

Financial Statements

Perfect Home Finance Limited

For the year ended 31 March 2015

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COMPANIES HOUSE

Registered number: 6020013

Perfect Home Finance Limited

Company Information

Directors

J R Clark
M W Cooper
A M Smith
M J Sweetland

Company secretary

A M Smith

Registered number

6020013

Registered office

Coleshill Manor Office Campus
Coleshill
West Midlands
B46 1DL

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Colmore Plaza
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

Bankers

Barclays Bank Plc
15 Colmore Row
Birmingham
B3 2EP

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Directors' Report

For the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Results

The profit for the year, after taxation, amounted to £6,140,625 (2014 - £5,554,534).

Directors

The directors who served during the year were:

J R Clark
M W Cooper
A M Smith
M J Sweetland

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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;
- 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 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.

Directors' Report

For the year ended 31 March 2015

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1 July 2015 and signed on its behalf.



A M Smith
Director

Strategic Report

For the year ended 31 March 2015

Introduction

The directors present their strategic report for the year ended 31 March 2015.

Principal activities

The principal activity of the company during the year was that of a holding company.

Business review

The profit for the year relates to the reversal of a provision against intercompany balances made in previous years.

Financial risk management objectives and policies

The company's principal financial instruments comprise cash at bank and loans. The main purpose of these financial instruments is to raise finance for the company's and its subsidiaries' operations. The company does not enter into derivative transactions.

It is, and has been throughout the year under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from shareholders and hire purchase contracts.

Interest rate risk

The company finances its operations through borrowings with the majority of interest charges being rolled up in to debt. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Credit risk

The company only advances funds to group undertakings.

This report was approved by the board on 1 July 2015 and signed on its behalf.



A M Smith
Director

Independent Auditor's Report to the Members of Perfect Home Finance Limited

We have audited the financial statements of Perfect Home Finance Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 (APB'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 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom 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

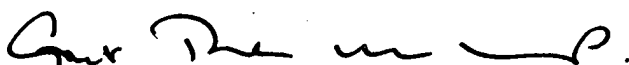
In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Perfect Home Finance Limited

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.



David White (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Birmingham

6 July 2015

Profit and Loss Account

For the year ended 31 March 2015

	Note	2015 £	2014 £
Other operating charges		(93)	(60)
Exceptional provision release against inter company balances		6,140,718	5,620,582
Total administrative expenses and operating profit	2	6,140,625	5,620,522
Interest receivable and similar income	4	1,264,576	1,046,633
Interest payable and similar charges	5	(1,264,576)	(1,112,621)
Profit on ordinary activities before taxation		6,140,625	5,554,534
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	13	6,140,625	5,554,534

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.

Balance Sheet

As at 31 March 2015

	Note	£	2015 £	2014 £
Fixed assets				
Investments	7		1	1
Current assets				
Debtors: amounts falling due after more than one year	8	105,815,313	104,030,701	
Cash at bank		66	58	
		<u>105,815,379</u>	<u>104,030,759</u>	
Creditors: amounts falling due within one year	9	-	(12,645,765)	
Net current assets			<u>105,815,379</u>	<u>91,384,994</u>
Total assets less current liabilities			<u>105,815,380</u>	<u>91,384,995</u>
Creditors: amounts falling due after more than one year	10		<u>(46,018,847)</u>	<u>(37,729,087)</u>
Net assets			<u><u>59,796,533</u></u>	<u><u>53,655,908</u></u>
Capital and reserves				
Called up share capital	12		858,447	858,447
Share premium account	13		74,761,192	74,761,192
Capital contribution reserve	13		10,122,100	10,122,100
Profit and loss account	13		<u>(25,945,206)</u>	<u>(32,085,831)</u>
Shareholders' funds	14		<u><u>59,796,533</u></u>	<u><u>53,655,908</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 July 2015.



M J Sweetland
Director

The notes on pages 8 to 13 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The Perfect Home Holdings group has in place facilities from shareholders of £10m in loan notes which at the year end fell due on 30 June 2015. Since the year end this facility was renegotiated and is now due on 30 June 2016. In addition, the group has a facility with Burdale Financial Limited of £15m, which at the year end was £9.2m and is repayable in July 2015. Subsequently this has also been renegotiated to increase to £16m, rising to £20m which is repayable in July 2018. The directors have prepared group forecasts for the period ended 30 June 2015 which show that these facilities are sufficient to support the group's current business plan for the next 12 months.

1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.5 Deep discount bonds

The discount from nominal value on issue of the bonds is charged to the profit and loss account over the life of the investment to the earliest date that holders may redeem their bonds. The unwinding of the discount is shown within net interest.

