

# **Precise Mortgage Holdings 2014-2 Limited**

**Annual report and financial statements**

**For the year ended 31 December 2016**

**Registered number: 09216421**

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# **Precise Mortgage Holdings 2014-2 Limited**

## **Directors' Report**

The Directors present their report, together with the audited financial statements of Precise Mortgage Holdings 2014-2 Limited (the Company), for the year ended 31 December 2016.

The Company qualifies as a small company in accordance with the sections 381-383 of the Companies Act 2006 (the Act). The Directors' Report has been prepared in accordance with the special provisions relating to small companies' exemptions provided in sections 414B (as incorporated) to the Act by The Strategic Report and Directors' Report Regulations 2013 and section 415A of the Act.

### **Principal activities**

The Company's main activity is acting as a holding company for Precise Mortgage Funding 2014-2 plc (the Subsidiary) (see note 8).

### **Business review**

The Company did not trade during the year.

### **Results and dividends**

The result for the year ended 31 December 2016 was £nil (period ended 31 December 2015: £nil). No dividend was declared or paid during the year ended 31 December 2016 (period ended 31 December 2015: £nil).

### **Future developments**

The Directors do not anticipate any changes to the present level of activity, or the nature of, the Company's business in the foreseeable future.

### **Principal risks and uncertainties**

The Company is a non trading holding company and has been structured so as to avoid, in as far as possible, all forms of financial risk.

### **Going concern**

The Directors do not anticipate any changes in the activities of the Company in the following 12 months.

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. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **Employees**

The Company has no employees (2015: none). All operational services have been formally contracted to third parties by the Directors.

## **Precise Mortgage Holdings 2014-2 Limited Directors' Report (continued)**

### **Directors**

The Directors, who served throughout the year and to the date of this report were as follows:

Intertrust Directors 1 Limited (formerly SFM Directors Limited)  
Intertrust Directors 2 Limited (formerly SFM Directors (No.2) Limited)  
Claudia Ann Wallace

None of the Directors had any interest either during or at the end of the year (2015: none) in any material contract or arrangement with the Company.

### **Third party indemnities**

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the year under review and remain in force as at the date of approval of the Directors' Report and financial statements.

### **Company Secretary**

Intertrust Corporate Services Limited (formerly SFM Corporate Services Limited) acted as Company Secretary throughout the year.

### **Statement of disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this annual report confirms that:

- 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 she ought to have taken as a director in order to make themselves 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 s418(2) of the Companies Act 2006.

### **Independent auditor**

The auditor, Deloitte LLP, has expressed its willingness to continue in office, in accordance with section 487 of the Companies Act 2006, a written resolution of the Shareholder will be passed to confirm the re-appointment of Deloitte LLP as auditor of the Company.

By order of the Board



Helena Whitaker  
per pro Intertrust Directors 1 Limited  
as Director

28 March 2017

## **Precise Mortgage Holdings 2014-2 Limited Directors' Responsibilities Statement**

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 International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 year. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in this report.

## **Independent Auditor's Report to the Members of Precise Mortgage Holdings 2014-2 Limited**

We have audited the financial statements of Precise Mortgage Holdings 2014-2 Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are 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 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 annual 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 at 31 December 2016 and of its result 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.

## **Independent Auditor's Report to the Members of Precise Mortgage Holdings 2014-2 Limited (continued)**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on work undertaken in the course of the audit:

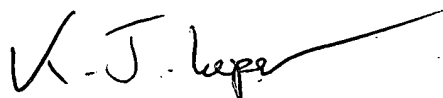
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

### **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 Directors' remuneration specified by law are not made;
- 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 from preparing the Strategic Report or in preparing the Directors' Report.



Kieren Cooper (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham, United Kingdom

28 March 2017

**Precise Mortgage Holdings 2014-2 Limited**  
**Statement of Comprehensive Income**  
For the year ended 31 December 2016

There were no transactions which gave rise to a gain or loss during the year to 31 December 2016, or the 16 months ended 31 December 2015. The Company made no profit or loss in the current year or prior period. Accordingly, no Statement of Comprehensive Income has been provided.



**Precise Mortgage Holdings 2014-2 Limited**  
**Statement of Financial Position**  
As at 31 December 2016

		At 31 December 2016 £	At 31 December 2015 £
	Note		
<b>Assets employed</b>			
<b>Non-current assets</b>			
Investment in subsidiary	8	12,501	12,501
<b>Total assets</b>		<u>12,501</u>	<u>12,501</u>
<b>Financed by</b>			
<b>Equity shareholders' funds</b>			
Share capital	9	1	1
Capital contribution reserve	10	12,500	12,500
<b>Total equity</b>		<u>12,501</u>	<u>12,501</u>

The notes on pages 10 to 14 form an integral part of the financial statements.

