

BAKER EVANS LIMITED

Annual Report and Financial Statements

For the 18 month period ended 30 June 2016



BAKER EVANS LIMITED

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BAKER EVANS LIMITED

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

A Wisedale

REGISTERED OFFICE

8 St John Street
Manchester
M3 4DU

BANKERS

National Westminster Bank PLC
1 Spinningfields Square
Manchester
M3 3AP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

BAKER EVANS LIMITED

DIRECTOR'S REPORT

The Director presents the report and the audited financial statements of Baker Evans Limited (the "Company") for the 18 month period 30 June 2016.

PRINCIPAL ACTIVITY

The Company was dormant during the current financial period. The principal activity of the Company in the preceding year was the provision of debt management solutions to indebted individuals.

DIRECTORS

The Directors who served during the period under review and thereafter were:

A Wisedale

S Sulaman (resigned 31 December 2015)

CHANGE OF FINANCIAL YEAR END

On 18 July 2016 the Company changed its financial year end to 30 June and therefore has prepared financial statements for the 18 month period ended 30 June 2016.

GOING CONCERN

The Company ceased trading on 31 December 2014 and transferred its assets and liabilities to its fellow subsidiary Baines & Ernst Limited. Therefore these financial statements have been prepared on a basis other than going concern basis. The assets at the balance sheet date are all recoverable, while appropriate provision has been made to cover the costs of closure and completion of contractual commitments.

DIVIDENDS

The Company paid a dividend during the financial period of £22,085 (Year ended 31 December 2014: nil).

SMALL COMPANIES' EXEMPTION

This Company qualifies as small in accordance with the provisions of section 382 (3) of the Companies Act 2006 and has taken the exemption not to present a Strategic Review.

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of certain disclosure exemptions in FRS102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in future years. The reduced disclosures taken can be found in note 1.

AUDITOR

A resolution for the reappointment of the auditor will be proposed at the next Annual General Meeting.

In the case of the person who was Director of the Company at the date when this report was approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Director on 30 March 2017



A Wisedale
Director
8 St John Street
Manchester
M3 4DU

BAKER EVANS LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Director 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 Director is required to:

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

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER EVANS LIMITED

We have audited the financial statements of Baker Evans Limited for the 18 month period ended 30 June 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Director's Responsibilities Statement, the Director is 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as 30 June 2016 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAKER EVANS LIMITED

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 Director's' 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 in preparing the Director's Report and Strategic Report.



David Heaton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

30 March 2017

BAKER EVANS LIMITED

PROFIT AND LOSS ACCOUNT 18 month period ended 30 June 2016

| | | 18 months ended 30 June 2016 £000 | Year ended 31 December 2014 £000 |
|---|------|---|---|
| | Note | | |
| TURNOVER | 1 | - | 24 |
| Administrative expenses | | - | (22) |
| RESULT/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 4 | - | 2 |
| Tax charge on result/profit on ordinary activities | 5 | - | (1) |
| RESULT/PROFIT FOR THE FINANCIAL PERIOD/YEAR AFTER TAXATION | | - | 1 |

All results are derived from discontinued operations.

There are no recognised gains and losses for the current period or preceding financial year, other than as stated above. Therefore, no Statement of Other Comprehensive Income has been presented.

The accompanying notes 1 to 11 on page 10 to 12 are an integral part of these financial statements.


BAKER EVANS LIMITED

BALANCE SHEET As at 30 June 2016

| | Note | 30 June 2016 £000 | 31 December 2014 £000 |
|---|------|----------------------|-----------------------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | - | 23 |
| CREDITORS: amounts falling due within one year | 7 | - | (1) |
| NET CURRENT ASSETS | | - | 22 |
| NET ASSETS | | - | 22 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | - | - |
| Profit and loss account | | - | 22 |
| SHAREHOLDER'S FUNDS | | - | 22 |

Company registration number: 6246681

These financial statements were approved by the Director on 30 March 2017.



A Wisedale
Director

The accompanying notes 1 to 11 on page 10 to 12 are an integral part of these financial statements.

BAKER EVANS LIMITED**STATEMENT OF CHANGES IN EQUITY**
18 month period ended 30 June 2016

| | Share Capital £000 | Profit and Loss £000 | Total £000 |
|---------------------------------|--------------------------|----------------------------|---------------|
| Balance at 1 January 2014 | - | 21 | 21 |
| Profit for the financial year | - | 1 | 1 |
| Balance at 31 December 2014 | - | 22 | 22 |
| Result for the financial period | - | - | - |
| Dividend | - | (22) | (22) |
| Balance at 30 June 2016 | - | - | - |

The issued share capital is £100.

