

ARIANTY SERVICES LIMITED

Report and Financial Statements

Year ended 30 September 2017

MONDAY



A704RN0X

A09

19/02/2018

#131

COMPANIES HOUSE

DIRECTORS' REPORT

The directors present their Annual Report prepared in accordance with Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the audited Financial Statements of Arianty Services Limited ('the Company'), a company registered in England and Wales with registration no: 04054601, for the year ended 30 September 2017.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006. As the Company is entitled to the small companies exemption no strategic report has been prepared, section 414A of the Companies Act 2006.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

During the year the Company operated in the United Kingdom, the principal activity of the Company was the development of a computer system and the provision of leasing and other services. The directors consider that the Company has performed satisfactorily given the prevailing economic climate and will continue to do so. The Company continues to manage its residual assets. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Mortgage Trust Services Plc ("MTS") has provided admin services to the company.

The Company's profit and loss account is shown on page 6. The result after tax of £nil has stayed consistent with the preceding year. No dividend was paid during the current or preceding years.

PRINCIPAL RISKS AND UNCERTAINTIES

An analysis of the Company's exposure to risk, including financial risk, and the steps taken to mitigate these risks are set out in note 3.

After considering the above, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. This is further supported by the Group holding sufficient cash resources to support the Company's obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

DIRECTORS

The directors throughout the year and subsequently were:

J Fairrie

D P Stolp (resigned 1 November 2016)

K G Allen

J P Nowacki (appointed 21 November 2016, resigned 7 March 2017)

R J Woodman (appointed 21 November 2016)

R D Shelton (appointed 21 November 2016)

J A Harvey (appointed 21 November 2016, resigned 31 January 2017)

J P Giles (appointed 8 March 2017)

P H Whitaker (appointed 8 March 2017)

DIRECTORS' REPORT (continued)

AUDITOR

The directors have taken all reasonable steps to make themselves and the Company's auditor, KPMG LLP, aware of any information needed in preparing the audit of the Annual Report and Financial Statements for the year, and, as far as each of the directors is aware, there is no relevant audit information of which the auditor is unaware.

No notice from members under section 488 of the Companies Act 2006 having been received, the directors intend that the auditor, KPMG LLP, shall be deemed to be reappointed in accordance with section 487(2) of the Act.

Approved by the Board of Directors

and signed on behalf of the Board



K G Allen

Director

23 January 2018

Registered Office: 51 Homer Road, Solihull, West Midlands, B91 3QJ

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in relation to Financial Statements

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). The financial statements are required by law to 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 judgments and 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.

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 their profit or loss for that period.

The directors are responsible for keeping proper accounting records that 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, for the Company's systems of internal control and for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a strategic report and directors' report which comply with the applicable requirements of the Companies Act 2006.

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



Pandora Sharp

Company Secretary

23 January 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARIANTY SERVICES LIMITED

Opinion

We have audited the Financial Statements of Arianty Services Limited for the year ended 30 September 2017 which comprise the profit and loss account, the balance sheet, the statement of movement in equity and the related notes 1 to 13, including the accounting policies in note 2.

In our opinion the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including Financial Reporting Standard 101 – 'Reduced Disclosure Framework'; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARIANTY SERVICES LIMITED (CONTINUED)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Matthew Rowell (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

23 January 2018

ARIANTY SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 SEPTEMBER 2017**

	Note	2017 £000	2016 £000
Interest receivable and similar income	4	2	3
Interest payable and similar charges	5	(2)	(3)
Net interest expense		-	-
Operating expenses		-	-
Operating loss, being loss on ordinary activities before taxation	6	-	-
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation	10	-	-

All activities derive from continuing operations.

There are no recognised gains or losses other than the result for the current and preceding year, and consequently a separate statement of comprehensive income has not been presented.

ARIANTY SERVICES LIMITED

BALANCE SHEET

30 SEPTEMBER 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
ASSETS EMPLOYED					
CURRENT ASSETS					
Debtors falling due within one year	8		-		61
FINANCED BY					
EQUITY SHAREHOLDER'S DEFICIT					
Called up share capital	9	-		-	
Profit and loss account	10	(11)		(11)	
			(11)		(11)
CREDITORS					
Amounts falling due within one year	11		11		72
			-		61

These Financial Statements were approved by the Board of Directors on 23 January 2018.

Signed on behalf of the Board of Directors



J P Giles

Director

STATEMENT OF MOVEMENT IN EQUITY

YEAR ENDED 30 SEPTEMBER 2017

	Share capital £000	Profit and loss account £000	Total equity £000
<i>Total comprehensive income for the year</i>			
Result for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Opening equity	-	(11)	(11)
Closing equity	-	(11)	(11)

YEAR ENDED 30 SEPTEMBER 2016

	Share capital £000	Profit and loss account £000	Total equity £000
<i>Total comprehensive income for the year</i>			
Result for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Opening equity	-	(11)	(11)
Closing equity	-	(11)	(11)

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

1. GENERAL INFORMATION

Arianty Services Limited ('the Company') is a company domiciled in the United Kingdom and incorporated in England and Wales under the Companies Act 2006 with company number 04054601. The address of the registered office is 51 Homer Road, Solihull, West Midlands, B91 3QJ. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

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

2. ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable UK accounting standards. Disclosures have been made in accordance with Financial Reporting Standard 101 – 'Reduced Disclosure Framework' ('FRS 101').