The financial statements for Precise Mortgage Holdings 2014-2 Limited, company number 09216421, were approved by the Board of Directors and authorised for issue on 28 March 2017. They were signed on its behalf by:



Helena Whitaker  
per pro Intertrust Directors 1 Limited  
as Director

**Precise Mortgage Holdings 2014-2 Limited**  
**Statement of Changes in Equity**  
For the year ended 31 December 2016

	Share Capital £	Capital contribution reserve £	Total £
Shares issued on incorporation	1	-	1
Capital contribution received	-	12,500	12,500
<b>At 31 December 2015</b>	<b>1</b>	<b>12,500</b>	<b>12,501</b>
Result for the year	-	-	-
<b>At 31 December 2016</b>	<b>1</b>	<b>12,500</b>	<b>12,501</b>

# Precise Mortgage Holdings 2014-2 Limited

## Statement of Cash Flows

For the year ended 31 December 2016

	Year ended 31 December 2016 £	Period ended 31 December 2015 £
<b>Operating activities</b>		
Result for the year/period	-	-
Net cash generated by operating activities	-	-
<b>Investing activities</b>		
Acquisition of shares in subsidiary	-	(12,501)
Net cash utilised by investing activities	-	(12,501)
<b>Financing activities</b>		
Share issue	-	1
Capital contribution received	-	12,500
Net cash generated by financing activities	-	12,501
<b>Net increase in cash and cash equivalents</b>	-	-
<b>Cash and cash equivalents at the beginning of the year/period</b>	-	-
<b>Cash and cash equivalents at the end of the year/period</b>	-	-

# **Precise Mortgage Holdings 2014-2 Limited**

## **Notes to the financial statements**

For the year ended 31 December 2016

### **1. General information**

Precise Mortgage Holdings 2014-2 Limited (the Company) is a company incorporated in London, the United Kingdom under the Companies Act 2006 with company number 09216421. The Company is a private company limited by shares. The address of the registered office is 35 Great St Helen's, London, EC3A 6AP. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. There are currently no foreign operations.

### **2. Adoption of new and revised standards**

The Company has elected to adopt International Financial Reporting Standards (IFRS) as applied in the EU in force as at the Statement of Financial Position date of 31 December 2016.

In the current year, the Company has applied a number of amendments to IFRS issued by the International Accounting Standards (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### **IAS/IFRS standards**

IAS 1 (amendments)	Disclosure Initiative
Annual Improvements to IFRS: 2012-2014 Cycle	Amendments to: IFRS 7 Financial Instruments: Disclosures.
IAS 27 (amendments)	Equity method in separate financial statements
IFRS 10 (amendments)	Investment entities: applying the consolidation exception. Amendments to IFRS Consolidated Financial Statements

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

#### **IAS/IFRS standards**

IFRS 9	Financial Instruments
IAS 7 (amendments)	Disclosure Initiative

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods.

# **Precise Mortgage Holdings 2014-2 Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2016

### **2. Adoption of new and revised standards (continued)**

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

### **3. Accounting policies**

#### **Basis of accounting**

The financial statements of the Company for the year ended 31 December 2016 were prepared and published in accordance with IFRS adopted by the European Union.

The financial statements have been prepared on the historic cost basis. The principal accounting policies are set out below.

#### **Basis of preparation**

In accordance with the requirements of IFRS 10 Consolidated Financial Statements, the financial statements of the Company's subsidiary, Precise Mortgage Funding 2014-2 plc, for the year ended 31 December 2016 have been incorporated in the consolidated financial statements of Charter Court Financial Services Group Limited prepared under IFRS. The Company has taken advantage of the exemption available under IFRS 10 Consolidated Financial Statements from preparing consolidated financial statements. Accordingly, these financial statements relate to the Company only.

#### **Taxation**

Secondary tax legislation, enacted in November 2006 under powers conferred by the Finance Act 2005, ensures that for companies that meet the definition of a securitisation company for accounting periods commencing on or after 1 January 2007, corporation tax will be calculated by reference to the retained profit of the securitisation company required to be retained under the agreement that governs the Company. The Company is currently a holding company of a securitisation company and therefore has no tax.

#### **Investments**

Investments in subsidiary undertakings are accounted for at historical cost less, where appropriate, provision for impairment. Dividends from subsidiaries are accounted for in the year in which the right to receive the dividend is established.

