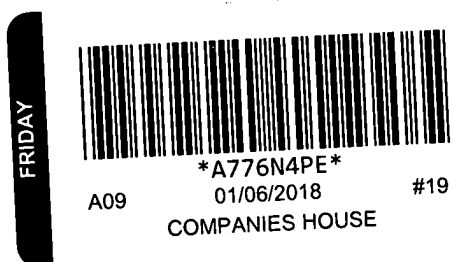


**Commercial First Mortgages  
Limited**

**Report and Financial Statements**

**Registered Number 04461486**

**Year Ended 30 November 2017**



## Contents

	Page No
Company Information	2
Strategic Report	3
Report of the Directors	4
Report of the Independent Auditor to the Members of Commercial First Mortgages Limited	7
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Financial Statements	13

## **Company Information**

### **Directors**

J Barbour  
S Cohen  
S Lammin  
T Theobald

### **Company Secretary**

Neptune Secretaries Limited  
T Theobald

### **Registered Office**

Jessop House, Jessop Avenue  
Cheltenham  
Gloucestershire  
GL50 3WG

### **Trading Address**

The Vineries  
Broughton Hall Business Park  
Skipton  
North Yorkshire  
BD23 3AE

### **Solicitors**

Clifford Chance  
10 Upper Bank Street  
London, E14 5JJ

Wiggin LLP  
Jessop House, Jessop Avenue  
Cheltenham  
Gloucestershire, GL50 3WG

### **Auditor**

KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

### **Banker**

Barclays Bank Plc  
One Churchill Place  
London  
E14 5HP

## Strategic Report

The directors present their strategic report for the year ended 30 November 2017.

### Business Review and Future Developments

The directors have previously reported that on completion of the full business assets and trade to Target Servicing Limited, which fully completed on 29 November 2016, that they had no intention of seeking further trade for the company but the company retained its responsibilities as the lender of record on certain loans within the portfolios of loans that make up the Business Mortgage Finance series of securitisations. The company receives no remuneration for this and it is intended that the lender of record will be transferred to the securitisation SPV. On perfection of the title transfer it is intended that the company will be formally wound up within the next 12 months.

The directors are disappointed with the result for the year which reflected a loss of £952,000 (2016: loss of £765,000).

### Risk management and control

The primary risk the company faces relates to risk from legacy products and like many financial institutions the company does receive complaints and threats of litigation in respect of legacy products. Each complaint or claim is considered on the basis of its own merits, where the directors believe the borrower has a genuine grievance then they will seek to resolve the complaint in accordance with the relevant laws. However, where they believe the complaints are without merit or opportunistic they will vigorously defend them through the court process.

By order of the board



**T Theobald**

*Director*

Date: 26 March 2018

## **Report of the Directors**

The directors present their annual report and the audited financial statements for the year ended 30 November 2017.

### **Principal Activity**

The directors have reported previously that the main business of the company was sold in 2016 and they do not intend to acquire a replacement trade. The company currently holds bare legal title to a number of loans which are in the process of being transferred to another entity, on completion of the transfer the directors envisage the company will be wound up. They have not prepared these accounts on a going concern basis. The effect of this is explained in Note 2.

### **Results and Dividend**

The loss for the financial year amounted to £952,000 (2016: loss of £765,000).

The directors do not recommend the payment of a dividend (2016: £12.5million).

### **Directors**

The directors who held office during the period and to date were as follows:

Name

J Barbour

S Cohen\*

S Lammin\*

T Theobald

\*Non-executive directors.

As at 30 November 2016 J Barbour and T Theobald, held a minority interest stake in Commercial First Mortgages Limited, which was acquired at deemed market value at the time of acquisition. Subsequent to the year end as they had left the employment of the company their holding was reacquired by the holding company at market value.

## **Report of the Directors (cont.)**

### **Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the Financial statements**

The directors are responsible for preparing the strategic report and 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland.

