

Company Registration No. 04296927 (England and Wales)

**CREDIT LINK ACCOUNT RECOVERY
SOLUTIONS LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

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CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing 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 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;
- 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.

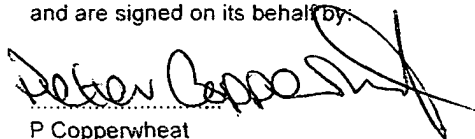
CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

| | Notes | 2016 £ | £ | 2015 £ | £ |
|---|-------|--------------------|-----------------------|--------------------|-----------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 72,082 | | 74,550 |
| Current assets | | | | | |
| Debtors | 5 | 556,985 | | 363,880 | |
| Cash at bank and in hand | | 1,298,120 | | 896,753 | |
| | | <u>1,855,105</u> | | <u>1,260,633</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(1,509,020)</u> | | <u>(1,206,946)</u> | |
| Net current assets | | | <u>346,085</u> | | <u>53,687</u> |
| Total assets less current liabilities | | | <u><u>418,167</u></u> | | <u><u>128,237</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 1,250 | | 1,250 |
| Profit and loss reserves | 8 | | 416,917 | | 126,987 |
| Total equity | | | <u><u>418,167</u></u> | | <u><u>128,237</u></u> |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 25th August 2017 and are signed on its behalf by:


P Copperwheat
Director

CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

| | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------------------|-------------------------------------|------------|
| Balance at 1 January 2015 | 1,250 | 33,688 | 34,938 |
| Year ended 31 December 2015: | | | |
| Loss and total comprehensive income for the year | - | (9,969) | (9,969) |
| Capital contribution | - | 103,268 | 103,268 |
| Balance at 31 December 2015 | 1,250 | 126,987 | 128,237 |
| Year ended 31 December 2016: | | | |
| Profit and total comprehensive income for the year | - | 184,535 | 184,535 |
| Capital contribution | - | 105,395 | 105,395 |
| Balance at 31 December 2016 | 1,250 | 416,917 | 418,167 |

CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Credit Link Account Recovery Solutions Limited is a private company limited by shares incorporated and registered in England and Wales. The registered office is Viewpoint, Basing View, Basingstoke, Hampshire, RG21 4RG.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements are the first financial statements of Credit Link Account Recovery Solutions Limited prepared in accordance with FRS 102. The financial statements of Credit Link Account Recovery Solutions Limited for the year ended 31 December 2015 were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the Financial Reporting Standard for Smaller Entities (effective January 2015). Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

The turnover shown in the statement of comprehensive income represents the value of all services delivered during the year, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-----------------------|
| Plant and machinery | 6 years straight line |
| Fixtures and fittings | 8 years straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, loans from group undertakings and bank overdrafts, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 72 (2015 - 59).

3 Directors' remuneration

| | 2016 £ | 2015 £ |
|--------------------------------|----------------|----------------|
| Remuneration paid to directors | <u>130,665</u> | <u>122,705</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

4 Tangible fixed assets

| | Plant and machinery etc £ |
|------------------------------------|------------------------------|
| Cost | |
| At 1 January 2016 | 366,309 |
| Additions | <u>38,734</u> |
| At 31 December 2016 | <u>405,043</u> |
| Depreciation and impairment | |
| At 1 January 2016 | 291,759 |
| Depreciation charged in the year | <u>41,202</u> |
| At 31 December 2016 | <u>332,961</u> |
| Carrying amount | |
| At 31 December 2016 | <u>72,082</u> |
| At 31 December 2015 | <u>74,550</u> |

CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Debtors

| | 2016 £ | 2015 £ |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 413,427 | 251,194 |
| Amounts owed by group undertakings | 62,580 | 65,813 |
| Other debtors | 80,978 | 46,873 |
| | <u>556,985</u> | <u>363,880</u> |

6 Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts | 35,071 | 22,952 |
| Trade creditors | 93,204 | 109,314 |
| Amounts due to group undertakings | 17,765 | - |
| Corporation tax | 138 | - |
| Other taxation and social security | 133,090 | 90,052 |
| Other creditors | 1,229,752 | 984,628 |
| | <u>1,509,020</u> | <u>1,206,946</u> |

There is a fixed and floating charge over all assets of the company secured by a debenture dated 19 October 2007 in favour of RBS plc.

7 Called up share capital

| | 2016 £ | 2015 £ |
|--|--------------|--------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 100,000 'A' Ordinary shares of 1p each | 1,000 | 1,000 |
| 20,000 'B' Ordinary shares of 1p each | 200 | 200 |
| 5,000 'C' Ordinary shares of 1p each | 50 | 50 |
| | <u>1,250</u> | <u>1,250</u> |

Ordinary 'A' shares entitle the shareholder to full voting rights, dividends and participation in a distribution. Ordinary 'B' and 'C' shares entitle the shareholder to dividends and participation in a distribution but do not give the right to vote or to receive notice of a general meeting of the company or to attend such meetings.

CREDIT LINK ACCOUNT RECOVERY SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Reserves

Profit and loss reserves

Cumulative profit and loss and capital contributions net of distributions to owners.

Capital contributions represent contributions made by JCIA Holdings LLC, the immediate parent company. The company has no obligation to transfer any economic benefits of any kind, including the issuance of any additional share capital. As specified in the capital contribution agreement between both parties, the company has no obligation to repay the capital contribution.

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2016 £ | 2015 £ |
|----------------------------|---------------|---------------|
| Within one year | 47,410 | 11,730 |
| Between one and five years | 1,650 | - |
| | <u>49,060</u> | <u>11,730</u> |

10 Parent company

The immediate parent company is JCIA Holdings LLC, by virtue of their 100% shareholding. The ultimate parent company is JCAP Holdings LLC. The registered office for both parent companies is: 16 McLeland Road, St. Cloud, MN 56303.

CL Holdings LLC is the smallest group of undertakings for which consolidated accounts, including Credit Link Account Recovery Solutions Limited, are prepared.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Perry Linton FCA.

The auditor was RSM UK Audit LLP.