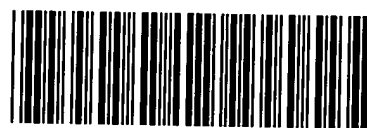


Dial4aloan Limited  
Annual Report and Financial Statements  
for the year ended 31 December 2014

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# Dial4aloan Limited

## Annual Report and Financial Statements for the year ended 31 December 2014

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# **Dial4aloan Limited**

## **Directors and Advisers**

### **Directors**

J R Drummond Smith

R D East

### **Company Secretary**

R C W Todd

### **Registered Office**

Mere Way

Ruddington Fields Business Park

Ruddington

Nottingham

NG11 6NZ

Registered in England and Wales

Registered number 3958533

### **Independent Auditor**

Grant Thornton UK LLP

Grant Thornton House

Melton Street

London

NW1 2EP

# Dial4aloan Limited

## Strategic Report for the year ended 31 December 2014

### Principal activity and business review

Since ceasing to trade as a licensed credit broker in June 2005, the Company's sole activity related to the earning of income under a 10-year licence with a fellow subsidiary undertaking for the use of its brand name and trademarks. Following a review of the recoverability of income from its fellow subsidiary in 2008, all future revenue was considered to be irrecoverable.

### Results and dividends

The loss for the year, after taxation, amounted to £70,411 (2013: loss of £218,205). The losses in 2014 and 2013 arose primarily from the net movement in provisions, following the reassessment of the provisions for inter-company loans (see note 5) and creditor guarantees (see note 7), together with the movement in the discounting of loans and receivables. The directors do not propose a dividend (2013: £nil) in respect of the year.

### Restructuring of the Cattles Group

As previously reported, on 2 March 2011 (Scheme Effective Date), Cattles Limited (Cattles) announced that its Group restructuring schemes had become effective. As part of the schemes, the Company has signed a deed of compromise in relation to the guarantees given by the Company under a number of Cattles bank facility agreements and note agreements (referred to as 'the Co-guarantors Compromise Deed'). Details of the Co-guarantors Compromise Deed are summarised below.

#### *Co-guarantors Creditor Scheme*

The Co-guarantors Creditor Scheme included a deed of compromise between a number of Group companies which had given guarantees under a number of bank facility agreements and note agreements, and the creditors to whom they owe the relevant guarantee obligations (referred to as 'the Co-guarantors Compromise Deed').

Under the Co-guarantors Creditor Scheme, each of the Guarantor Companies' Guarantor Obligations were limited to an amount equal to its net assets. The Guarantor Companies had guaranteed Cattles' debt under a number of bank facility agreements and note agreements, and the Guarantor Companies owed Guarantor Obligations to different Guaranteed Creditors.

The Guarantor Companies with material assets will realise those assets for the benefit of the financial creditors of Cattles to whom the Guarantor Companies have provided guarantees in respect of Cattles' debt (the Guaranteed Creditors).

In most cases this will mean realising their assets through asset sales and then making pro rata payments to their respective Guaranteed Creditors in respect of their Guarantor Obligations after providing in full for all other creditors.

The Co-guarantor Compromise Deed also provides for the release of certain obligations owed between the Guarantor Companies, but the primary purpose of the Co-guarantors Creditor Scheme is to provide a more efficient means of realising the assets available to the Guaranteed Creditors than would be provided by a formal insolvency process.

# Dial4aloan Limited

## Strategic Report for the year ended 31 December 2014 (continued)

### Going concern

The Co-guarantors Creditor Scheme includes a clause that if any third party makes a valid claim against a Guarantor Company which would have a material adverse effect on the likely recoveries of the Guaranteed Creditors of that Guarantor Company, then certain clauses of the Co-guarantors Creditor Scheme shall cease to have any further effect in relation to the relevant Guarantor Company. This includes the clause limiting the Guarantor Company's Guarantor Obligations to an amount equal to its realisable net assets.