As permitted by FRS 100 – 'Application of Financial Reporting Requirements' ('FRS 100') the Company has applied the measurement and recognition requirements of International Financial Reporting Standards ('IFRS') as adopted by the EU, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of disclosure exemptions provided by FRS 101 has been taken.

Accounting convention

The Financial Statements are prepared under the historical cost convention.

Going concern

The Financial Statements have been prepared on a going concern basis. The directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. This is further supported by the Group holding sufficient cash resources to support the Company's obligations as they fall due. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Current tax

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Amounts owed by or to group companies

The balances owed by or to other group companies are carried at the current amount outstanding less any provision.

Revenue

The revenue of the Company comprises of interest receivable. Interest receivable or payable from other Group companies is recognised in accordance with the effective interest rate method.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

Disclosures

In preparing these financial statements the Company has taken advantage of the exemptions from disclosure provided by FRS 101 in respect of:

- The requirement to produce a cash flow statement and related notes
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management
- The effects of new, but not yet effective IFRSs
- Disclosures in respect of key management personnel
- Disclosures of transactions with a management entity which provides key management personnel services to the Company

As the consolidated financial statements of Paragon Banking Group PLC, the ultimate parent undertaking of the Company, include equivalent disclosures the Company has also taken advantage of these further exemptions provided by FRS 101:

- Certain disclosures required by IFRS 13 – ‘Fair Value Measurement’
- Certain disclosures required by IFRS 7 – ‘Financial Instruments Disclosures’

The Company presently intends to continue to apply these exemptions in future periods.

3. FINANCIAL RISK MANAGEMENT

The Company’s primary financial assets and liabilities are with other group companies; therefore, the directors do not consider that the Company is exposed to any significant cash flow, credit or liquidity risks.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable includes £2,000 (2016: £3,000) in respect of interest received on loans to other group companies.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £000	2016 £000
Interest payable to group companies	2	3

6. OPERATING LOSS, BEING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The Company's audit fee of £1,000 (2016: £1,000) was paid by the immediate parent undertaking, Arianty Holdings Limited.

The Company has no employees and the directors received no remuneration during the year. Non audit fees provided to the Group are disclosed in the accounts of the parent company and the exemption from disclosure of fees payable to the Company's auditor in respect to non-audit services in these financial statements has been taken.

7. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Tax charge for the year

	2017 £000	2016 £000
Current tax		
Corporation tax	-	-

b) Factors affecting the tax charge for the year

	2017 £000	2016 £000
Result before tax	-	-
UK corporation tax at 19.5% (2016: 20%) based on the loss for the year	-	-

During the year ended 30 September 2015 the Government announced provisions further reducing the rate of corporation tax to 19.0% with effect from 1 April 2017 and to 18.0% from 1 April 2020 which were substantially enacted during the year. The tax rate applying from 1 April 2020 was further reduced to 17% during the year.

Therefore, the standard rate of corporation tax applicable to the Company for the year ended 30 September 2017 is expected to be 19.5%, the rate in the years ending 30 September 2018 and 30 September 2019 are expected to be 19.0%, the rate in the year ending 30 September 2020 is expected to be 18.0% and the rate in subsequent years is expected to be 17.0%. The expected impact on deferred tax balances of the changes to 19.0% and 17.0% was accounted for in the year ended 30 September 2016.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

8. DEBTORS

	2017 £000	2016 £000
Amounts falling due within one year		
Other debtors	-	61

9. CALLED UP SHARE CAPITAL

	2017 £	2016 £
Allotted:		
1 ordinary shares of £1 each (fully paid)	1	1

10. PROFIT AND LOSS ACCOUNT

	£000
At 1 October 2015	(11)
Loss for the financial year	-
At 30 September 2016	(11)
Result for the financial year	-
At 30 September 2017	(11)

An interim dividend of £nil per share was paid during the year (2016: £nil per share). No final dividend is proposed (2016: £nil).

11. CREDITORS

	2017 £000	2016 £000
Amounts falling due within one year:		
Amounts due to group undertakings	11	49
Other creditors	-	23

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

12. RELATED PARTY DISCLOSURES

The Company has identified the following transactions which are required to be disclosed under the terms of IAS 24 - 'Related Party Disclosures' ('IAS 24').

Transactions with MTS

At the balance sheet date, the Company was owed by MTS, a Company under common control as defined by IAS 24, £nil (2016: £61,000) in relation to payments made on behalf of MTS, which is included in other debtors.

Transactions with Paragon Finance PLC (PF)

At the balance sheet date PF, a Company under common control as defined by IAS 24, was owed £nil (2016: £23,000) by the Company in relation to payments made on behalf of the Company, which is included in other creditors.

13. ULTIMATE PARENT COMPANY

The directors consider that the ultimate parent undertaking is Arianty Holdings Limited. The smallest and largest group into which the Company is consolidated is that of Paragon Banking Group PLC formerly known as The Paragon Group of Companies PLC.

The shares in Arianty Holdings Limited are held by Intertrust Capital Markets (UK) Limited under a Declaration of Trust for charitable purposes. The directors regard Paragon Banking Group PLC as the ultimate controlling party.

Copies of the consolidated financial statements may be obtained from the Company Secretary, 51 Homer Road, Solihull, West Midlands, B91 3QJ.