

Company Registration No. 02862551 (England and Wales)

FIRST RETAIL FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

FRIDAY



L4GOMRQX

LD2

25/09/2015

#128

COMPANIES HOUSE

FIRST RETAIL FINANCE LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | S J S Mayall on behalf of Capita Corporate Director Limited M D Barnard T C Richards (Appointed 28 January 2015) |
| Secretary | Capita Group Secretary Limited |
| Company number | 02862551 |
| Registered office | 17 Rochester Row London SW1P 1QT |
| Auditors | KPMG LLP 15 Canada Square London E14 5GL |

FIRST RETAIL FINANCE LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Strategic report | 1 |
| Directors' report | 2 - 3 |
| Independent auditor's report | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 - 10 |

FIRST RETAIL FINANCE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operated within the group's Customer Management & International division.

The principal activity of the company was that of the provision of finance and associated services.

On 31 January 2014, the business, trade and assets of the company were transferred to Capita Customer Management Limited at net book value. This transaction was settled via intercompany. Other than liabilities and obligations in respect of trade creditors as at the transfer date, no liabilities were transferred to Capita Customer Management Limited.

As shown in the company's profit and loss account on page 5, the company's turnover has decreased from £213,000 to £10,000 over the prior year and operating profit decreased from £225,000 to an operating loss of £21,000.

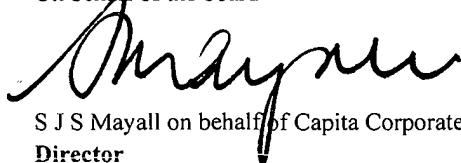
The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net assets have decreased from £3,418,000 to £3,402,000. Details of amounts owed by its parent company and fellow subsidiary undertakings are shown in note 5 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored at a divisional level. The performance of the Customer Management & International division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



S J S Mayall on behalf of Capita Corporate Director Limited
Director

15 September 2015

FIRST RETAIL FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The results for the year are set out on page 5.

During the year, no dividend was paid (2013: £Nil).

Environment

Capita plc 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. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Directors

The following directors have held office since 1 January 2014:

S J S Mayall on behalf of Capita Corporate Director Limited

S J Davies

(Resigned 28 January 2015)

M D Barnard

T C Richards

(Appointed 28 January 2015)

Auditor

In accordance with 487(2) of the Companies Act 2006, the auditors, KPMG LLP, will be deemed to be reappointed and therefore continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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).

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1.1 to the financial statements, the directors do not believe the going concern basis to be appropriate and these financial statements have not been prepared on that basis.

The directors are responsible for keeping proper 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.

FIRST RETAIL FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

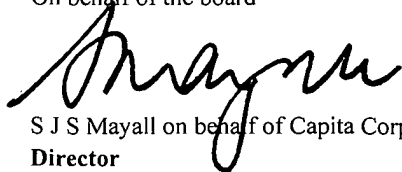
Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Qualifying 3rd party indemnity provisions

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



S J S Mayall on behalf of Capita Corporate Director Limited
Director

15 September 2015

FIRST RETAIL FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FIRST RETAIL FINANCE LIMITED

We have audited the financial statements of First Retail Finance Limited for the year ended 31 December 2014 set out on pages 5 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going basis for the reason set out in note 1.1 to the financial statement. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website 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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Peter Lomax (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

23/9/15

FIRST RETAIL FINANCE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|---|-------|---------------|---------------|
| Turnover | 3 | 10 | 213 |
| Administrative expenses | | (31) | 12 |
| | | <hr/> | <hr/> |
| (Loss)/profit on ordinary activities before taxation | | (21) | 225 |
| Tax on (loss)/profit on ordinary activities | 4 | 5 | (52) |
| | | <hr/> | <hr/> |
| (Loss)/profit for the year | 8 | (16) | 173 |
| | | <hr/> | <hr/> |

The profit and loss account has been prepared on the basis that all operations are discontinued.

There are no recognised gains and losses other than those passing through the profit and loss account.

