors' report

## Directors' report

The directors present their report and the audited financial statements of Heywood Leasing Limited (the Company) for the year ended 30 June 2020.

### Directors

The directors of the Company are set out on page 1.

### Business model and strategy

The principal activity of the Company was formerly that of financiers. The Company has ceased trading and it is the intention of the directors to dissolve the Company, which may occur in the forthcoming year.

The Company is a wholly-owned subsidiary of Together Financial Services Limited which, with its subsidiaries, operates as the Together Group of businesses. All operations are located at its head office in Cheadle, Manchester.

### Results and dividends

As shown in the statement of comprehensive income on page 7, the Company made a loss before tax of £270 (2019: £819). As shown in the Company's statement of financial position on page 8, the Company's equity has increased to £183 (30 June 2019: deficit of £1,963), primarily due to capital contribution of £2,416 during the year.

The directors of the Company do not recommend the payment of a dividend (2019: £nil).

### Principal risks and uncertainties

#### *Credit risk*

Credit risk is the risk arising as result of default by counterparties due to failure to honour obligations when they fall due.

The Company's exposure to credit risk arises from the intercompany loan and the ability of its parent, Together Financial Services Limited, to meet any contractual obligations. The Together Group has continued to report substantial profits, and has a diverse funding structure with maturities ranging from 2021 to 2026; hence the directors consider that the Company's exposure to credit risk is mitigated by the performance of the counterparty.

#### *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 is no longer trading and therefore does not have significant exposure to operational risk.

### Corporate governance

The Company is a wholly owned subsidiary of Together Financial Services Limited.

The Board of Together Financial Services Limited ('the Board') meets a minimum of 6 times a year to provide leadership and oversight to the Company in line with its terms of reference, legal and regulatory provisions. The Board delegates certain responsibilities to its Board sub-committees and to senior management as appropriate. The Company's Board meets separately to discharge its statutory and regulatory responsibilities when required.

### 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.

### Environment

As the Company is no longer trading, its actions do not have a significant environmental impact.

## Directors' report (continued)

## Directors' report (continued)

### 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.

As explained under business model and strategy, the Company has ceased trading and it is the intention of the directors to dissolve the Company, which may occur in the forthcoming year. As required by UK accounting standards, the directors have therefore prepared the financial statements on the basis that the Company is no longer a going concern. For further details see Note 2 to the financial statements.

### Strategic report

The directors have exercised the small companies exemption contained within Section 414B of the Companies Act 2006 and thus have not prepared a strategic report.

### Audit information

The directors, having considered the requirements for rotation of auditors, voluntarily tendered the audit. After a competitive tender, Ernst & Young LLP were appointed as the Group's auditors for the year ended 30 June 2020.

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.

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



GD Beckett  
Director  
6 April 2021

## Statement of directors' responsibilities

### Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. For the reasons stated in the Directors' report and Note 2, the financial statements of the Company have been prepared on a basis other than going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### **Opinion**

We have audited the financial statements of Heywood Leasing Limited (the 'Company') for the year ended 30 June 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 14 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2020 and of its loss 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter – financial statements prepared on a basis other than going concern**

We draw attention to note 2 to the financial statements, which explains that the directors intend to dissolve the Company in the forthcoming year and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than of a going concern as described in note 2. Our opinion is not modified in respect of this matter.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## Independent auditor's report (continued)

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

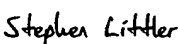
### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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.

DocuSigned by:  
  
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Stephen Littler  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Manchester  
6 April 2021



Statement of comprehensive income  
Year ended 30 June 2020  
All amounts are stated in £

Income statement	Note	2020	2019
Interest receivable and similar income	4	9	-
Interest payable and similar charges	5	-	(168)
<b>Net interest income/(charge)</b>		<b>9</b>	<b>(168)</b>
Administrative expenses	6	(279)	(661)
<b>Operating loss</b>		<b>(270)</b>	<b>(829)</b>
Impairment gains	7	-	10
<b>Loss before taxation</b>		<b>(270)</b>	<b>(819)</b>
Income tax	8	-	-
<b>Loss after taxation</b>		<b>(270)</b>	<b>(819)</b>

The results for the current and preceding years relate entirely to discontinued operations. There is no other comprehensive income in either year.

