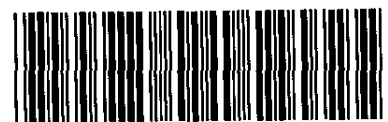


Personal Group Mobile Limited
Financial statements
For the year ended 31 December 2017

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COMPANIES HOUSE

Company No. : 09522023

Company information

| | |
|--------------------------------------|--|
| Company registration number : | 09522023 |
| Registered office : | John Ormond House 899 Silbury Boulevard Milton Keynes Buckinghamshire MK9 3XL |
| Directors : | M W Scanlon D Walker S A Mace M Dugdale |
| Secretary : | S A Mace |
| Banker : | The Co-operative Bank Plc Birmingham Corporate Banking Centre PO Box 82 118-120 Colmore Row Birmingham B3 3BA |
| Solicitor : | Dentons UKMEA LLP The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1FE |
| Auditor : | KPMG LLP Statutory Auditor 1 St Peter's Square Manchester M2 3AE |

Index to the financial statements

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Strategic report

Background

Personal Group Mobile Limited ("PGM" or "the Company"), a subsidiary of Personal Group Holdings plc ("PGH" or "the Group") was set up, in April 2015, as a Mobile Virtual Network Operator ("MVNO"), having purchased the trade and certain assets and liabilities of Shebang Technology Group Limited ("Shebang") out of administration. The Company was aimed at providing salary sacrifice phones and airtime to its established and new customers through the Group's subsidiary Let's Connect in addition to Shebang's existing distribution channels.

Business review

In July 2016, following a review of the Company's performance, the Group's view was that resources could be better deployed to other parts of the business and, as a result, PGM ceased trading in October 2016. PGM has not traded during 2017 but has seen transactions occur from the recovery of previously provided bad debts and the release of accruals made for closure costs which did not materialise.

Principal risks and uncertainties

PGH's risk management policies (see note 3 of PGH's financial statements) cover all group subsidiary undertakings.

As the business has ceased trading there are no principal risks and uncertainties. Following the closure of the MVNO any outstanding balances at 31 December 2016 were written down to £Nil while continuing to attempt to collect via a third-party debt collection agency.

Due to the nature of the business there are no significant accounting estimates or assumptions used in the preparation of the financial statements as all assets and liabilities can be stated at relatively accurate values following the accounting policies as stated in pages 11-12.

Key performance indicators and results

The profit before tax for the year ended 31 December 2017 was £294,000 (2016: Loss of £1,800,000).

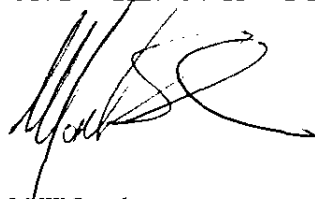
Following the closure of PGM all network connections were terminated and all other relevant purchase and sales contract related parties were given the required notice periods for cancellation in 2016 or as soon as contractually possible.

Turnover in the year has come from small collections on bad debts and a commission income from previous third-party sales.

Dividends

During the year ordinary dividends of £Nil were paid (2016: £Nil). No other dividends were declared at year-end (2016: £nil).

ON BEHALF OF THE BOARD



M W Scanlon
Director
23 March 2018

Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

Principal activity

The company has ceased trading following the closure of the MVNO business in 2016.

Results

The profit before tax for the year to 31 December 2017 was £294,000 (2016: Loss of £1,800,000).

Political contributions

The Company has not made any political contributions in the year to 31 December 2017 (2016: £Nil)

Directors

The membership of the Board is set out below. All directors served throughout the year.

M W Scanlon
D Walker
S A Mace
M Dugdale

During the year, directors and officers were covered by third party indemnity insurance.

Disclosure of information to auditor

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

Auditor

KPMG LLP offer themselves for reappointment as auditor in accordance with section 487 of the Companies Act 2006.

BY ORDER OF THE BOARD



M W Scanlon
Director
23 March 2018

Statement of directors' responsibilities

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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 (as explained in note 13, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Personal Group Mobile Limited

Opinion

We have audited the financial statements of Personal Group Mobile Limited ("the company") for the year ended 31 December 2017 which comprise Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 13 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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.

William Greenfield

William Greenfield (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
23 March 2018

Profit and loss account and other comprehensive income

| | | Year ended 31 December 2017 | Year ended 31 December 2016 |
|---|------|--------------------------------|--------------------------------|
| | Note | £'000 | £'000 |
| Turnover | | 63 | 2,023 |
| Cost of sales | | 38 | (2,490) |
| Gross profit / (loss) | | 101 | (467) |
| Administrative expenses | 3 | 193 | (1,289) |
| Operating profit / (loss) | | 294 | (1,756) |
| Interest payable and similar charges | | - | (44) |
| Profit / (loss) on ordinary activities before taxation | 1 | 294 | (1,800) |
| Tax on profit / loss on ordinary activities | 4 | (57) | 11 |
| Profit / (loss) for the financial period | | 237 | (1,789) |


There are no other items of other comprehensive income. All operations are classed as discontinued.