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 United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in Note 2 and in the Strategic Report it is envisaged that the company will be wound up in 2017, therefore the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

**Auditor**

The Company has elected to dispense with the following obligations:

- To lay accounts and reports before general meetings
- To hold annual general meetings
- To appoint auditors annually.

By order of the board



**T Theobald**

*Director*

Date: 26 March 2018

Jessop House, Jessop Avenue  
Cheltenham  
Gloucestershire GL50 3WG

## **Independent Auditor's Report To The Members Of Commercial First Mortgages Limited**

### **Opinion**

We have audited the financial statements of Commercial First Mortgages Limited ("the company") for the year ended 30 November 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow statement and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

### **Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

### **Strategic report and directors' report**

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports 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.

We have nothing to report in these respects.



### **Directors' responsibilities**

As explained more fully in their 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; 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.

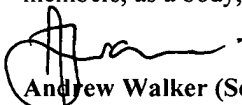
### **Auditor's responsibilities**

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](http://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.



**Andrew Walker (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

26 March 2018

**Statement of Comprehensive Income**  
*For the year ended 30 November 2017*

	Note	2017 £000	2017 £000	2016 £000	2016 £000
		Discontinued	Discontinued	Discontinued	Discontinued
Turnover	4	29		2,478	
Fees and commissions payable		36		(225)	
<b>Net operating income</b>			<b>65</b>		<b>2,253</b>
Operating expenses			<b>(498)</b>		<b>(4,341)</b>
<b>Operating loss</b>			<b>(433)</b>		<b>(2,088)</b>
Interest receivable and similar income	5		-		59
Interest payable			(7)		-
Profit on sale of operations			-		931
<b>Loss on ordinary activities before taxation</b>			<b>(440)</b>		<b>(1,098)</b>
Tax (charge)/credit on loss on ordinary activities	8		<b>(512)</b>		<b>333</b>
<b>Comprehensive loss for the year</b>			<b>(952)</b>		<b>(765)</b>

With the transfer of operations to Target Servicing Limited as referred to in the Report of the Directors all of the above results relate to discontinued activities.

The notes on pages 13 to 19 form part of these financial statements.


## Statement of Financial Position

At 30 November 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
<b>Current assets</b>					
Debtors	9	144		1,666	
Cash at bank and in hand		15		693	
			159		2,359
<b>Creditors: amounts falling due within one year</b>	10		(123)		(1,371)
<b>Net current assets</b>			36		988
<b>Total net assets</b>			36		988
<b>Capital and reserves</b>					
Called up share capital	11		1		1
Distributable reserves			35		987
<b>Total equity</b>			36		988

The notes on pages 13 to 19 form part of these financial statements.

The financial statements on pages 9 to 19 were authorised for issue by the board of directors on 26 March 2018 and were signed on its behalf by:

  
T Theobald  
Director

Company Number: 4461486

## Statement of Changes in Equity

At 30 November 2017

	<i>Note</i>	Called-up share capital	Capital Reduction Reserve	Retained earnings	Total
		£000	£000	£000	£000
<b>Balance as at 1 December 2016</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>987</b>	<b>988</b>
Capital Reduction	-	-	-	-	-
Loss for the year	-	-	-	(952)	(952)
Other comprehensive income for the year	-	-	-	-	-
<b>Balance as at 30 November 2017</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>36</b>
<b>Balance as at 1 December 2015</b>	<b>13,000</b>	<b>-</b>	<b>-</b>	<b>1,253</b>	<b>14,253</b>
Capital Reduction	(12,999)	12,999	-	-	-
Loss for the year	-	-	-	(765)	(765)
Other comprehensive income for the year	-	-	-	-	-
Dividends	-	(12,500)	-	-	(12,500)
Transfer to retained earnings	-	(499)	499	-	-
<b>Balance as at 30 November 2016</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>987</b>	<b>988</b>

The notes on pages 13 to 19 form part of these financial statements.