Notes to the Financial Statements

For the year ended 31 March 2015

1. Accounting Policies (continued)

1.6 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Operating profit

No directors or employees are remunerated through the company. Audit fees are borne by other group companies.

3. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

4. Interest receivable

	2015 £	2014 £
Other interest receivable	<u>1,264,576</u>	<u>1,046,633</u>

5. Interest payable

	2015 £	2014 £
Loan issue costs	-	65,988
Unwinding of discount on bonds	<u>1,264,576</u>	<u>1,046,633</u>
	<u>1,264,576</u>	<u>1,112,621</u>

The bonds matured on 31 December 2014 and have now been renewed on a rolling basis until 30 June 2015 and 2016.

Notes to the Financial Statements

For the year ended 31 March 2015

6. Taxation

No taxation arose on the result for the year.

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 23% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>6,140,625</u>	<u>5,554,534</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2014 - 23%)	1,412,344	1,277,543
Effects of:		
Charges/gains not subject to taxation	<u>(1,412,344)</u>	<u>(1,277,543)</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

The company has excess loan relationship debits amounting to £291,000 (2014: £291,000) that are available for future relief. No deferred taxation asset has been provided in respect of these debits as the directors believe that the amount that will be utilised in the foreseeable future cannot be estimated with any degree of certainty.

Notes to the Financial Statements

For the year ended 31 March 2015

7. Fixed asset investments

	Investments in subsidiary undertakings £
Cost	
At 1 April 2014 and 31 March 2015	1
Net book value	
At 31 March 2015	1
At 31 March 2014	1

The following were subsidiary undertakings of the company, all of which are incorporated within the United Kingdom unless otherwise stated. The company has a 100% holding of the ordinary shares of the subsidiaries listed below:

Temple Retail Limited
 Temple Finance Limited *
 Coleshill Financial Services Limited *
 Coleshill Holdings Limited * (Malta)
 Coleshill Investments Limited * (Guernsey)
 * denotes shares held by a subsidiary undertaking.

Coleshill Holdings Limited has a beneficial interest in a protected cell within Atlas Insurance PCC Limited, a company registered in Malta. The cell provides insurance services for the group.

8. Debtors

	2015 £	2014 £
Due after more than one year		
Amounts owed by group undertakings	105,815,313	104,030,701

9. Creditors: Amounts falling due within one year

	2015 £	2014 £
Unsecured loan notes	-	12,645,765

Notes to the Financial Statements

For the year ended 31 March 2015

10. Creditors:

Amounts falling due after more than one year

	2015	2014
	£	£
Other loans	13,910,341	-
Amounts owed to group undertakings	32,108,506	37,729,087
	<u>46,018,847</u>	<u>37,729,087</u>

Borrowing

Borrowings are repayable as follows:

Amounts payable between one and five years

Loans

	2015	2014
	£	£
Capital	9,999,870	9,999,870
Interest	3,910,471	2,645,895
	<u>13,910,341</u>	<u>12,645,765</u>

All bonds and loans carry a 10% coupon and were repayable on 30 June 2015. Post year end this facility was renegotiated and is now due 30 June 2016.

11. Related party transactions

As a wholly owned subsidiary, the company is exempt from the requirements of FRS 8 to disclose transactions with wholly owned members of the group headed by Perfect Home Holdings Limited.

The company had no outstanding loan balances with directors in the current or prior year.

12. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
85,844,722 ordinary shares of £0.01 each (2014: 85,844,722 of £0.01 each)	<u>858,447</u>	<u>858,447</u>

Notes to the Financial Statements

For the year ended 31 March 2015

13. Reserves

	Share premium account £	Capital contribution reserve £	Profit and loss account £
At 1 April 2014	74,761,192	10,122,100	(32,085,831)
Profit for the financial year	-	-	6,140,625
At 31 March 2015	<u>74,761,192</u>	<u>10,122,100</u>	<u>(25,945,206)</u>

14. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	53,655,908	48,101,374
Profit for the year	<u>6,140,625</u>	<u>5,554,534</u>
Closing shareholders' funds	<u>59,796,533</u>	<u>53,655,908</u>

15. Contingent liabilities

There were no contingent liabilities at 31 March 2015 or 31 March 2014

16. Capital commitment

The company had no capital commitments at 31 March 2015 or 31 March 2014.

17. Ultimate parent undertaking and controlling party

The company is a subsidiary of Perfect Home Holdings Limited which is the ultimate parent undertaking incorporated in England and Wales. Copies of the group accounts are publicly available.

The ultimate controlling party is Cabot Square Capital Nominee Limited.