PROTECTION HELPLINE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2016

(Registered Number 09928334)

Contents

Directors' Report

The Directors present their Directors' report and the audited financial statements for the period from 23 December 2015 to 31 December 2016.

INTRODUCTION AND OVERVIEW

Protection Helpline Limited is a private limited company incorporated in England & Wales on 23 December 2015, registered number 09928334.

Overview of the business

Protection Helpline Limited is a wholly owned subsidiary of Connells Limited. Protection Helpline began trading on 18 April 2016 and provides insurance based protection solutions to customers by telephone. It receives referrals from clients when the product and advice options available to them elsewhere do not meet their requirements.

The Company made a loss before tax of £29,000.

DIRECTORS

The Directors who served during the period and up to the date of this report were:

DC Livesey	(Appointed 23 December 2015)
RJ Twigg	(Appointed 23 December 2015)
NJ Spaull	(Appointed 23 December 2015)
DK Plumtree	(Appointed 15 January 2016)

DIVIDENDS

During the period no dividends were declared. The Directors do not recommend payment of a final dividend.

DISCLOSURE OF INFORMATION TO AUDITORS

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 he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The company has taken advantage of the small companies' exemptions in presenting this Directors' report.

By order of the board

RJ Twigg
Director

24 March 2017

Cumbria House
16-20 Hockliffe Street
Leighton Buzzard
Bedfordshire
LU7 1GN

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law.

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 judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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 PROTECTION HELPLINE LIMITED

We have audited the financial statements of Protection Helpline Limited for the period ended 31 December 2016 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

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 loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report and Strategic Report:

- We have not identified material misstatements in this report; and
- In our opinion, this report has been prepared in accordance with the Companies Act 2006.

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; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

David Burridge

27 March 2017

David Burridge (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Income Statement

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	Period ended 31 Dec 2016 £000
Revenue	1	41
Operating expenses		(70)
Loss before tax		**(29)**
Tax credit	4	6
Loss for the period		**(23)**

There were no recognised income and expense items in the current period other than those reflected in the above Income Statement.

The notes on pages 10 to 14 form part of these financial statements.

Statement of Financial Position

AT 31 DECEMBER 2016

	Notes	£000	31 December 2016 £000
Current assets			
Trade and other receivables	5	47	
Total current assets			47
Total assets			**47**
Current liabilities			
Trade and other payables	6	58	
Total current liabilities			58
Non-current liabilities			
Provisions	7	12	
Total non-current liabilities			12
Total liabilities			**70**
Share capital	8	-	
Retained earnings	8	(23)	
Total equity			(23)
Total equity and liabilities			**47**

These accounts were approved by the Board of Directors on 24 March 2017 and signed on its behalf by:

RJ Twigg
Director

Company registration number: 09928334

The notes on pages 10 to 14 form part of these accounts.

Statement of Changes in Equity

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Share Capital £000	Retained Earnings £000	Total Equity £000
Balance at 23 December 2015	-	-	-
Total expense for the year	-	(23)	(23)
Balance at 31 December 2016	**-**	**(23)**	**(23)**

The notes on pages 10 to 14 form part of these financial statements.

Statement of Cash Flows

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	Period ended 31 Dec 2016 £000
Cash flows from operating activities		
Loss for the year		(23)
Adjustments for:		
Tax credit		(6)
Operating loss before changes in working capital and provisions		**(29)**
Increase in trade and other receivables	5	(41)
Increase in trade and other payables	6	58
Increase in provisions	7	12
Net cash flow from operating activities		-
Net change in cash and cash equivalents		-
Cash and cash equivalents at 23 December 2015		-
Cash and cash equivalents at 31 December 2016		-

The Company does not operate its own bank account. Consequently, all cash transactions are processed via another group company, and as a result, there are no cash flows in the Company.

The notes on pages 10 to 14 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Protection Helpline Limited (the "Company") is a company incorporated, registered and domiciled in the UK. The following accounting policies have been applied consistently in these Company's accounts:

a. Basis of accounting

The Company's financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and effective as at 31 December 2016, and those parts of the Companies Act 2006 applicable to Companies reporting under IFRS.

The Company has applied the following changes in accounting standards during the period:

- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38);
- Annual Improvements to IFRSs 2012 – 2014 cycle – various standards; and
- Disclosure Initiative (Amendments to IAS 1).

These amendments have had no material impact on these financial statements.

Disclosed below are the new IFRS and amendments which at 31 December 2016 have been endorsed by the EU but were not effective and have therefore not been applied in preparing these financial statements:

- Disclosure Initiative (Amendments to IAS 7);
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12);
- IFRS 15 Revenue from Contracts with Customers;
- IFRS 9 Financial Instruments; and
- IFRS 16 Leases.

There have been no new accounting policies adopted in the period that have an impact on these financial statements.

Measurement convention

These financial statements are prepared on the historical cost basis.

Currency presentation

These financial statements are presented in pounds sterling and, except where otherwise indicated, have been rounded to the nearest one thousand pounds.

Going concern

The Company's business activities are set out in the Directors' Report on page 3. The financial position of the Company and its liquidity position are shown on pages 6 to 9. In addition, the Directors' Report and notes to these financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The company began trading in April 2016, and consequently it has net liabilities whilst the business is becoming established. The company has received confirmation from Connells Limited, the company's intermediate parent, that it will provide such support as the company requires, for a period of not less than one year from the date of approval of these financial statements, enabling it to meet its liabilities as and when they fall due.

