

MOBILE MONEY LIMITED

Annual report
and
Financial statements

31 December 2013

Company registration number: 03609486



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MOBILE MONEY LIMITED

Directors and advisers

Directors	A C Turner J D Painter S C Furnival G C Eke
Company secretary	A Richardson
Registered office	St Crispins House Duke Street Norwich Norfolk United Kingdom NR3 1PD
Registered number	03609486
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2nd Floor 3 St James Court Whitefriars Norwich NR3 1RJ
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP Royal Bank of Scotland Silbury House 300 Silbury Boulevard Milton Keynes MK9 2ZF
Solicitors	Mills & Reeve LLP 1 St James Court Whitefriars Norwich Norfolk NR3 1RU

MOBILE MONEY LIMITED
STRATEGIC REPORT
For the year ended 31 December 2013

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2013.

Principal activities

The Company is a subsidiary of CT Capital PLC. The Company's principal activity during the year was the provision of short-term personal secured loans in the United Kingdom.

Business review and future developments

During 2013 the Company continued to grow its loan book, and as a result of this, turnover increased by 16% year on year. The Director's believe the Company remains well placed to grow turnover in 2014 through its existing network of branches and by identifying further expansion opportunities.

Key performance indicators

The key performance indicators ("KPIs") used to monitor and manage the Company's performance are set out below:

	2013	2012	Definition, method of calculation and analysis
Loan book	£10.3m	£9.1m	
Gross margin	74%	74%	Gross margin is the ratio of Gross profit to sales expressed as a percentage. This has remained consistent with 2012.
Operating profit	£6.3m	£4.9m	Increased profit due to loan book growth and tight control of overhead costs.

Principal risks and uncertainties

The Company's objective is to manage appropriately all of the risks that arise from its activities. Risk management is a fundamental part of the Company's business activity and is an essential component in its planning process. Risk oversight and ownership sits with the Board of Directors who regularly review the key risks.

The principal risks and uncertainties (including financial risks) impacting the Company are considered below:

Economic risk

The Company has an exposure to economic risk in respect of its trading performance and the recoverability of its loan assets. There is the risk that an unexpected deterioration in the economy will increase unemployment which will impact the level of arrears in the Company's loan book resulting in an impact on profitability. Management monitor the Company's exposure to economic risk through reviews of economic forecasts and careful monitoring of the arrears experience and trends in the loan book.

Credit/counterparty risk

The Company has an exposure to credit risk in respect of loans and receivables, which is the risk the customer will be unable to pay the amounts in full as they fall due. Provisions are made to provide for losses that have been incurred or are foreseen at the balance sheet date in respect of loans advanced prior to the balance sheet date. Management take account of several factors when calculating the aforementioned provisions, which include changes in economic conditions and industry experience of delinquency rates. The Directors carefully manage the Company's exposure to credit risk, through the Company's lending processes across the credit lifecycle and through carefully managing pricing and customer quality.

MOBILE MONEY LIMITED
STRATEGIC REPORT
For the year ended 31 December 2013 (continued)

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company actively monitors its cash flows and expected liabilities and ensures that it has the resources to meet its liabilities as they fall due at all times.

Regulatory risk

The Company is regulated by the Office of Fair Trading ("OFT"), the powers of which were transferred to the Financial Conduct Authority with effect from 1 April 2014, and as such is exposed to regulatory compliance risk. As a regulated business, the Company places significant importance on managing its operations in a way that effectively manages the risk of fines or censure through non-compliance with laws and regulations. The Directors identify all material legal and regulatory requirements and relevant voluntary codes and standards affecting the Company and work with business areas to determine how it applies. This is supported by review mechanisms to ensure compliance with material regulatory and legal obligations. The Board is responsible for ensuring compliance with laws and regulations.

The Directors will revisit the appropriateness of the above policies should the Company's operations change in size and nature.

On behalf of the board



A Richardson
Company secretary
30 April 2014

Results and dividends

The Company recorded a profit for the financial year of £4,802,000 (2012: £3,699,000). Dividends amounting to £3,950,000 (2012: £2,650,000) were paid in the year under review. The Directors do not recommend the payment of a final dividend for the year (2012: £nil).

Directors

The Directors who held office during the year and up to the date of signing of these financial statements are given below:

S C Furnival
A C Turner
J D Painter
G C Eke

Directors' qualifying third party indemnity provisions

During the year and up to the date of the signing of these financial statements, the Company had in force an indemnity provision in favour of the Directors of Mobile Money Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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.

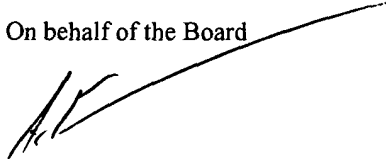
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MOBILE MONEY LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2013 (continued)

Disclosure of information to auditors

So far as each of the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'A Richardson', written over a long, sweeping horizontal line.