# Statement of financial position

As at 30 June 2020

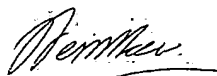
All amounts are stated in £

	Note	2020	2019
<b>Assets</b>			
Cash and cash equivalents		5	
Amounts owed by group undertakings	9	398	1,803
<b>Total assets</b>		<b>403</b>	<b>1,803</b>
<b>Liabilities</b>			
Bank facilities	10	-	874
Other liabilities	11	220	2,892
<b>Total liabilities</b>		<b>220</b>	<b>3,766</b>
<b>Equity</b>			
Share capital	12	100	100
Retained earnings		83	(2,063)
<b>Total equity</b>		<b>183</b>	<b>(1,963)</b>
<b>Total equity and liabilities</b>		<b>403</b>	<b>1,803</b>

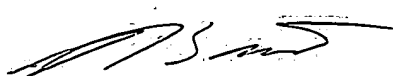
These financial statements were approved and authorised for issue by the Board of Directors on 6 April 2021.

Company Registration No. 03459649

Signed on behalf of the Board of Directors



HN Moser  
Director



GD Beckett  
Director

Statement of changes in equity  
Year ended 30 June 2020  
All amounts are stated in £

<b>2020</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
At beginning of the year	100	(2,063)	(1,963)
Capital contribution	-	2,416	2,416
Loss for the year	-	(270)	(270)
<b>At end of the year</b>	<b>100</b>	<b>83</b>	<b>183</b>

<b>2019</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
At beginning of the year	100	(1,244)	(1,144)
Loss for the year	-	(819)	(819)
<b>At end of the year</b>	<b>100</b>	<b>(2,063)</b>	<b>(1,963)</b>

## Notes to the financial statements

All amounts are stated in £

### 1. Reporting entity and general information

Heywood Leasing Limited is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The Company is a private company, limited by shares. The Company was primarily a financier but trading has ceased and the directors intend to dissolve the Company, which may occur during the forthcoming year.

### 2. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared 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 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 and Note 3 to the financial statements.

The Company's parent undertaking, Together Financial Services Limited, includes the Company in its consolidated financial statements, and therefore the Company is exempt from obligation to prepare and deliver consolidated accounts. The consolidated financial statements of Together Financial Services Limited are available to the public and may be obtained from Lake View, Lakeside, Cheadle, Cheshire SK8 3GW. In these financial statements, 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 cash flow statement, disclosures in respect of IFRS 7 and IFRS 13, standards not yet effective and related party transactions.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements have been prepared on the historical cost basis.

#### Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in its Directors' report.

The Company has ceased trading and it is the intention of the directors to dissolve the Company in the forthcoming year. Thus the annual financial statements have been prepared on a basis other than going concern. Though no adjustments arose as a result of ceasing to apply the going concern basis, the assets are presented at their recoverable value and liabilities at their settlement value.

The financial statements do not include any provision for the future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting period.

#### Taxation

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

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, plus any adjustments to the tax payable or receivable in respect of previous years. Taxable loss differs from loss before tax 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. Current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

## Notes to the financial statements (continued)

All amounts are stated in £

### 2. Significant accounting policies (continued)

#### Cash and cash equivalents

Cash comprises cash in hand and demand deposits. 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.

#### Financial assets

The Company's financial assets consist of amounts owed by group undertakings that are initially recorded at fair value plus any directly attributable transaction costs. The Company's financial assets are classified as measured at amortised cost, being the gross carrying amount less expected impairment allowance, using the effective interest rate method.

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.

#### Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on financial assets held at amortised cost. ECLs are a probability-weighted estimate of the present value of credit losses discounted over the expected life of an instrument at its original effective interest rate (EIR). Credit losses for financial assets are the difference between the contractual cash flows and the cash flows expected to be received.