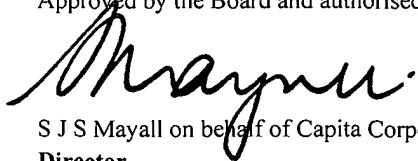
FIRST RETAIL FINANCE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|---|-------|---------------|---------------|
| Current assets | | | |
| Debtors | 5 | 3,402 | 3,608 |
| Creditors: amounts falling due within one year | 6 | - | (190) |
| Total assets less current liabilities | | <u>3,402</u> | <u>3,418</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 2,721 | 2,721 |
| Profit and loss account | 8 | 681 | 697 |
| Shareholders' funds | 9 | <u>3,402</u> | <u>3,418</u> |

Approved by the Board and authorised for issue on 15 September 2015



S J S Mayall on behalf of Capita Corporate Director Limited
Director

Company Registration No. 02862551

FIRST RETAIL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Following the transfer of the business trade and assets on 31 January 2014, the company has ceased to trade. For this reason, and as required by FRS 18.21, the directors have prepared the financial statements on the basis that the company is no longer a going concern.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold;

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

1.5 Related party transactions

The company has taken advantage of the exemption under FRS 8: Related Party Disclosures not to disclose transactions entered into between two or more members of Capita plc, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

FIRST RETAIL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

2 Audit fees

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £2,000 (2013: £1,000). The company has taken advantage of the exemption provided by regulation 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

| 4 | Taxation | 2014 £'000 | 2013 £'000 |
|---|--|---------------|---------------|
| | Domestic current year tax | | |
| | U.K. corporation tax | (5) | 52 |
| | Total current tax | <u>(5)</u> | <u>52</u> |
| | Factors affecting the tax charge for the year | | |
| | (Loss)/profit on ordinary activities before taxation | <u>(21)</u> | <u>225</u> |
| | (Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%) | <u>(5)</u> | <u>52</u> |
| | Current tax charge for the year | <u>(5)</u> | <u>52</u> |

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

| 5 | Debtors | 2014 £'000 | 2013 £'000 |
|---|---|---------------|---------------|
| | Trade debtors | - | 113 |
| | Amounts owed by parent and fellow subsidiary undertakings | 3,397 | 3,347 |
| | Corporation tax | 5 | 148 |
| | | <u>3,402</u> | <u>3,608</u> |

FIRST RETAIL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

| | | | |
|----------|---|--------------|------------------------|
| 6 | Creditors: amounts falling due within one year | 2014 | 2013 |
| | | £'000 | £'000 |
| | Corporation tax | - | 152 |
| | Other creditors | - | 38 |
| | | <u>-</u> | <u>190</u> |
| | | <u>-</u> | <u>190</u> |
| 7 | Share capital | 2014 | 2013 |
| | | £'000 | £'000 |
| | Allotted, called up and fully paid | | |
| | 2,721,000 of £1 each | 2,721 | 2,721 |
| | | <u>2,721</u> | <u>2,721</u> |
| 8 | Statement of movements on profit and loss account | | Profit and loss |
| | | | account |
| | | | £'000 |
| | Balance at 1 January 2014 | | 697 |
| | Loss for the year | | (16) |
| | | | <u>681</u> |
| | Balance at 31 December 2014 | | <u>681</u> |
| 9 | Reconciliation of movements in shareholders' funds | 2014 | 2013 |
| | | £'000 | £'000 |
| | (Loss)/Profit for the financial year | (16) | 173 |
| | Opening shareholders' funds | 3,418 | 3,245 |
| | | <u>3,402</u> | <u>3,418</u> |
| | Closing shareholders' funds | <u>3,402</u> | <u>3,418</u> |

10 Employees

Number of employees

There were no employees during the year apart from the directors.

The Directors' remunerations were borne by another subsidiary of Capita plc without recharge.

FIRST RETAIL FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

11 Control

The company's immediate parent is Capita Holdings Limited, a company incorporated in England and Wales. The company's ultimate parent is Capita plc. The financial statements of Capita plc are available from the registered office at 71 Victoria Street, London SW1H 0XA.