The Company has recognised provisions in relation to potential future costs arising as a result of past sales of Payment Protection Insurance (PPI), further details of which are set out in note 7. The calculation of the PPI provisions is determined by reference to an informed estimate made by the Company as to the likely amount that will be needed to meet such claims. That estimate takes account of the nature of PPI policies sold by the Company and claims received to date. The directors do not currently believe that such claims will have a material adverse effect on the likely recoveries of the Guaranteed Creditors of the Company.

After making enquiries, the directors have concluded that there is a reasonable expectation that the Company can continue to pay its debts as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.



R D East

Director

17 June 2015

Registered number 3958533

# Dial4aloan Limited

## Directors' Report for the year ended 31 December 2014

The directors present their Annual Report together with the audited financial statements of the Company for the year ended 31 December 2014. The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

### Directors

The directors who held office during the year and up to the date of signing the financial statements were:

J R Drummond Smith  
R D East

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 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.

### Directors' indemnities

Cattles has made qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) for the benefit of the directors, indemnifying them to the maximum extent permitted by law against liabilities attaching to them as directors of the Company, which remain in force at the date of this report.

### Financial risk management

Detail of the Company's financial risk management policies are set out in note 10 to the financial statements.

# Dial4aloan Limited

## Directors' Report for the year ended 31 December 2014 (continued)

### Auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

By Order of the Board



R C W Todd  
Company Secretary

17 June 2015

Registered number 3958533

## **Independent Auditor's Report to the members of Dial4aloan Limited**

We have audited the financial statements of Dial4aloan Limited for the year ended 31 December 2014 which comprise the income statement, the statement of comprehensive income, the statement of changes in equity, the balance sheet, the cash flow statement, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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' Responsibilities Statement set out on page 5, 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](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

### **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.



David Pearson  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants  
London, United Kingdom

17 June 2015



# Dial4aloan Limited

## Income Statement for the year ended 31 December 2014

	Notes	2014 £	2013 £
Bank interest received		1,090	1,457
Other income		41	51
Other operating expenses	3	(644)	(1,264)
Increase in Welcome Financial Services Limited Scheme claim		85,862	201,757
Movement in impairment of loans and receivables		292,136	626,020
Movement in discounting of loans and receivables		8,104	245,834
Provisions costs		(457,000)	(1,292,060)
<b>Loss before taxation</b>		<b>(70,411)</b>	<b>(218,205)</b>
Taxation	4	-	-
<b>Loss for the year attributable to equity holders of the Company</b>		<b>(70,411)</b>	<b>(218,205)</b>

## Statement of Comprehensive Income for the year ended 31 December 2014

There were no items of other comprehensive income in either of the above years and therefore total comprehensive loss for the year attributable to the equity holders of the Company amounted to £70,411 (2013: total comprehensive loss of £218,205).

# Dial4aloan Limited

## Statement of Changes in Equity for the year ended 31 December 2014

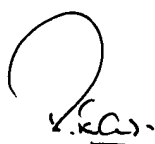
	Share capital £	Share premium account £	Retained earnings £	Total equity £
At 1 January 2013	80,100	3,120,000	(2,890,161)	309,939
Total comprehensive loss in the year	-	-	(218,205)	(218,205)
At 1 January 2014	80,100	3,120,000	(3,108,366)	91,734
Total comprehensive loss in the year	-	-	(70,411)	(70,411)
<b>At 31 December 2014</b>	<b>80,100</b>	<b>3,120,000</b>	<b>(3,178,777)</b>	<b>21,323</b>

# Dial4aloan Limited

## Balance Sheet as at 31 December 2014

	Notes	2014 £	2013 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Loans and receivables	5	835,934	1,655,894
<b>Current assets</b>			
Loans and receivables	5	441,958	440,458
Cash and cash equivalents		943,169	1,189,331
		<b>1,385,127</b>	<b>1,629,789</b>
<b>Total assets</b>		<b>2,221,061</b>	<b>3,285,683</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	-	18,548
Provisions	7	1,088,738	2,351,401
		<b>1,088,738</b>	<b>2,369,949</b>
<b>Non-current liabilities</b>			
Provisions	7	1,111,000	824,000
<b>Total liabilities</b>		<b>2,199,738</b>	<b>3,193,949</b>
<b>Net assets</b>		<b>21,323</b>	<b>91,734</b>
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	8	80,100	80,100
Share premium account		3,120,000	3,120,000
Retained earnings		(3,178,777)	(3,108,366)
<b>Total shareholder's equity</b>		<b>21,323</b>	<b>91,734</b>