A Richardson
Company secretary
30 April 2014

**MOBILE MONEY LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MOBILE MONEY LIMITED**

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Mobile Money Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended and;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

**MOBILE MONEY LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MOBILE MONEY LIMITED**

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Christopher Maw (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Norwich

30 April 2014

MOBILE MONEY LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	2	14,331	12,333
Cost of sales		(3,679)	(3,152)
Gross profit		10,652	9,181
Administrative expenses		(4,376)	(4,280)
Profit on ordinary activities before taxation	3	6,276	4,901
Tax on profit on ordinary activities	6	(1,474)	(1,202)
Profit for the financial year	13,14	4,802	3,699

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

The Company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

MOBILE MONEY LIMITED
BALANCE SHEET
As at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	8	<u>282</u>	<u>275</u>
Current assets			
Debtors: amounts falling due within one year	9	5,538	5,420
: amounts falling due after more than one year	9	<u>4,916</u>	<u>3,786</u>
		10,454	9,206
Cash at bank and in hand		1,974	1,112
		<u>12,428</u>	<u>10,318</u>
Creditors: amounts falling due within one year	10	(2,076)	(811)
Net current assets		<u>10,352</u>	<u>9,507</u>
Total assets less current liabilities		10,634	9,782
Net assets		<u>10,634</u>	<u>9,782</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	10,633	9,781
Total shareholders' funds	14	<u>10,634</u>	<u>9,782</u>

The financial statements on pages 8 to 16 were approved by the Board of Directors on 30 April 2014 and were signed on its behalf by:



A C Turner
Director

Mobile Money Limited
Registration no: 03609486

1 Accounting policies

Accounting convention

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom and with the Companies Act 2006. The principal accounting policies, which have been consistently applied, are set out below.

Cash flow statement and related party disclosures

The Company is a wholly-owned subsidiary of CT Capital PLC and the cash flows of the Company are included in the consolidated financial statements of CT Capital PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No. 1 (revised 1996) cash flow statements. The Company is also exempt under the terms of Financial Reporting Standard No. 8 Related party disclosure, from disclosing related party transactions with entities that are part of the CT Capital PLC Group ("the Group") or investees of the CT Capital PLC Group.

Financial instruments

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the relevant arrangements entered into.

Loans to customers

Loans to customers are accounted for at amortised cost using the effective interest method, as reduced by appropriate allowances for estimated recoverable amounts.

Other debtors

Other debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated recoverable amounts.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that gives a residual interest in the assets of the Company after deducting all of its liabilities.

Creditors

Trade creditors are non-interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue recognition

Interest income is recognised in the profit and loss account using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant accounting period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to the net carrying amount of the financial asset.

1 Accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Costs include the original purchase price of the asset and the costs attributable to bringing the asset to its intended use.

Depreciation is provided on a straight line basis in order to write down the assets to their estimated recoverable amount at the following annual rates:

Furniture and fixtures	25%
Leasehold improvements	over the lease term
Motor vehicles	25%
Computer software	25%

Taxation

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

Deferred taxation

Deferred taxation is recognised on all material timing differences, using the full provision method, which have originated but not reversed at the balance sheet date, where transactions or events that result in the obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are only recognised to the extent they are considered recoverable. Deferred tax assets and liabilities are not discounted.

Cost of sales

Cost of sales comprises cost of loan issue (bill of sale costs), marketing costs, commissions payable and impairment charges in respect of customer loans.

Impairment of customer loans

A monthly review of the Company's loan book is undertaken on a line by line basis to determine whether or not a balance is impaired. The provision methodology assesses all customer accounts which are at least three months in arrears and compares the outstanding balance to any equity in the security provided, taking account of the most realistic return at resale. A specific bad debt provision is made for these balances. A further provision is then applied to the remainder of the book using historic "flow through" data.

Pensions

The Company operates a defined contribution pension scheme for the benefit of certain of its employees. The assets of the scheme are administered in a fund fully independent from the Company. The pension costs charged in the year represent the contributions payable by the Company in the year.

Operating leases

Leases are accounted for as operating leases where substantially all the risks and rewards of ownership are not transferred to the Company. The rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

2 Turnover

Turnover represents interest on loan advances receivable and arises wholly in the United Kingdom.

