Company Registration No: 06595544

IDEM (NO.3) LIMITED

Report and Financial Statements

Year ended 30 September 2017

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Idem (No.3) Limited ('the Company') is a wholly owned subsidiary of Idem Capital Limited, which is a wholly owned subsidiary of Idem Capital Holdings Limited. Idem Capital Holdings Limited is a wholly owned subsidiary of Paragon Banking Group PLC ('the Group'). The Company was set up to provide finance for its mortgage and consumer finance loan assets, by borrowing from a fellow group company and using the proceeds to purchase mortgage and consumer loans from third parties.

During the year the Company operated in the United Kingdom, its principal activity is the provision of mortgage and consumer finance loans. During the year the Company sold its consumer finance loans to a fellow group company. There have been no significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's profit and loss account on page 6, profit after tax has decreased from £2,342,000 to £834,000. This was principally due to a decrease in interest receivable on the loans; loans were sold to another group company in April 2016 resulting in a lower loan balance carried in the company as compared to last year.

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end. Net assets have decreased as a result of the profit for the year less the interim dividend paid during the year. Details of amounts owed from and to other group companies are shown in notes 11 and 14.

The directors recommend no final dividend (2016: £nil) which, given the interim dividend of £1,250 per share (2016: £2,500 per share), means a total dividend for the year of £1,250 per share (2016: £2,500 per share).

The Group manages its operations on a centralised basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group's loan assets operation, which includes the Company, is discussed in the Group's Annual Report, which does not form part of this Report.

PRINCIPAL RISKS AND UNCERTAINTIES

An analysis of the Company's exposure to risk, including financial risk, and the steps taken to mitigate these risks are set out in note 4, and a discussion of critical accounting estimates is set out in note 3.

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

ENVIRONMENT

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with group policies, which are described in the Group's Annual Report, which does not form part of this Report.

EMPLOYEES

The Company has no employees. All operational services are provided by employees of the Group. The Group's employment policies are described in its Annual Report, which does not form part of this Report.

Approved by the Board of Directors

and signed on behalf of the Board

K G Allen

Director

23 January 2018

DIRECTORS' REPORT

The directors present their annual report prepared in accordance with Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the audited Financial Statements of Idem (No.3) Limited, a company registered in England and Wales with registration no: 06595544, for the year ended 30 September 2017.

CORPORATE GOVERNANCE

The directors have been charged with governance in accordance with the transactional documentation detailing the mechanism and structure of the transaction. The structure of the Group is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

DIRECTORS

The directors throughout the year and subsequently were:

R D Shelton

R J Woodman

K G Allen

AUDITOR

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

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

INFORMATION PRESENTED IN OTHER SECTIONS

Certain information required to be included in a directors' report by the Companies Act 2006 and regulations made there under can be found in the other sections of the Annual Report, as described below. All of the information presented in these sections is incorporated by reference into this Directors' Report and is deemed to form part of this report.

- Commentary on the likely future developments in the business of the Company is included in the Strategic Report.
- A description of the Company's financial risk management objectives and policies, and its exposure to risks arising from its use of financial instruments are set out in note 4 to the accounts.
- Disclosure on any dividends paid during the year is included in the Strategic Report.

Approved by the Board of Directors

and signed on behalf of the Board

K G Allen

Director

23 January 2018

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in relation to Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their profit or loss for that period.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets, for the Company's systems of internal control and for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a strategic report and directors' report which comply with the applicable requirements of the Companies Act 2006.

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

PSharp

Pandora Sharp

Company Secretary

23 January 2018

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IDEM (NO.3) LIMITED

Opinion

We have audited the financial statements of Idem (No.3) Limited for the year ended 30 September 2017 which comprise the profit and loss account, the balance sheet, the statement of movements in equity and the related notes 1 to 15, including the accounting policies in note 2.