The financial statements were approved by the Board of Directors on 17 June 2015 and were signed on its behalf by:

  
R D East  
Director

Registered number 3958533

# Dial4aloan Limited

## Cash Flow Statement for the year ended 31 December 2014

	Notes	2014 £	2013 £
<b>Cash flows from operating activities</b>			
Cash inflow from operations	9	1,103,838	895,801
<b>Cash flows from financing activities</b>			
Repayment of creditor guarantee provisions		(1,350,000)	(2,000,000)
<b>Net cash outflow from financing activities</b>		(1,350,000)	(2,000,000)
<b>Net decrease in cash and cash equivalents</b>		(246,162)	(1,104,199)
Cash and cash equivalents at 1 January		1,189,331	2,293,530
<b>Cash and cash equivalents at 31 December</b>		<b>943,169</b>	<b>1,189,331</b>
<b>For the purposes of the cash flow statement, cash and cash equivalents comprise:</b>			
Cash and bank balances		943,169	1,189,331

# Dial4aloan Limited

## Statement of accounting policies

### General information

Dial4aloan Limited (the Company) is a company incorporated in the United Kingdom. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activity is set out in the Strategic Report.

### Statement of compliance

These financial statements have been prepared in accordance with EU endorsed IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations issued by the International Accounting Standards Board effective for accounting periods commencing on or after 1 January 2014. These financial statements have also been prepared in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS.

### Basis of preparation

The financial statements are prepared under the historical cost convention except for the use of fair values as required by certain accounting standards, and are presented in Pounds Sterling, the Company's functional and presentational currency.

The following accounting policies have been applied consistently by the Company to all periods presented in these financial statements.

### Going concern

The Co-guarantors Creditor Scheme includes a clause that if any third party makes a valid claim against a Guarantor Company which would have a material adverse effect on the likely recoveries of the Guaranteed Creditors of that Guarantor Company, then certain clauses of the Co-guarantors Creditor Scheme shall cease to have any further effect in relation to the relevant Guarantor Company. This includes the clause limiting the Guarantor Company's Guarantor Obligations to an amount equal to its realisable net assets.

The Company has recognised provisions in relation to potential future costs arising as a result of past sales of PPI, further details of which are set out in note 7. The calculation of the PPI provisions is determined by reference to an informed estimate made by the Company as to the likely amount that will be needed to meet such claims. That estimate takes account of the nature of PPI policies sold by the Company and claims received to date. The directors do not currently believe that such claims will have a material adverse effect on the likely recoveries of the Guaranteed Creditors of the Company.

After making enquiries, the directors have concluded that there is a reasonable expectation that the Company can continue to pay its debts as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

### Accounting developments

#### Standards and interpretations which have been adopted by the Company in 2014

The following standards and amendments to existing standards, which are relevant to the Company's operations, have been published and were mandatory for accounting periods beginning on or after 1 January 2014 or later periods, although the Company did not early adopt any of them. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements:

- IFRS 10 'Consolidated Financial Statements' (effective 1 January 2014).
- IFRS 11 'Joint Arrangements' (effective 1 January 2014).
- IFRS 12 'Disclosure of Interests in Other Entities' (effective 1 January 2014).
- IAS 27 (revised) 'Separate Financial Statements' (effective 1 January 2014).
- IAS 28 (revised) 'Investments in Associates and Joint Ventures' (effective 1 January 2014).
- IFRS 10, IFRS 11, IFRS 12 (amendments) – Transition guidance (effective 1 January 2014).
- IAS 32 (amendments) 'Financial Instruments: Presentation' (effective 1 January 2014). The amendment clarifies the accounting treatment of offsetting financial assets and financial liabilities.
- IAS 36 (amendments) 'Recoverable Amount Disclosures for Non-Financial Assets' (effective 1 January 2014).
- IAS 39 (amendments) 'Novation of Derivatives and Continuation of Hedge Accounting' (effective 1 January 2014).