MOBILE MONEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

3 Profit on ordinary activities before taxation

Profit before taxation is stated after charging/(crediting):

	2013	2012
	£'000	£'000
Depreciation of tangible assets	119	111
Profit on disposal of fixed assets	(5)	(6)
Operating lease rentals – land and buildings	287	190
Services provided by the Company's auditors:		
Fees payable for the audit	10	10
Fees payable for other services – tax compliance	5	5

4 Staff costs

	2013	2012
	£'000	£'000
Wages and salaries	2,759	2,673
Social security costs	295	285
Pension costs	22	20
	<u>3,076</u>	<u>2,978</u>

The monthly average number of employees of the Company (including Directors) during the period was as follows:

	2013	2012
	Number	Number
By activity:		
Sales and administration	<u>73</u>	<u>70</u>

5 Directors' emoluments

Directors' emoluments were as follows:

	2013	2012
	£'000	£'000
Emoluments	150	162
Company pension contributions to money purchase schemes	3	2
	<u>153</u>	<u>164</u>

One Director (2012: one) received contributions to a defined contribution pension scheme.

MOBILE MONEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

6 a) Tax on profit on ordinary activities

	2013	2012
	£'000	£'000
Current tax:		
Group relief payable	1,487	1,227
	<u>1,487</u>	<u>1,227</u>
Deferred tax:		
Origination and reversal of timing differences	(25)	(26)
Adjustments in respect of previous periods		(2)
Change in tax rate	12	3
Total deferred tax	<u>(13)</u>	<u>(25)</u>
Tax on profit on ordinary activities	<u><u>1,474</u></u>	<u><u>1,202</u></u>

b) Factors affecting current tax charge

The standard rate of UK corporation tax changed from 24% to 23% with effect from 1 April 2013. The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%).

The differences are explained below:

	2013	2012
	£'000	£'000
Profit on ordinary activities before taxation	6,276	4,901
Profit on ordinary activities by rate of tax in the UK	1,459	1,021
Accelerated capital allowances	27	26
Other timing differences	1	-
	<u>1,487</u>	<u>1,227</u>

(c) Factors that may affect future tax charges

Legislation reducing the main rate of corporation tax in the UK to 21%, effective from 1 April 2014 and to 20% from 1 April 2015, were substantively enacted on 2 July 2013. Deferred tax assets/liabilities have been remeasured accordingly.

7 Dividends

	2013	2012
	£'000	£'000
Interim cash dividend paid: £3,950 (2012: £2,650) per £1 share	<u>3,950</u>	<u>2,650</u>

MOBILE MONEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

8 Tangible assets

	Furniture and fixtures £'000	Leasehold improvements £'000	Motor vehicles £'000	Computer software £'000	Total £'000
Cost					
At 1 January 2013	131	26	261	53	471
Additions	29	4	122	-	155
Disposals	-	-	(59)	-	(59)
At 31 December 2013	160	30	324	53	567
Accumulated depreciation					
At 1 January 2013	53	8	110	25	196
Charge for the year	33	8	65	13	119
Disposals	-	-	(30)	-	(30)
At 31 December 2013	86	16	145	38	285
Net book amount					
At 31 December 2013	74	14	179	15	282
At 31 December 2012	78	18	151	28	275

9 Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Customer loans	5,356	5,271
Other debtors	31	32
Prepayments	87	66
Deferred taxation (note 11)	64	51
	5,538	5,420
Amounts falling due after more than one year:		
Customer loans	4,916	3,786
	10,453	9,206

10 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to group undertakings	1	51
Amounts owed to group undertakings – group relief	1,487	225
Accruals and deferred income	588	535
	2,076	811

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

MOBILE MONEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

11 Deferred taxation

The movement in the deferred taxation asset during the year is as follows:

	2013 £'000	2012 £'000
Asset brought forward	(51)	(26)
(Credited)/charged to the profit and loss account (see note 6)	(13)	(25)
Asset carried forward	<u>(64)</u>	<u>(51)</u>

The deferred tax asset arising for both the current and preceding years, results primarily from depreciation charges in excess of capital allowances.

12 Called up share capital

	2013 Number	2012 Number
Authorised ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	£'000	£'000
Allotted and fully paid ordinary shares of £1 each	<u>1</u>	<u>1</u>

13 Profit and loss account

	£'000
At 1 January 2013	9,781
Profit for the financial year	4,802
Dividends	(3,950)
At 31 December 2013	<u>10,633</u>

14 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	4,802	3,699
Dividends	(3,950)	(2,650)
Net movement in shareholders' funds	852	1,049
Opening shareholders' funds	9,782	8,733
Closing shareholders' funds	<u>10,634</u>	<u>9,782</u>

15 Financial commitments

The annual lease payments under non-cancellable operating leases in respect of land and buildings, due in the next year are as follows:

	2013 £'000	2012 £'000
Expiring:		
Within one year	36	28
Between one and five years	144	153
	<u>180</u>	<u>181</u>

16 Ultimate parent undertaking

The immediate and ultimate parent undertaking is CT Capital PLC, which is registered in the United Kingdom. The smallest and largest group for which consolidated financial statements are prepared is CT Capital PLC. Copies of the CT Capital PLC consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. CT Capital PLC and its subsidiary companies are controlled by A C Turner, who is both a Director of all Group companies and also the majority shareholder of CT Capital PLC.