In our opinion the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including Financial Reporting Standard 101 – 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF IDEM (NO.3) LIMITED (CONTINUED)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Walker (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

23 January 2018

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 £000	2016 £000
Interest receivable			
Loans		1,516	2,579
Other	5	36	854
		1,552	3,433
Interest payable and similar charges	6	(515)	(503)
Net interest income		1,037	2,930
Other operating income		4	3
Total operating income		1,041	2,933
Operating expenses		(5)	(5)
Operating profit, being profit on ordinary activities before taxation	8	1,036	2,928
Tax on profit on ordinary activities	9	(202)	(586)
Profit on ordinary activities after taxation	13	834	2,342

All activities derive from continuing operations.

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

BALANCE SHEET

30 SEPTEMBER 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
ASSETS EMPLOYED					
FIXED ASSETS					
Loans to customers	10		9,237		10,116
CURRENT ASSETS					
Debtors falling due within one year	11	304		891	
Cash at bank		14		13	
			318		904
			9,555		11,020
FINANCED BY					
EQUITY SHAREHOLDERS' FUNDS					
Called up share capital	12	1		1	
Reserves	13	447		863	
			448		864
CREDITORS					
Amounts falling due within one year	14		9,107		10,156
			9,555		11,020

These financial statements were approved by the Board of Directors on 23 January 2018.

Signed on behalf of the Board of Directors

R D Shelton

Director

STATEMENT OF MOVEMENTS IN EQUITY

YEAR ENDED 30 SEPTEMBER 2017

	Share capital £000	Profit and loss account £000	Total equity £000
Total comprehensive income for the year			
Profit for the year	-	834	834
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	834	834
Transactions with owners			
Dividends	-	(1,250)	(1,250)
Net movement in equity in the year	-	(416)	(416)
Opening equity	1	863	864
Closing equity	1	447	448

YEAR ENDED 30 SEPTEMBER 2016

	Share capital £000	Profit and loss account £000	Total equity £000
Total comprehensive income for the year			
Profit for the year	-	2,342	2,342
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	2,342	2,342
Transactions with owners			
Dividends	-	(2,500)	(2,500)
Net movement in equity in the year	-	(158)	(158)
Opening equity	1	1,021	1,022
Closing equity	1	863	864

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

1. GENERAL INFORMATION

Idem (No.3) Limited ('the Company') is a company domiciled in the United Kingdom and incorporated in England and Wales under the Companies Act 2006 with company number 06595544. The address of the registered office is 51 Homer Road, Solihull, West Midlands, B91 3QJ. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

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

2. ACCOUNTING POLICIES

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

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

Accounting convention

The Financial Statements are prepared under the historical cost convention, except as required in the valuation of certain financial instruments which are carried at fair value.

Going concern

The Financial Statements have been prepared on a going concern basis. The directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

Loans to customers

Loans to customers are considered to be 'loans and receivables' as defined by International Accounting Standard 39 – 'Financial Instruments: Recognition and Measurement' ('IAS 39'). They are therefore accounted for on the amortised cost basis.

Such loans are valued at inception as the amount at purchase price, which is the fair value at that time. Thereafter they are valued at this amount less the cumulative amortisation calculated using the Effective Interest Rate ('EIR') method. The loan balances are then reduced where necessary by a provision for balances which are considered to be impaired.

The EIR method spreads the expected net income arising from a loan over its expected life. The EIR is that rate of interest which, at inception, exactly discounts the expected future cash payments and receipts arising from the loan to the initial carrying amount.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

Impairment of loans and receivables

Loans and receivables are reviewed for indications of possible impairment throughout the year and at each balance sheet date in accordance with IAS 39. Where loans exhibit objective evidence of impairment (a 'loss event') the carrying value of the loans is reduced to the net present value of their expected future cash flows, including the value of the potential realisation of any security (net of sales costs) discounted at the original EIR.

Within its buy-to-let portfolio the Group utilises a receiver of rent process, whereby the receiver stands between the landlord and tenant and will determine an appropriate strategy for dealing with any delinquency. This strategy may involve the immediate sale of any underlying security or the short or long term letting of the property to cover arrears and principal shortfalls. Properties in receivership are either returned to their landlord owners or sold.

Loss events reflect both loans that display delinquency in contractual payments of principal or interest or, for buy-to-let loans in receivership but up to date at the balance sheet date, properties where the receiver adopts a sale strategy, where a shortfall may or may not arise.