The notes on pages 13 to 16 form part of these financial statements

Balance sheet

| | Note | 31 December 2017 £'000 | 31 December 2016 £'000 |
|---|------|------------------------------|------------------------------|
| Current assets | | | |
| Debtors | 5 | 1 | 232 |
| Cash at bank and in hand | | 8 | 62 |
| | | <u>9</u> | <u>294</u> |
| Creditors: amounts falling due within one year | 6 | <u>(5,250)</u> | <u>(5,772)</u> |
| Net liabilities | | <u><u>(5,241)</u></u> | <u><u>(5,478)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 7 | - | - |
| Profit and loss account | | <u>(5,241)</u> | <u>(5,478)</u> |
| Shareholders' deficit | | <u><u>(5,241)</u></u> | <u><u>(5,478)</u></u> |

The financial statements were approved by the Board on 23 March 2018 and signed on its behalf by;



M W Scanlon

Company Number: 09522023

The notes on pages 13 to 16 form part of these financial statements

Statement of changes in equity

| | Called up share capital £'000 | Profit and loss account £'000 | Total £'000 |
|---------------------------------------|--|--|------------------------|
| Balance as at 1 January 2016 | - | (3,689) | (3,689) |
| Loss for the financial period | - | (1,789) | (1,789) |
| Balance as at 31 December 2016 | - | (5,478) | (5,478) |
| Profit for the financial period | - | 237 | 237 |
| Balance as at 31 December 2017 | - | (5,241) | (5,241) |

The notes on pages 13 to 16 form part of these financial statements

Principal accounting policies

Basis of preparation

Personal Group Mobile Limited (the “Company”) is a company incorporated and domiciled in the UK.

These financial statements have been prepared on a non-going concern basis which is discussed further in note 13, under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard 101 ‘Reduced Disclosure Framework’. The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 and effective immediately have been applied.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”) but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

No judgements which have a significant effect on the financial statements have been required in the preparation of these financial statements.

No significant assumptions or estimates which have a significant effect on the financial statements have been required in the preparation of these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The functional currency of the Company is Sterling.

On 7 July 2016 the directors took the decision to cease trading following the closure of the MNVO business. As there are currently no plans to further trade in the company, following the settlement of the remaining net assets, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

The Company’s ultimate parent undertaking, Personal Group Holdings Plc includes the Company in its consolidated financial statements. The consolidated financial statements of Personal Group Holdings Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures in respect of transactions with wholly owned subsidiaries.

Turnover

Fee income represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Sales of handsets and accessories are recognised on delivery to the customer.

All turnover is derived from sales in the United Kingdom.

Principal accounting policies (continued)

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

The company holds no derivative financial instruments.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Contributions to pension funds

The pension costs charged against profits represent the amount of the contributions payable to the group personal pension scheme in respect of the accounting period.

Notes to the financial statements

1 Profit / loss on ordinary activities before taxation

| | Year ended 31 December 2017 £'000 | Year ended 31 December 2016 £'000 |
|--|--|--|
| Profit/(Loss) on ordinary activities before taxation | | |
| Auditor's remuneration | | |
| - audit fees | 3 | 11 |
| - non audit services | - | 2 |
| Depreciation | - | 30 |

All income is derived within the UK

2 Directors and employees

Staff costs during the period were as follows:

| | Year ended 31 December 2017 £'000 | Year ended 31 December 2016 £'000 |
|-----------------------|--|--|
| Wages and salaries | 26 | 712 |
| Social security costs | 3 | 70 |
| Pension costs | - | 26 |
| | <u>29</u> | <u>808</u> |

The average number of employees employed by the company was nil (2016: 20).

All directors were paid by other group companies.

The split of remuneration for Directors relating to Personal Group Mobile Limited is:

| | 2017 £'000 | 2016 £'000 |
|---|---------------|---------------|
| Emoluments | - | 71 |
| Gains on exercise of share options | - | 189 |
| Pension contributions to executive and group personal pension schemes | - | 4 |

Notes to the financial statements (continued)

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £Nil (2016: £209k), and company pension contributions of £Nil (2016: £2k) were made to a money purchase scheme on his behalf.