**Statement of Cash Flows**  
*For the year to 30 November 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
<b>Cash flows from operating activities</b>			
Loss on ordinary activities before taxation		(417)	(765)
Adjustments for:			
Depreciation charges		-	46
Decrease-in debtors*		1,523	12,554
Decrease in creditors*		(1,249)	(219)
Profit on sale of operations		-	(931)
Interest received		-	(59)
		<hr/>	<hr/>
Cash from operations		(143)	10,626
Income taxes paid		(535)	-
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		<b>(678)</b>	<b>10,626</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		-	(3)
Proceeds of sale of operations		-	1,050
Interest received		-	59
		<hr/>	<hr/>
<b>Net cash from investing activities</b>		<b>-</b>	<b>1,106</b>
<b>Cash flows from financing activities</b>			
Dividends paid		-	(12,500)
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(12,500)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(678)</b>	<b>(768)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>693</b>	<b>1,461</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>		<b>15</b>	<b>693</b>
		<hr/>	<hr/>

\*Movement in debtors and creditors excludes the impact of the sale of operations.

The notes on pages 13 to 19 form part of these financial statements.

## Notes to the Financial Statements

### 1 Company information

As noted in the report of the directors the company's activities for the period have been restricted to an orderly wind down of the prior trading activities of the company following the sale of the business in September 2016.

The company is a private company limited by shares and is incorporated and domiciled in England. The trading address is The Vineries, Broughton Hall Business Park, Skipton, BD23 3AE.

### 2 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the company as an individual undertaking and not about its Group.

#### Going concern

As explained in the report of the directors following the sale of the company's activities on 1 September 2016 the company has ceased to actively trade. The directors do not intend to acquire a replacement trade and envisage the company will be liquidated following the settlement of the remaining net assets. The directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

### 3 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Turnover policy*

The turnover shown in the statement of comprehensive income represents revenue recognised by the company in respect of services supplied during the year net of value added tax and discounts.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using the straight-line method. The rates applicable are:

Fixtures, fittings and furniture	5 years
Computer equipment	3 years

#### *Fixed asset investments*

The company holds investments at cost less provision for any permanent diminution in value.

## Notes to the Financial Statements *(continued)*

### ***Employee Benefits***

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

#### ***(i) Short term benefits***

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service was received.

#### ***(ii) Defined contribution pension plans***

The company operated a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

### ***Taxation***

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

#### ***(i) Current tax***

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### ***(ii) Deferred tax***

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## Notes to the Financial Statements (continued)

### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

### 4 Turnover

	2017 £000	2016 £000
Loan administration	-	1,351
Miscellaneous income	29	21
Commission income	-	1,106
	<u>29</u>	<u>2,478</u>

### 5 Interest receivable and similar income

	2017 £000	2016 £000
Bank interest	-	1
Dividend income	-	58
	<u>-</u>	<u>59</u>

### 6 Profit on ordinary activities before taxation

	2017 £000	2016 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditor remuneration:		
Audit	12	5
Fees paid to the auditor and its associates in respect of other services – tax	-	2
Operating lease charges	-	36
	<u>-</u>	<u>36</u>



## Notes to the Financial Statements *(continued)*

### 7 Directors and employees

Staff costs during the year were as follows:

	2017 £000	2016 £000
Wages and salaries	-	1,463
Social security costs	-	177
Other pension costs	-	60
	<u>-</u>	<u>1,700</u>

The company operates a stakeholder defined contribution scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expenses during the year amount to £nil (2016 - £60,336).

The average number of persons employed by the company (including directors and employees in discontinued operations) during the year, analysed by category, was as follows:

	2017	2016
Management and administration	4	21

All of the employees including directors were part of a TUPE arrangement on the transfer of the business in 2016. The company had no paid employees for the whole of 2017.

Remuneration in respect of directors was as follows:

	2017 £000	2016 £000
Emoluments	-	219
Pension contributions to money purchase pension schemes	-	14
	<u>-</u>	<u>233</u>
The emoluments of the highest paid director were as follows:		
Emoluments	-	112
Pension contributions to money purchase pension schemes	-	7
	<u>-</u>	<u>119</u>

No directors (2016: two) participated in the company's defined contribution personal pension scheme at any point during the year.