The Company considers whether financial assets are credit impaired at each reporting date. A financial asset is credit impaired when one or more events that have a detrimental impact on its estimated future cash flows have occurred.

For financial instruments on which credit risk has not increased significantly since initial recognition, the Company measures loss allowances at an amount equal to the 12-month ECL, that being the portion of lifetime ECL of those default events expected to arise within 12 months of the reporting date. For all other financial instruments loss allowances are measured at an amount equal to the full lifetime ECL. The latter category of instruments includes those that have objective evidence of impairment at the reporting date.

### 3. Critical accounting estimates and key sources of estimation uncertainty

In preparing these financial statements, the Company's management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the amounts reported for the Company's performance and financial position. Where possible, estimates and associated assumptions are based on historical experience, objective information, or other relevant factors and are reviewed at each reporting date. Actual results may differ from these estimates, and revisions to estimates are recognised prospectively.

No critical judgements have been identified in applying the Company's accounting policies.

Key sources of estimation uncertainty are:

#### Impairment of financial assets

The Company's key sources of estimation uncertainty in relation to the impairment of financial assets is outlined within Note 2.

## Notes to the financial statements (continued)

All amounts are stated in £

### 4. Interest receivable and similar income

	2020	2019
Interest receivable and similar income	9	

### 5. Interest payable and similar charges

	2020	2019
Interest payable and similar charges		168

### 6. Administrative expenses

	2020	2019
Administrative costs	279	661

The audit fee borne by Blemain Finance Limited (a fellow group company) in respect of the Company in 2020 is £2,000 (2019: £1,000). The Company had no employees and paid no directors' emoluments during either year.

### 7. Loans and advances to customers

	2020	2019
Impairment gains for the year		
Recoveries of amounts previously written-off		10
		10

### 8. Income tax

	2020	2019
<b>Current tax</b>		
Corporation tax		
<b>Deferred tax</b>		
Total deferred tax		
<b>Total tax on loss</b>		

Corporation tax is calculated at 19.00% (2019: 19.00%) of the estimated loss for the year.

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 loss before tax are as follows:

	2020	2019
Loss before tax	(270)	(819)
Tax on loss at standard UK corporation tax rate of 19.00%/19.00%	(51)	(156)
Effects of:		
Group relief	51	156
<b>Tax charge for year</b>		

## Notes to the financial statements (continued)

All amounts are stated in £

### 9. Amounts owed by group undertakings

	2020	2019
Amounts owed by group undertakings	398	1,803

Amounts owed by group undertakings are repayable on demand.

### 10. Bank facilities

	2020	2019
Bank facilities	-	874

The bank facilities are repayable on demand.

### 11. Other liabilities

	2020	2019
Amounts owed to parent company	220	-
Other creditors	-	2,892
	220	2,892

Amounts owed to parent company are repayable on demand.

During the period the amounts owed by the Company to Jerrold Holdings Limited were forgiven. Jerrold Holdings Limited is a related party of the Company and therefore it has been treated as a capital contribution.

### 12. Share capital

	2020	2019
<b>Authorised, called-up, allotted and fully paid</b>		
100 ordinary shares of £1 each	100	100

### 13. Contingent liabilities

As at 30 June 2020, the Company's assets, along with those of the Together Group were subject to a fixed and floating charge in respect of £785m senior secured notes (2019: £725m) and £10m in respect of bank borrowings (2019: £55m).

### 14. Ultimate parent company

The Company is a subsidiary undertaking of Together Financial Services Limited, a company incorporated in the UK and registered in England. The smallest group of which the Company is a member, and for which group financial statements are drawn up, is that headed by Together Financial Services Limited. The largest group of which the Company is a member, and for which group financial statements will be drawn up, is that headed by Redhill Famco Limited. The principal place of business for Together Financial Services and Redhill Famco Limited, is Lake View, Lakeside, Cheadle, Cheshire, United Kingdom, SK8 3GW. Together Financial Services Limited and Redhill Famco Limited are both privately owned and limited by shares.