During the year, no director (2016: 3 directors) exercised share options and received shares under a long term incentive scheme.

3 Administration expenses

| | Year ended 31 December 2017 £'000 | Year ended 31 December 2016 £'000 |
|--------------------------------|---|---|
| Administrative expenses | 32 | 679 |
| Reorganisation / closure costs | (225) | 610 |
| | <u>(193)</u> | <u>1,289</u> |

The credit recognised in 2017 with relation to reorganisation / closure costs relates to the release of accruals put in place at 31 December 2016 for which costs did not materialise.

4 Tax on profit on ordinary activities

The relationship between the expected tax expense based on the effective tax rate of Personal Group Mobile Limited at 19.25% (2016: 20.00%) and the expense actually recognised in the income statement can be reconciled as follows.

| | Year ended 31 December 2017 £'000 | Year ended 31 December 2016 £'000 |
|---|---|---|
| Recognised in the profit and loss account | | |
| UK Corporation tax | | |
| Current tax expense | 57 | - |
| Deferred tax | | |
| Origination and reversal of temporary differences | - | (11) |
| Actual tax expense | <u>57</u> | <u>(11)</u> |
| Reconciliation of effective tax rate | | |
| Profit / (loss) before tax | 294 | (1,800) |
| Tax rate | <u>19.25%</u> | <u>20.00%</u> |
| Expected tax expense | 57 | (360) |
| Adjustment for non-deductible expenses | - | (11) |
| Other adjustments | | |
| Group relief | - | 360 |
| Actual tax expense | <u>57</u> | <u>(11)</u> |

Notes to the financial statements (continued)

The standard rate of tax applied to reported profit on ordinary activities is 19.25% (2016: 20.00%). A further reduction to 17.00% is due from 1 April 2020 and this change was substantively enacted on 15 September 2016. These will reduce future tax charges accordingly.

5 Debtors

| | 31 December 2017 £'000 | 31 December 2016 £'000 |
|---------------------------------|------------------------------|------------------------------|
| Trade debtors | - | 48 |
| Social security and other taxes | 1 | 169 |
| Other debtors | - | 15 |
| | <u>1</u> | <u>232</u> |

6 Creditors: amounts falling due within one year

| | 31 December 2017 £'000 | 31 December 2016 £'000 |
|------------------------------------|------------------------------|------------------------------|
| Corporation Tax | 57 | - |
| Social security and other taxes | - | 8 |
| Accruals & other creditors | 2 | 299 |
| Amounts owed to group undertakings | <u>5,191</u> | <u>5,465</u> |
| | <u>5,250</u> | <u>5,772</u> |

Amounts owed by group undertakings are generated from the provision of services by other group undertakings and are repayable on demand. These amounts are non-interest bearing.

7 Share capital

| | 31 December 2017 £ | 31 December 2016 £ |
|----------------------------|--------------------------|--------------------------|
| Authorised | | |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> |
| Allotted | | |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> |

8 Capital commitments

The company had no capital commitments at 31 December 2017 or 31 December 2016.

9 Contingent liabilities

There were no contingent liabilities at 31 December 2017 or 31 December 2016.

Notes to the financial statements (continued)

10 Pensions

The company operated a defined contribution group personal pension scheme for the benefit of certain directors and employees. The scheme is administered by Scottish Equitable Plc and the funds are held independent of the company.

11 Leasing commitments

The company has no leasing commitments after 31 December 2017.

Operating lease costs for the year are as follows: Motor Vehicles £Nil (2016 - £9k), Buildings - £Nil (2016 - £11k).

12 Ultimate controlling related party

The immediate parent undertaking is Personal Group Limited, the ultimate Parent undertaking of this company is Personal Group Holdings plc. Both companies are registered in England and Wales. The address of both companies is as follows:

John Ormond House
899 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 3XL

The only group of undertakings for which group accounts have been drawn up is that headed by Personal Group Holdings Plc. Copies of these group accounts may be obtained from Companies House.

As a wholly owned subsidiary of Personal Group Holdings Plc the company has taken advantage of the exemption available under FRS 101 not to disclose transactions with other members of the group headed by Personal Group Holdings Plc.

13 Non-going concern note

During the year ended 31 December 2016 the Company's principal activity was the provision of virtual mobile network offerings however in July 2016, following a review of the Company's performance, the Group's view was that resources could be better deployed to other parts of the business and, as a result, PGM ceased trading in October 2016.

As the directors do not intend to acquire a replacement trade following settlement of the remaining net liabilities, they have not prepared the financial statements on a going concern basis.

14 Post balance sheet events

There are no post balance sheet events that require disclosure.