

Motability Hire Purchase Limited

Annual Report and Financial Statements

Year ended 30 September 2018
Company registration no. 06543350

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Contents

Officers and professional advisers.....	3
Strategic report.....	4
Director's report.....	5-6
Independent auditors' report.....	7-8
Income statement and statement of comprehensive income.....	9
Balance sheet.....	10
Statement of changes in equity and statement of cash flows.....	11
Notes to the financial statements.....	12-17

Officers and professional advisers

Director

Mike Betts

Secretary

Jo Pentland

Registered office

City Gate House
22 Southwark Bridge Road
SE1 9HB
London, United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT, United Kingdom

Strategic report

Business review

The Motability Scheme has continued to see strong growth over the past year. For the review of the business performance including financial and non-financial key performance indicators and future development please refer to the financial statements of Motability Operations Group plc ('MO Group') (company number 6541091) and the financial statements of Motability Operations Limited (company number 1373876). The Company's closing reserves are £nil (2017: £nil).

In 2018 the Company has had no transactions.

Principal risks and uncertainties

Whilst trading, the management of the business and execution of the Company's strategy was subject to a number of risks.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The key business risks and uncertainties affecting the Group are considered to relate to residual values, supplier failure, credit risk and treasury risk. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 33-40 of the Group's annual report which does not form part of this report.

Future developments

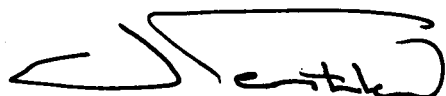
Following the Group restructure mentioned above, the Company has ceased trading and will be wound up as soon as is practicable.

Financial risk management

Whilst trading, the Company's operations exposed it to a variety of financial risks including interest rate risk, credit risk and liquidity risk.

From the perspective of the Company, the financial risks were mainly integrated with the financial risks of the Group and not managed separately. The Group's funding and financial risk is overseen and managed by the Group's Asset and Liability Management Committee. The Group's treasury function monitors and manages the financial risks relating to funding and financial risk operations and co-ordinates access to the financial markets. Further discussion of these financial risks in the context of the Group as a whole, and how they are managed are provided on pages 104-113 of the Group's annual report which does not form part of this report.

The strategic report on page 4 was approved by the Board on 6 December 2018 and signed on its behalf by:



Jo Pentland

Company Secretary

Director's report

Director's report for the year ended 30 September 2018

The Director presents his report and the audited financial statements of the Company for the year ended 30 September 2018.

Principal activities

The Company ('MHPL') is part of Motability Operations (which is the generic trading name used to describe the entities that act as service provider to the Motability Scheme).

The hire purchase scheme was ceased in December 2015. Up to this date, the Company provided finance for the acquisition of vehicles under hire purchase agreements for disabled people eligible to receive either the Higher Rate Mobility Component of the Disability Living Allowance, the War Pensioners' Mobility Supplement, the Enhanced Rate of the Mobility Component of Personal Independence Payment or the Armed Forces Independence Payment.

Hire purchase repayments were paid to Motability Operations Limited ('MOL') by customers mandating payment of their mobility allowances direct to MOL from the relevant government department.

Vehicles for the hire purchase scheme were purchased by MOL and sold under hire purchase facilities to disabled customers. MOL raised finance for the purchase of the vehicles by selling its net beneficial interest in the hire purchase agreements to the Company in return for a capital sum.

Results and dividends

The Company's result for the year is £nil (2017: £nil).

No dividend was made in the current year (2017: No dividend).

Director's third party indemnity provision

The Company is required to disclose that under article 131 of the Company's Articles of Association the Director has the benefit of an indemnity, to the extent permitted by the Companies Act 2006, against liabilities incurred by him in the execution of his duties and the exercise of his powers.

Director

The Director who held office during the year and up to the date of signing the financial statements is named in the officers and professional advisers section of this annual report on page 3.

Policy and practice on payment of creditors

The Company has no third party creditor balance and there are no defined maturity dates for the inter-company balances.

Going concern

The Company ceased trading in December 2015, and it is the intention of the Director to liquidate the Company as soon as is practicable. There are no fixed assets to value at "break up" value and no provisions have been required for the eventual closure of the business.

Charitable and political donations

During the year the Company made no charitable or political donations (2017: £nil).

The policy of the Company is to be non-political and, consistent with this, we have not made any political donations (2017: £nil).