## Notes to the Financial Statements (*continued*)

### 8 Taxation

Analysis of tax charge in year

	2017 £000	2016 £000
<i>UK corporation tax</i>		
Current tax	-	333
Prior year adjustment	512	-
	<hr/>	<hr/>
Total current tax	512	333
Deferred taxation: origination and reversal of timing differences	-	-
Deferred taxation: changes in tax rates	-	-
	<hr/>	<hr/>
Tax on results on ordinary activities	512	333
	<hr/>	<hr/>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19.33%) (2015: 20.00%). The differences are explained below.

	2017 £000	2016 £000
(Loss)/profit on ordinary activities before tax	(417)	(1,098)
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 20.33% (prior year: 20.00%)	(81)	(220)
Expenses not deductible for tax purposes	81	(2)
Income not subject to tax	-	(15)
Utilisation of losses	-	259
Prior year adjustment	(512)	24
Depreciation for the year in excess of capital allowances	-	(379)
	<hr/>	<hr/>
Tax on results on ordinary activities	(512)	(333)
	<hr/>	<hr/>

The prior year adjustment relates to group relief claimed in prior periods for which the claims have subsequently been withdrawn.

## Notes to the Financial Statements (*continued*)

### 9 Debtors

	2017 £000	2016 £000
Prepayments and accrued income	27	107
Amount due from group undertakings	117	276
Corporation tax recoverable	-	357
Other debtors	-	926
	<u>144</u>	<u>1,666</u>

The amounts owed by group undertakings are unsecured and repayable on demand.

### 10 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts due to group undertakings	13	13
Trade creditors	79	861
Taxation and social security	-	14
Other creditors	8	475
Accruals and deferred income	23	8
	<u>123</u>	<u>1,371</u>

The amounts due to group undertakings are unsecured and repayable on demand.

### 11 Called up share capital

	2017 £000	2016 £000
<b><i>Allotted, called up and fully paid</i></b>		
13,000,002 Ordinary shares of £0.0001 each (2015 £1.00 each)	1	1
	<u></u>	<u></u>
<b><i>Dividends</i></b>		
Paid during the year	-	12,500
	<u></u>	<u></u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

On the 9 March 2016 the company passed a resolution cancelling the sum of 99.99 pence of the amount paid up or credited as paid up on each of the issued share of £1 in the capital of the company and reducing the nominal value of each share issued in the capital of the company to 0.01 pence

### 12 Reserves

Called up share capital – represents the nominal value of shares that have been issued.

Retained earnings – includes all current and prior period retained profits and losses.

## Notes to the Financial Statements *(continued)*

### 13 Contingent liabilities

The company in common with many financial institutions receives and deals with complaints on legacy products. Each complaint is considered and treated on the basis of its own merits and is treated accordingly. Where complaints are received that are believed to be without merit or opportunistic they will be defended vigorously. As at 30 November 2017 the directors do not believe there is a requirement to provide for any potential claims (2016: Nil).

### 14 Deferred Taxation

There are no amounts of provided deferred taxation at 30 November 2017 or November 2016.

The amounts of unprovided deferred taxation were:	<b>2017</b>	2016
	<b>£000</b>	£000
Utilisation of losses	<b>1,989</b>	1,037
Current year short term differences	-	-
	<hr/>	<hr/>
<b>At 30 November 2017</b>	<b>1,989</b>	1,037
	<hr/>	<hr/>

As at 30 November 2017, deferred tax asset of £1,988,750 has not been recognised on the grounds that there is uncertainty over recoverability against future profits (2016: £1,036,750 asset).

### 15 Ultimate controlling party

The results of the company are consolidated within the financial statements of Commercial First Group Limited, a company incorporated in England. This company is both the immediate and ultimate parent undertaking. The consolidated financial statements of this company are available by application, from the Company Secretary, The Vineries, Broughton Hall Business Park, Skipton, North Yorkshire, BD23 3AE.