BAKER EVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 June 2016

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the current period and preceding year are set out below:

General information and basis of accounting

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Director's Report on page 3.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The prior year financial statements were examined for material adjustments on the adoption of FRS 102 and no material adjustments were identified.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Paymex Limited. Exemptions have been taken in these separate Company financial statements in relation to, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

As outlined in the Director's Report, the Company ceased trading on 31 December 2014 and transferred its assets and liabilities to its fellow subsidiary Baines & Ernst Limited. Therefore these financial statements have been prepared on a basis other than going concern basis.

Turnover

Turnover in the preceding year comprised fees earned from the bankruptcy advice service. Fees were recognised in the profit and loss account over the period the advice is provided with provision for amounts not expected to be received. All turnover related to one class of business and arises in the United Kingdom.

Taxation

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No critical judgements and estimation uncertainties have been made in the process of applying the Company's accounting policies that would have a significant effect on the amounts recognised in the financial statements.

BAKER EVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) 18 month period ended 30 June 2016

3 STAFF COSTS

The Company did not employ any staff during the period/year, but the following costs were recharged from other Group companies in the preceeding year.

| | 18 months ended 30 June 2016 £000 | Year ended 31 December 2014 £000 |
|--------------------|---|---|
| Wages and salaries | - | 20 |

There were no Directors' emoluments for the period or preceding year as the Directors were remunerated through another Group company.

4 RESULT/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Fees of £nil (Year ended 31 December 2014: £2,000) were payable to the Company's auditor for the audit of the Company's annual accounts as the fee is borne by the ultimate parent company Paymex Limited. There were no non-audit fees payable to the Company's auditor (Year ended 31 December 2014: £nil)

5 TAXATION

Analysis of the tax charge

The tax charge on the result/profit on ordinary activities for the period/year was as follows:

| | 18 months ended 30 June 2016 £000 | Year ended 31 December 2014 £000 |
|--------------------|---|---|
| Current tax: | | |
| UK corporation tax | - | 1 |

Factors affecting the tax charge

The tax assessed for the period/year is the standard rate of corporation tax in the UK. :

| | 18 months ended 30 June 2016 £000 | Year ended 31 December 2014 £000 |
|--|---|---|
| Result /profit on ordinary activities before tax | - | 2 |
| Result /profit on ordinary activities multiplied by the applicable rate of corporation tax in the UK of 20% (Year ended 31 December 2014: 20%) | - | 1 |
| Current tax charge | - | 1 |

BAKER EVANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) 18 month period ended 30 June 2016

6 DEBTORS

| | 30 June 2016 £000 | 31 December 2014 £000 |
|-------------------------------------|-------------------------|-----------------------------|
| Amounts due from parent undertaking | - | 23 |

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30 June 2016 £000 | 31 December 2014 £000 |
|-----------------|-------------------------|-----------------------------|
| Corporation tax | - | 1 |

8 CONTINGENT LIABILITIES

The Company is party to cross guarantee agreements with its Parent Company and fellow subsidiary undertakings in respect of secured loans made to a fellow subsidiary company. As at 30 June 2016 the balance on the secured loan was £5,806,792 (31 December 2014: £8,421,417). This loan is secured on the future cash receipts from the Group's debt management book and a floating charge over the assets of the Group.

9 CALLED UP SHARE CAPITAL AND RESERVES

| | 30 June 2016 £000 | 31 December 2014 £000 |
|---|-------------------------|-----------------------------|
| Allotted, called up and fully paid: 100 ordinary shares of £1 each | - | - |

The profit and loss reserve represents cumulative profits or losses net of dividends paid.

10 ULTIMATE HOLDING COMPANY AND RELATED PARTIES

The Company is a 100% subsidiary of Paymex Limited, a company under the control of T J O'Neill, the majority shareholder. The Company's results are included in the consolidated Group accounts of Paymex Limited which are available to the public from Companies House, Crown Way, Cardiff. The Company has not disclosed those balances arising from transactions with Paymex or its fellow 100% owned subsidiaries.

11. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. No adjustments were required to the financial statements as a consequence of adopting FRS 102,