# Dial4aloan Limited

## Statement of accounting policies (continued)

### Accounting developments (continued)

#### Standards and interpretations in 2014 which have not been adopted

There are no relevant standards and interpretations that have been issued but are not effective for the year ended 31 December 2014.

In all instances, the Board will consider the impact that these standards may have on the Company's 31 December 2015 financial statements. The impact is not yet known.

### Tax

The charge or credit for current tax is based on the taxable profit or loss for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred 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 equity. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

### Loans and receivables

Loans and receivables are measured at initial recognition at fair value and subsequently at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.

### Provisions

Provisions are recognised only when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and the value can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured as the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date and are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### Creditor guarantees

Under the Co-guarantors Creditor Scheme, the Company's Guarantor Obligations were limited to an amount equal to its net assets. The Company will realise those assets for the benefit of the financial creditors of Cattles to whom the Company has provided guarantees in respect of Cattles' debt and then make pro rata payments to its Guaranteed Creditors in respect of its Guarantor Obligations, after providing in full for all other creditors.

Creditor guarantees are measured at their discounted value, with the forecast being reassessed at each balance sheet date, and are split based on the forecast timing of the payments.

Further details of creditor guarantees are set out in note 7.

### Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# Dial4aloan Limited

## Statement of accounting policies (continued)

### Key sources of estimation uncertainty

The Company's calculations when recognising provisions for present obligations contains significant judgement and estimates, including the amount which is likely to be called under the unsecured multilateral bank guarantee and the discount rate used to calculate the net present value of these future cash flows.

The Company has also recognised provisions in relation to potential future costs arising as a result of past sales of PPI, further details of which are set out in note 7. The calculation of the PPI provisions was determined by reference to an informed estimate made by the Company as to the likely amount that would be needed to meet such claims. That estimate took account of the nature of PPI policies sold by the Company and claims received to date.

# Dial4aloan Limited

## Notes to the financial statements for the year ended 31 December 2014

### 1 Staff costs and directors' emoluments

The Company has no employees other than the directors (2013: none). The directors received no emoluments for their services to the Company (2013: £nil).

### 2 Auditor's remuneration

The cost of the Auditor providing audit services to the Company in the current and prior year is borne by a former fellow Group company. No non-audit services were provided in either of the current or prior year.

### 3 Other operating expenses

	2014 £	2013 £
Administrative expenses	644	1,264

### 4 Taxation

The Company has no taxation charge for the year (2013: £nil).

The rate of tax for the year is 21.5% (2013: 23.25%). The tax charge for the year is less than (2013: less than) the tax on the loss (2013: loss) on ordinary activities at the standard rate for the reasons set out in the following reconciliation:

	2014 £	2013 £
Loss before tax	(70,411)	(218,205)
Tax on loss at 21.5 % (2013: 23.25%)	(15,134)	(50,725)
Factors affecting charge for the year:		
Income not taxable for tax purposes	(82,985)	(249,578)
Expenses not deductible for tax purposes	98,224	283,376
Effect of group relief surrendered for less than rate of corporation tax	(105)	10,156
Movement in unprovided deferred tax	-	6,771
Total tax charge for the year	-	-

#### Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2013: 20%).

The Company has not recognised a deferred tax asset on losses of £679,847 (2013: £679,847) in the financial statements, as it is not considered probable that future taxable profits will be available against which this asset can be utilised.