The Directors have concluded that this gives a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in the financial statements.

b. Revenue recognition.

Insurance commission income is recognised on a cash received basis with a provision for future clawback repayment in the event of early termination by the customer.

c. Trade and other receivables

Trade and other receivables are stated at their nominal value (discounted if material) less any impairment.

d. Trade and other payables

Trade and other payables are stated initially at their fair value and then subsequently carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

1. Accounting policies (continued)

e. Taxation

Income tax on the losses for the period comprises current tax and deferred tax. Income tax is recognised in the Income Statement except where items are recognised directly in equity, in which case the associated income tax asset or liability is recognised via equity.

Current tax is the expected tax payable on the taxable loss for the period, using tax rates enacted or substantially enacted at the period end date.

f. Cash and cash equivalents

The Company does not operate its own bank account. Consequently, all cash transactions are processed via another group company, and as a result, there are no cash flows within the Company.

g. Provisions for liabilities and charges

A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects market assessments of the time value of money and, if appropriate, the risks specific to the liability.

h. Critical accounting estimates, and judgements in applying accounting policies

The Company makes estimates and assumptions regarding the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

- Provisions – certain critical judgments have been made in applying the Company's accounting policies in relation to provisions for clawback of insurance commission. The provision for insurance commission clawback is estimated based upon anticipated cancellation rates of term insurance policies (note 7).

2. Expenses and auditors' remuneration	**Period ended 31 Dec 2016 £000**
Loss before tax is stated after charging the following:	
Auditors' remuneration and expenses:	
Audit of these financial statements	1

3. Staff costs

The Company does not have any employees. Work is performed by staff in other group companies and recharged to the Company.

All the directors were remunerated by other group companies.

4. Tax expense **a) Analysis of expense in the period at 20.00%**	**Period ended 31 Dec 2016 £000**
Current tax credit	
Current tax at 20.00%	6
Tax credit	6

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

b) Factors affecting current tax expense in the year

The tax assessed in the Income Statement is equal to the standard UK corporation tax rate.

	Period ended 31 Dec 2016 £000
Loss before tax	(29)
Tax on loss at UK standard rate of 20.00%	6
Expenses not deductible for tax purposes	-
Tax credit	6

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

5. Trade and other receivables

	31 Dec 2016 £000
Amounts due from group companies	41
Group relief debtor	6
	47

The ageing of trade receivables (which all arose in the UK) at the period end was:

	2016 £000 Gross	**2016 £000 Impairment**
Not overdue	41	-
	41	**-**

6. Trade and other payables

Due within one year	**31 Dec 2016 £000**
Amounts owed to group undertakings	56
Accruals and deferred income	2
	58

7. Provisions

	Insurance commission clawback £000	**Total £000**
Opening balance at 23 December 2015	-	-
Provisions made during the year	12	12
Balance at 31 December 2016	**12**	**12**

All provisions are classed as non-current. The provision for insurance commission clawback is estimated based upon anticipated cancellation rates of term insurance policies.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. Share capital

	31 Dec 2016 £000
Allotted, called up and fully paid	
1 ordinary share of £1 each	-
	-

During the year the company issued one £1 ordinary share for a consideration of £1, settled in cash.

Management of capital

Capital is considered to be the audited retained earnings and ordinary share capital in issue.

	31 Dec 2016 £000
Capital	
Ordinary shares	-
Retained earnings	(23)
	(23)

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies.

The capital position is reported to the Board regularly.

9. Related party transactions

The company has related party relationships within the Skipton Group as detailed below. All such transactions are priced on an arms-length basis.

	2016		
	Ultimate parent undertaking £000	Immediate Parent undertaking £000	Other group companies £000
a) Purchase of goods and services			
Administration charges	-	-	(56)
Total	-	-	(56)
b) Outstanding balances			
Receivables from related parties	-	41	-
Payables to related parties	-	-	(56)
Total	-	41	(56)

There are no provisions in respect of goods and services to Related Parties 31 December 2016.

All transactions are dealt with on normal credit terms.

10. Financial instruments

Financial risks

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity.

The principal financial risks to which the Company is exposed are liquidity risk, market risk and credit risk and these are monitored on a regular basis by management. Each of these is considered below.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost.

The Company's liquidity policy is to maintain sufficient liquid resources to cover imbalances and fluctuations in funding, to maintain solvency of the Company and to enable the Company to meet its financial obligations as they fall due. This is achieved through maintaining a prudent level of liquid assets and through rigorous management control of the growth of the business.
The following are contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount £000	Contractual cash flows £000	In not more than one month £000	In not more than 3 months £000	In more than 3 months but not less than 1 year £000	In more than one year but not more than 5 years £000
Amounts owing to group companies	56	56	56	-	-	-
Total	56	56	56	-	-	-

There are no differences between the fair values of financial assets and liabilities and their carrying amounts showing in the Statement of Financial Position.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Currency risk

The Company is not exposed to any currency risk as all transactions are denominated in Sterling.

Interest rate risk

The Company has no interest bearing liabilities.

Credit risk

The Company is not exposed to any credit risk as the income is recognised on a cash basis.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and level of dividends to ordinary shareholders. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

11. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Connells Limited. The ultimate parent undertaking is Skipton Building Society, which is registered in the United Kingdom. The largest group in which the results are consolidated is that headed by Skipton Building Society. The smallest group is that headed by Connells Limited and the consolidated accounts of this Company are available to the public and can be obtained from:

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