### **4. Critical accounting judgements and key sources of estimation uncertainty**

The Directors believe there are no critical judgements in applying the Company's accounting policies and no key sources of estimation uncertainty which impact on the financial statements of the Company.

# Precise Mortgage Holdings 2014-2 Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2016

### 5. Auditor's remuneration

Auditor's remuneration for the audit of the Company's financial statements of £2,500 (2015: £2,500) was charged in the year. The cost was born by Precise Mortgage Funding 2014-2 plc, the Company's subsidiary, and not recharged to the Company.

Non-audit fees payable to the Company's auditor of £nil (2015: £1,200) for taxation services was charged in the year. The cost was born by Precise Mortgage Funding 2014-2 plc, the Company's subsidiary, and was not recharged to the Company.

### 6. Staff costs and Directors' remuneration

The Company had no employees during the year (2015: none).

During the year the Company's subsidiary, Precise Mortgage Funding 2014-2 plc, paid £1,897 (2015: £3,252) to Intertrust Management Limited (formerly Structured Finance Management Limited) for corporate services including provision of directors. No amount was recharged to the Company in respect of these services.

### 7. Taxation

The Company has no tax charge/credit for the year as there has been no trading since incorporation.

### 8. Investment in subsidiary

	2016 £	2015 £
<b>Investment at cost</b>		
Precise Mortgage Funding 2014-2 plc	<u>12,501</u>	<u>12,501</u>

Details of investment of Precise Mortgage Holdings 2014-2 Limited	Country of incorporation	Holdings	Proportion of voting rights and shares held	Nature of business
Precise Mortgage Funding 2014-2 plc	United Kingdom <sup>1</sup>	Ordinary shares	100%	Financing of residential mortgages

<sup>1</sup> Registered offices 35 Great St. Helen's, London, EC3A 6AP

For accounting purposes, Precise Mortgage Funding 2014-2 plc, the subsidiary, is deemed to be controlled by Charter Court Financial Services Group Limited and not its legal parent. See notes 11 and 12 for further information on group and related party relationships.

**Precise Mortgage Holdings 2014-2 Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2016

**9. Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Authorised, issued, called up and allotted</b>		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

**10. Capital contribution reserve**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At 31 December	<u>12,500</u>	<u>12,500</u>

**11. Ultimate parent undertaking and controlling entity**

The entire share capital of the Company is held by its legal parent company, Intertrust Corporate Services Limited, on a discretionary trust basis for the benefit of certain charities.

In accordance with the requirements of IFRS 10 Consolidated Financial Statements, the financial statements of the Company's subsidiary, Precise Mortgage Funding 2014-2 plc, for the year ended 31 December 2016 have been incorporated in the consolidated financial statements of Charter Court Financial Services Group Limited prepared under IFRS.

As at 31 December 2016, Charter Court Financial Services Group Limited's joint controlling parties were Elliott International L.P., a partnership organised in the Cayman Islands, and Elliott Associates L.P., a partnership organised in Delaware in the United States by virtue of their combined controlling interest in the Group's issued share capital and voting rights.

The largest and smallest group in which the results of the Company are consolidated is that headed by Charter Court Financial Services Group Limited, copies may be obtained from the Secretary at the registered office: 2 Charter Court, Broadlands, Wolverhampton, West Midlands, WV10 6TD.

**Precise Mortgage Holdings 2014-2 Limited**  
**Notes to the financial statements (continued)**  
For the year ended 31 December 2016

**12. Related party transactions**

Related party transactions are considered to be at arm's length and are set out below:

	<b>Investment in share capital £</b>	<b>Capital contribution received £</b>
<b>Year ended 31 December 2016</b>		
Intertrust Corporate Services Limited (formerly SFM Corporate Services Limited)	-	-
Charter Court Financial Services Limited	-	-
<hr/>		
<b>16 months ended 31 December 2015</b>		
Intertrust Corporate Services Limited (formerly SFM Corporate Services Limited)	1	-
Charter Court Financial Services Limited	-	12,500
<hr/>		

The entire share capital of the Company is held by the legal parent company, Intertrust Corporate Services Limited (formerly SFM Corporate Services Limited).

Charter Court Financial Services Limited is a related party as it is a subsidiary of Charter Court Financial Services Group Limited, whose relationship to the Company is described in note 11. Charter Court Financial Services Limited provided cash to the Company but received no goods or services in exchange; as such this is treated as a capital contribution in the Company's financial statements.