# Dial4aloan Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 5 Loans and receivables

	2014 £	2013 £
Intra-group receivables	7,909,622	9,028,322
Impairment of intra-group receivables	(6,431,534)	(6,723,670)
Discounting of intra-group receivables	(200,196)	(208,300)
	<b>1,277,892</b>	<b>2,096,352</b>
Comprising:		
Non-current assets	835,934	1,655,894
Current assets	441,958	440,458
	<b>1,277,892</b>	<b>2,096,352</b>

The intra-group receivables are owed to the Company by Welcome Financial Services Limited (WFS). The Company submitted a claim under the WFS Scheme for the amount owed at the Scheme Effective Date and has subsequently received distribution payments from WFS. The net carrying amount of intra-group receivables reflects the directors' expectations of the recoverability of the intra-group receivables. It is measured at its discounted value, with the forecasts being reassessed at each balance sheet date and is split based on the forecast timing of the payments.

### 6 Trade and other payables

	2014 £	2013 £
Accruals	-	18,548

All trade payables at 31 December 2013 had a maturity of within one month.

# Dial4aloan Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 7 Provisions

	2014 £	2013 £
<b>Current</b>		
Creditor guarantee provisions	700,000	1,880,000
PPI provisions	388,738	471,401
	<b>1,088,738</b>	<b>2,351,401</b>
<b>Non-current</b>		
Creditor guarantee provisions	1,111,000	824,000
<b>Total provisions</b>	<b>2,199,738</b>	<b>3,175,401</b>

Under the Co-guarantors Creditor Scheme, the Company's Guarantor Obligations were limited to an amount equal to its net assets. The Company will realise those assets for the benefit of the financial creditors of Cattles to whom the Company has provided guarantees in respect of Cattles' debt and then make pro rata payments to its Guaranteed Creditors in respect of its Guarantor Obligations, after providing in full for all other creditors.

Creditor guarantee provisions reflect the directors' expectations of the amounts that will be payable in respect of these Guarantor Obligations. They are measured at their discounted value, with the forecasts being reassessed at each balance sheet date and are split based on the forecast timing of the payments. The movement in the provision is as follows:

	2014 £	2013 £
At 1 January	2,704,000	3,485,000
Utilised	(1,350,000)	(2,000,000)
Provisions made	333,000	818,000
Movement in discounting	124,000	401,000
<b>At 31 December</b>	<b>1,811,000</b>	<b>2,704,000</b>

On 28 January 2013, the Company made its first payment to its Guaranteed Creditors, amounting to £1.0 million. Further payments were made of £1.0 million on 19 July 2013, £550,000 on 14 March 2014 and £800,000 on 21 August 2014.

PPI provisions relate to the estimation of the Company's potential future costs arising as a result of past sales of PPI. The provision is expected to be utilised within one year from the balance sheet date. The movement in the provision is as follows:

	2014 £	2013 £
At 1 January	471,401	451,126
Utilised	(82,663)	(52,785)
Provisions made	-	73,060
<b>At 31 December</b>	<b>388,738</b>	<b>471,401</b>

# Dial4aloan Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 8 Share capital

	Authorised 2014		Authorised 2013	
	Number	£	Number	£
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

	Allotted, called up and fully paid 2014		Allotted, called up and fully paid 2013	
	Number	£	Number	£
Ordinary shares of £1 each	80,100	80,100	80,100	80,100

The rights attached to the ordinary shares are as follows:

#### Voting

On a show of hands every ordinary shareholder who is present in person at a general meeting of the Company and every proxy appointed by an ordinary shareholder and present at a general meeting of the Company shall have one vote and on a poll every ordinary shareholder who is present in person or by proxy shall have one vote for every share held.

#### Dividends

Ordinary shareholders shall be entitled to receive such dividend as the Company by ordinary resolution may from time to time declare as a final dividend (such dividend not to exceed the amount recommended by the Board) or as the Board may from time to time declare as an interim dividend.

#### Return of capital on a winding-up

Ordinary shareholders are entitled to participate in any surplus assets on the winding-up of the Company in proportion to their shareholdings.