Director's report (continued)

Statement of Director's responsibilities

The Director is responsible for preparing the Strategic report, Director's 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 Director has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Director must not approve the financial statements unless he is 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Statement of disclosure of information to auditors

In the case of the Director in office at the date the Director's report is approved, that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

In conformance with EU Mandatory Audit Firm rotation and following a tender process the auditors KPMG have indicated their willingness to commence office and the Board has appointed them to fill the casual vacancy until the Annual General Meeting in March 2019 when a resolution to appoint them for the next financial year will be proposed.

The Director's report on pages 5-6 was approved by the Board on 6 December 2018 and signed on its behalf by:



Jo Pentland

Company Secretary

Independent auditors' report to the members of Motability Hire Purchase Limited

Report on the audit of the financial statements

Opinion

In our opinion, Motability Hire Purchase Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 September 2018; the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Motability Hire Purchase Limited (continued)

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Statement of Director's Responsibilities set out on page 6, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.


Jeff Pitton (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

6 December 2018

Income statement

For the year ended 30 September 2018

	Note	2018 £'000	2017 £'000
Revenue	3	–	–
Net operating costs	5	–	–
Result from operations		–	–
Finance costs	7	–	–
Result before tax		–	–
Taxation	8	–	–
Result for the year		–	–

All amounts relate to discontinued activities (see note 2).

The result of Motability Hire Purchase Limited is held in the Group for the benefit of the Motability Scheme.

Statement of comprehensive income

For the year ended 30 September 2018

	2018 £'000	2017 £'000
Result for the year	–	–
Other comprehensive expense for the year, net of tax	–	–
Dividends payable	–	–
Total comprehensive expense for the year	–	–

The notes on pages 12 to 17 form an integral part of these financial statements.

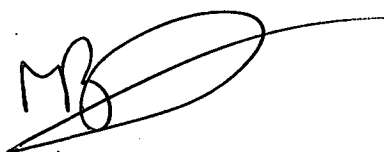
Balance sheet

As at 30 September 2018

	Note	2018 £'000	2017 £'000
Assets			
Current assets			
Trade and other receivables	9	320	320
Total assets		320	320
Liabilities			
Current liabilities		–	–
Net current assets		320	320
Total liabilities		–	–
Net assets		320	320
Equity			
Ordinary share capital	10	320	320
Restricted reserves (*)		–	–
Total equity		320	320

(*) Restricted reserves are retained for the benefit of the Scheme. As regards the ordinary shareholders of MO Group, there is no dividend entitlement. A reserves management policy has been established to ensure that the business and the customer proposition are sustainable throughout the economic cycle.

These financial statements on pages 9 to 17 were approved by the Board on 6 December 2018 and signed on its behalf by:



Mike Betts

Director

Motability Hire Purchase Limited

Registered no. 06543350

The notes on pages 12 to 17 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 30 September 2018

	Ordinary share capital £'000	Restricted reserves £'000	Total equity £'000
At 1 October 2016	320	–	320
Comprehensive income			
Result for the year	–	–	–
Other comprehensive expense			
Dividend paid	–	–	–
Total comprehensive expense	–	–	–
At 30 September 2017	320	–	320
Comprehensive income			
Result for the year	–	–	–
Other comprehensive income			
Dividend paid	–	–	–
Total comprehensive income	–	–	–
At 30 September 2018	320	–	320

Statement of cash flows

For the year ended 30 September 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Cash used in operations	11	–	–
Income tax received		–	–
Net cash flows generated from operating activities		–	–
Cash flows from investing activities			
Proceeds from reduction in hire purchase receivables		–	–
Net cash generated from investing activities		–	–
Cash flows from financing activities			
Net cash used in financing activities		–	–
Net increase in cash and cash equivalents		–	–
Cash and cash equivalents at beginning of the year		–	–
Cash and cash equivalents at end of the year		–	–

The notes on pages 12 to 17 form an integral part of these financial statements.

Notes to the financial statements

1. General information

Motability Hire Purchase Limited ("the Company") is a limited company incorporated and domiciled in the United Kingdom, whose shares are privately owned. The address of the registered office is City Gate House, 22 Southwark Bridge Road, London, SE1 9HB. The nature of the Company's operations and its principal activities are set out in the Director's report on page 5.

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

Accounting convention

The financial statements have been prepared under the historical cost convention.

2. Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of the more important accounting policies is set out below, together with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on the Director's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Except as described below, the accounting policies have been consistently applied to the years 2017 and 2018.

Adoption of new and revised standards

The following new and revised standards and interpretations have been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported.