In addition to loans where loss events are evident, loans are also assessed collectively, grouped by risk characteristics and account is taken of any impairment arising due to events which are believed to have taken place but have not been specifically identified at the balance sheet date. Collective impairment provisions are calculated for each key portfolio based on recent historical performance, with adjustments for expected changes in losses based on management's judgement.

For financial accounting purposes provisions for impairments of loans to customers when first recognised in the income statement are held in an allowance account. These balances are released to offset against the gross value of the loan when it is written off to profit and loss on the administration system. After this point a salvage balance may be held in respect of any further recoveries expected on the loan.

Current tax

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

Cash at bank

Balances shown as cash at bank in the balance sheet comprise demand deposits and short-term deposits with banks with initial maturities of not more than 90 days.

Amounts owed by or to group companies

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

Revenue

The revenue of the Company comprises interest receivable and other income. The accounting policy for the recognition of each element of revenue is described separately within these accounting policies.

Fee and commission income

Other income includes administration fees charged to borrowers, which are credited to the profit and loss account when the related service is performed.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

Disclosures

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

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

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

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

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

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

3. CRITICAL ACCOUNTING ESTIMATES

Certain balances reported in the Financial Statements are based wholly or in part on estimates or assumptions made by the directors. There is, therefore, a potential risk that they may be subject to change in future periods. The most significant of these are:

Impairment losses on loans to customers

Impairment losses on loans are calculated based on statistical models. The key assumptions revolve around estimates of future cash flows from customers' accounts, their timing and, for secured accounts, the expected proceeds from the realisation of the property. These key assumptions are based on observed data from historical patterns and are updated regularly based on new data as it becomes available.

In addition the directors consider how appropriate past trends and patterns might be in the current economic situation and make any adjustments they believe are necessary to reflect the current conditions.

The accuracy of the impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results or assumptions which differ from the actual outcomes.

In particular, if the impact of economic factors such as employment levels on customers is worse than is implicit in the model then the number of accounts requiring provision might be greater than suggested by the model, while falls in house prices, over and above any assumed by the model might increase the provision required in respect of accounts currently provided.

Effective interest rates

In order to determine the EIR applicable to loans and borrowings an estimate must be made of the expected life of each loan and hence the cash flows relating thereto. For purchased accounts this will involve estimating the likely future performance of the accounts at the time of acquisition. These estimates are based on historical data and reviewed regularly. For purchased accounts historical data obtained from the vendor will be examined. The accuracy of the EIR applied would therefore be compromised by any differences between actual repayment profiles and that predicted, which in turn would depend directly or indirectly on customer behaviour.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

4. FINANCIAL RISK MANAGEMENT

The Company's operations are financed principally by a mixture of share capital and loans from other group companies. The principal risk arising from the Company's financial instruments is credit risk. The board of the Company's holding company reviews and agrees policies for all companies in the Group managing these risks and they are summarised below. These policies have remained unchanged throughout the year and since the year end. The Company's primary financial liabilities are with other group companies; therefore the directors do not consider that the Company is exposed to any significant cash flow or liquidity risks.

Credit risk

The Company's credit risk is primarily attributable to its loans to customers. The maximum credit risk at 30 September 2017 approximates to the carrying value of loans to customers (note 10). There are no significant concentrations of credit risk due to the large number of customers included in the portfolios.

In assessing credit risk an applicant's ability to repay the loan remains the overriding factor in the decision to lend by the originator.

The acquired mortgages are secured by first charges over residential properties in the United Kingdom. Despite this security, in assessing credit risk an applicant's ability to repay the loan remains the overriding factor in the decision to lend by the originating lender. Additionally, each mortgage has the benefit of one or more life assurance policies and certain mortgages have the benefit of a mortgage guarantee indemnity insurance policy.

Idem Capital Securities Limited, a fellow group company, continues to administer the loans on behalf of Idem (No.3) Limited and the collections process is the same as that utilised for all companies in the Group.

In order to control credit risk relating to counterparties to the Company's financial instruments, the board of the Company's holding company determines on a group basis, which counterparties the group of companies will deal with, establishes limits for each counterparty and monitors compliance with those limits.