### 9 Reconciliation of loss before taxation to cash inflow from operations

	2014 £	2013 £
<b>Loss before taxation</b>	<b>(70,411)</b>	<b>(218,205)</b>
Adjustments for:		
Increase in intra-group receivables	(85,862)	(201,757)
Receipt of intra-group receivables	1,204,562	925,836
Movement in impairment of intra-group receivables	(292,136)	(626,020)
Movement in discounting of intra-group receivables	(8,104)	(245,834)
Decrease in trade and other receivables	-	7,753
(Decrease)/increase in trade and other payables	(18,548)	14,753
Increase in provisions	374,337	1,239,275
<b>Cash inflow from operations</b>	<b>1,103,838</b>	<b>895,801</b>

The amount of interest paid and received during the year was £nil (2013: £nil) and £1,090 (2013: £1,457) respectively.

# Dial4aloan Limited

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 10 Financial risk management

The most significant financial risks potentially faced by the Company are credit, liquidity and capital risk.

#### Management of credit risk

The Company's credit risk is related to its cash and cash equivalents and intra-group receivables, which represent its maximum exposure to credit risk. Credit risk in relation to cash assets is managed by holding cash only at banks which are considered to have an appropriate credit rating, to limit counterparty credit risk. Counterparty credit ratings are reviewed on a regular basis.

#### Management of liquidity risk

Liquidity risk is the risk to earnings or capital arising from an inability to meet obligations when they become due, without incurring unexpected or unacceptable losses. It includes the risk of inability to manage unplanned decreases or changes in funding sources and also any failure to recognise and address changes in market conditions that could affect the Company's ability to liquidate assets quickly, with minimum value loss, if necessary.

The Company has financial liabilities of £0.4 million (2013: £0.5 million) (being PPI provisions) and a further £1.8 million (2013: £2.7 million) (being creditor guarantee provisions which are only payable to the extent that the Company has cash available for distribution, including cash received from the claim made under the WFS Scheme). At 31 December 2014, the Company has over £0.9 million (2013: over £1.1 million) in cash assets and therefore is not subject to any material liquidity risk.

Under the Co-guarantors Creditor Scheme, the Company's Guarantor Obligations were limited to an amount equal to its net assets.

#### Management of capital risk

Capital risk is not considered relevant or significant enough to justify its own category.

### 11 Contingent assets and liabilities

The Company has historically sold PPI policies. There is currently heightened consumer awareness of potential PPI mis-selling and as a consequence, it is possible that claims against the Company may arise, on the basis that the Company sold PPI during its trading history.

It is not expected that the value of any payments to settle such claims against the Company will exceed the provision of £388,738 that has been made as at 31 December 2014 (note 7). However, as a protective measure, the Company has submitted its own claim against WFS, under the WFS Scheme of Arrangement, in respect of both expected and contingent PPI liabilities on the basis that WFS has indemnified the Company in respect of all liabilities prior to the sale of the Company's business to WFS in June 2005. This Scheme claim against WFS for PPI liabilities is only expected to be agreed by the WFS Scheme Supervisors to the extent that valid PPI claims are actually paid out by the Company. Total recoveries from the scheme claim against WFS are expected to be approximately half of the agreed claim value.

# **Dial4aloan Limited**

## **Notes to the financial statements for the year ended 31 December 2014 (continued)**

### **12 Related party transactions**

#### **Ultimate parent undertaking**

Prior to 2 March 2011, the ultimate parent undertaking and controlling party of the Company was Cattles, registered in England and Wales. As a consequence of the Group's restructuring which became effective on 2 March 2011, operating and financial policy has been set by the operation of the various Schemes and other legal arrangements put in place as part of the Group restructuring, and, as such, the voting rights over the Company held by its shareholders do not influence the strategic direction of the Company. Therefore the Company neither has a parent or ultimate parent undertaking, nor does it have a controlling related party.

#### **Related party transactions**

Receivables due from former Group undertakings are disclosed in note 5.

#### **Key management compensation**

The directors of the Company are the Company's key management. These individuals received no compensation for their services to the Company.

### **13 Post balance sheet events**

The Company made further distributions to its Guaranteed Creditors of £700,000 in May 2015.