Amendments to IFRS 12	Disclosure of Interests in Other Entities
Amendments to IAS 7	Statement of Cash Flows
Amendments to IAS 12	Income Taxes
Annual improvements to IFRSs	2014-2016 Cycle

At the date of authorisation of these financial statements, the following standards, amendments and interpretations were in issue but not yet effective; or effective but not adopted by the EU and have not been early adopted by the Group.

Amendments to IFRS 1	First-time Adoption of International Financial Reporting Standards
Amendments to IFRS 2	IFRS 2 Share-based Payment
IFRS 4	IFRS 4 Insurance Contracts
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts

The Director anticipates that the adoption of these standards, amendments and interpretations in future periods will have no material effect on the financial statements of the Company.

Other standards, amendments and interpretations not described above are not relevant to the Company.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

Going concern

As noted in the Director's report, these financial statements have been prepared on a going concern basis following the cessation of trade.

Revenue recognition

Finance income was recognised over the hire purchase agreement term using the net investment method so as to reflect a constant periodic rate of return on the Company's net investment in the contract.

Net operating costs

Net operating costs were comprised of costs rechargeable by MOL.

Taxation

Taxation on the profit for the year comprises current tax and adjustments in respect of prior years. Taxation is charged or credited to the income statement, except when it relates to items charged or credited directly to equity.

Current tax is the expected tax payable on the profit for the year, using tax rates enacted or substantively enacted by the balance sheet date.

Share capital

Ordinary share capital is classified as equity.

Financial instruments

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities comprise trade and other receivables, cash and cash equivalents, hire purchase receivables, and loans from Group companies.

Financial assets

Trade and other receivables

Trade and other receivables are non-derivative finance assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods and services directly.

Trade receivables do not carry any interest and are stated at their nominal value, which approximates to the fair value because of their short maturities, as reduced by appropriate allowances for estimated irrecoverable amounts.

3. Revenue

An analysis of the Company's revenue is provided below.

	2018 £'000	2017 £'000
Hire purchase earnings	–	–
Total revenue	–	–

4. Segmental analysis

Motability Operations Limited, of which the Company is a wholly owned subsidiary, is managed as a single integrated business unit. Accordingly, no segmental analysis is applicable.

Notes to the financial statements (continued)

5. Net operating costs

An analysis of the Company's net operating costs is provided below:

	2018 £'000	2017 £'000
Inter-company charges relating to early termination of hire purchase contracts and administration	–	–
Net operating costs	–	–

6. Auditors' remuneration

	2018 £'000	2017 £'000
Audit fees		
Auditors' remuneration: Company*	11	10
Total audit fees	11	10

*These costs have been borne by the parent Company, Motability Operations Limited

	2018 £'000	2017 £'000
Other fees payable to auditors		
Auditors' remuneration: Audit fees paid on behalf of Parent Company and its other subsidiaries	462	349
Audit-related assurance services	71	69
Tax compliance services	–	–
Tax advisory services	–	–
Internal audit services	–	–
Other assurance services	22	43
Corporate finance services	–	–
Total other fees payable to auditors	555	461

7. Finance costs

	2018 £'000	2017 £'000
Interest and charges on loan from MO Group plc	–	–
Total finance costs	–	–

8. Taxation

The major components of the Company tax expense are:

	2018 £'000	2017 £'000
Current tax		
Charge for the year	–	–
Total tax on result from continuing operations	–	–

The weighted average applicable tax rate is 19% (2017: 19.5%).

The tax on the Company's result before tax is the same (2017: the same) as the theoretical amount that would arise using the weighted average tax rate applicable to profit as follows:

	2018 £'000	2017 £'000
Result before taxation from continuing operations	–	–
Tax calculated at appropriate tax rates applicable to result (2018: 19%; 2017: 19.5%)	–	–
Total tax on result from continuing operations	–	–

Notes to the financial statements (continued)

9. Trade and other receivables

	2018 £'000	2017 £'000
Amount due from Motability Operations Limited	320	320
Total	320	320

The inter-company receivable does not have a specified maturity date. The balance is non-interest bearing and denominated in sterling. The Director considers that the carrying value approximates to fair value.

There is no impaired receivable balance at the reporting date.

10. Ordinary share capital

The Company has one class of ordinary shares.