5. INTEREST RECEIVABLE - OTHER

	2017 £000	2016 £000
Interest receivable from group companies	36	854

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £000	2016 £000
Interest payable to group companies	515	503

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

7. DIRECTORS AND EMPLOYEES

Directors received no remuneration for the services provided to the Company during either the current or the preceding year.

The Company had no employees in the current or preceding year. All administration is performed by employees of the Group. The directors of the Company are all employed by Paragon Finance PLC, a fellow group company, and their remuneration is disclosed within the financial statements of that company, which do not form part of this Report.

8. OPERATING PROFIT, BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2017 £000	2016 £000
Operating profit is after charging:		
Auditor remuneration - audit services	5	5

Non audit fees provided to the Group are disclosed in the accounts of the parent company and the exemption from disclosure of fees payable to the Company's auditor in respect of non-audit services in these financial statements has been taken.

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Tax charge for the year

	2017 £000	2016 £000
Current tax		
Corporation tax	202	586

b) Factors affecting the tax charge for the year	2017 £000	2016 £000
Profit before tax	1,036	2,928
UK corporation tax at 19.5% (2016: 20%) based on the profit for the year	202	586

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

Therefore, the standard rate of corporation tax applicable to the Company for the year ended 30 September 2017 is expected to be 19.5%, the rate in the years ending 30 September 2018 and 30 September 2019 are expected to be 19.0%, the rate in the year ending 30 September 2020 is expected to be 18.0% and the rate in subsequent years is expected to be 17.0%.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

10. LOANS TO CUSTOMERS

Loans to customers at 30 September 2017 and 30 September 2016, which are all denominated and payable in sterling, were:

	2017 £000	2016 £000
First mortgage loans	9,237	10,116
Secured loans	-	-
	9,237	10,116

First mortgage loans have a contractual term of up to thirty years, the borrower is entitled to settle the loan at any point and in most cases such early settlement does take place. All borrowers are required to make monthly payments, except where an initial deferred period is included in the contractual terms.

Secured loans had a contractual term of up to 25 years. In all cases the borrower was entitled to settle the loan at any point and in most cases such early settlement does take place. All borrowers were required to make monthly payments, except where an initial deferred period is included in the contractual terms. The secured loans were sold to another group company in April 2016.

All the first mortgage and secured loans are pledged as collateral for liabilities at 30 September 2017 and 30 September 2016.

	2017 £000	2016 £000
Balance at 1 October 2016	10,116	17,346
Securitisation and other sales	-	(5,922)
Other debits	1,561	2,504
Repayments and redemptions	(2,440)	(3,812)
Balance at 30 September 2017	9,237	10,116

Other debits include primarily interest charged to customers on loans outstanding and other changes in the amortised cost of the assets caused by the effective interest rate method.

11. DEBTORS

	2017 £000	2016 £000
Amounts falling due within one year:		
Amounts due from group companies	304	891

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2017

12. CALLED UP SHARE CAPITAL

	2017 £	2016 £
Allotted:		
1,000 ordinary shares of £1 each (fully paid)	1,000	1,000

13. PROFIT AND LOSS ACCOUNT

	£000
At 1 October 2015	1,021
Profit for the financial year	2,342
Dividend	(2,500)
At 30 September 2016	863
Profit for the financial year	834
Dividend	(1,250)
At 30 September 2017	447

An interim dividend of £1,250 per share was paid during the year (2016: £2,500 per share). No final dividend is proposed (2016: £nil).

14. CREDITORS

	2017 £000	2016 £000
Amounts falling due within one year:		
Amounts due to group companies	8,900	9,565
Corporation tax	202	586
Accruals and deferred income	5	5
	9,107	10,156

15. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is Idem Capital Limited. The Company's ultimate parent company and ultimate controlling party is Paragon Banking Group PLC formerly known as The Paragon Group of Companies PLC, a company registered in England and Wales. The smallest and largest group into which the Company is consolidated in is Paragon Banking Group PLC.

Copies of the Group's financial statements are available from that company's registered office at 51 Homer Road, Solihull, West Midlands, B91 3QJ.