	2018	2017
Authorised:		
500,000 (2017: 500,000) Ordinary shares of £1 each	£500,000	£500,000
Issued and fully paid:		
320,000 (2017: 320,000) Ordinary shares of £1 each	£320,000	£320,000

11. Cash used in operations

Reconciliation of result to net cash flow from operating activities:

	2018 £'000	2017 £'000
Result before tax	–	–
Adjustments for:		
Increase in provisions	–	–
Operating cash flows before movements in working capital	–	–
Increase in receivables	–	–
Cash generated/(used in) operations	–	–

12. Related parties

Related parties comprise the Director (and his close family and service companies), the Motability Charity, MO Group and the subsidiaries of MO Group (namely Motability Leasing Limited ("MLL") - company number 06542987, Motability Operations Limited ("MOL") - company number 1373876, Route2mobility Limited ("R2m") - company number 04560102, Motability Operations Reinsurance Limited ("MORL") - company number 127747C) and the Shareholder Banks of MO Group. Transactions entered into with related parties are in the normal course of business and on an "arm's length" basis.

The Company had no transactions with Motability Charity during the year. The relationship of the Group to the Motability Charity is set out in the Business overview of the Group's annual report on pages 4-9 which is not part of this report.

Transactions

As stated in the Director's Report, vehicles for the Motability Hire Purchase scheme were purchased by MOL and provided via hire purchase finance facilities to customers wishing to buy the vehicles.

Direct costs rechargeable by MOL to the Company amounted to £nil during the year (2017: £nil).

The amount owed by MOL at 30 September 2018 and 2017 is shown in note 9. At the year-end there were no provisions for doubtful debts due from related parties (2017: £nil) and no amounts were written off in the year under review in respect of debts due to or from related parties (2017: £nil).

Notes to the financial statements (continued)

13. Director's remuneration and remuneration of key management personnel

The Director and the Company Secretary received no remuneration for their services in the current year or prior year. There were no employees of the Company in the current or prior year. All administration services are provided by Motability Operations Limited.

14. Funding and financial risk management

Capital risk management

From the perspective of the Company, the capital risk management is integrated with the capital risk management of the Group and is not managed separately. Further discussion of the capital risk management, in the context of the Group as a whole, is provided on page 96 of the Group's annual report which does not form part of this report.

Significant accounting policies

Details of the significant accounting policies and methods adopted in respect of each class of financial asset, financial liability and equity instrument, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, are disclosed in note 2 to the financial statements.

Categories of financial instruments

	2018 carrying value £'000	2017 carrying value £'000
Non-derivative financial assets		
Trade and other receivables	320	320
Total non-derivative financial assets	320	320
Non-derivative financial liabilities		
Total non-derivative financial liabilities	–	–
Net non-derivative financial assets	320	320

Fair value of financial instruments

	2018 carrying value £'000	2018 fair value £'000
Trade and other receivables	I 320	320
Net non-derivative financial assets	320	320

I non-interest bearing

	2017 carrying value £'000	2017 fair value £'000
Trade and other receivables	I 320	320
Net non-derivative financial assets	320	320

I non-interest bearing

The fair values of financial assets and liabilities are determined as follows:

- The carrying value less impairment provision of trade and other receivables is assumed to equal fair value due to the short-term nature of the balance

IFRS 13 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the financial statements (continued)

14. Funding and financial risk management (continued)

Fair value of financial instruments (continued)

	2018			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Non-derivative financial assets	–	–	–	–
Total	–	–	–	–

	2017			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Non-derivative financial assets				
Hire purchase receivables	–	–	–	–
Total	–	–	–	–

Financial risk management objectives

As with the capital risk management, the overall funding and financial risk management is integrated with the funding and financial risk management of the Group and is not managed separately. Further discussion of the detailed funding and financial risk management, in the context of the Group as a whole, is provided on pages 104-113 of the Group's annual report which does not form part of this report.

Whilst trading, the Company's operations exposed it to a variety of financial risks that included interest rate risk, credit risk and liquidity risk.

Interest rate risk and liquidity risk

The Company has ceased trading during the year. Therefore, the Company has no interest rate or liquidity risk.

Credit risk

The credit risk of the Company whilst trading arose from hire purchase receivables and trade and other receivables. The credit risk of the Company was considered to be very low due to the fact that its principal source of income was derived from the Department for Work and Pensions through the assigned allowances receivable by the customers of MOL.

The Company's trade and other receivables are from Motability Operations Limited, which is a Group company. Credit risk is considered minimal on intra-group receivables.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

15. Ultimate parent undertaking

The ultimate parent undertaking is Motability Operations Group plc which is a limited company incorporated and domiciled in the United Kingdom, whose shares are privately owned. Copies of Motability Operations Group plc's consolidated financial statements can be obtained from the Company Secretary at City Gate House, 22 Southwark Bridge Road, London SE1 9HB.