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COMPANIES HOUSE

**Shawbrook Group Limited**  
**Balance Sheet and related notes**

**As at 19 March 2015**

**Company number: 07240248**

Shawbrook Group Limited

Balance Sheet and related notes as at 19 March 2015

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Shawbrook Group Limited

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## **COMPANY INFORMATION**

### **Directors**

Lindsey McMurray

Sir George Mathewson

Richard Pyman

Thomas Wood

Roger Lovering

Graham Alcock

Rohin Ashton

### **Secretary & Registered Office**

Daniel Rushbrook

Lutea House, Warley Hill Business Park

Brentwood, Essex CM13 3BE

### **Independent Auditor**

KPMG LLP

15 Canada Square

London, E14 5GL

### **Solicitors**

Slaughter and May

One Bunhill Row

London, EC1Y 8YY

### **Bankers**

Royal Bank of Scotland Plc

Bishopsgate

London, EC2M 4RB

Company number: 07240248

Shawbrook Group Limited

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**Statement of Directors' responsibilities in respect of the balance sheet**

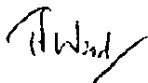
The Directors are responsible for preparing the balance sheet and related notes in accordance with applicable law and regulations. The Directors have elected to prepare the balance sheet and related notes in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the Directors must not approve the balance sheet and related notes unless they are satisfied that they give a true and fair view of the state of affairs of the Company at that date. In preparing the balance sheet and related notes, 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 they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the balance sheet 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 balance sheet and related notes 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.

This report was approved by the Board and signed on its behalf by:



Thomas Wood  
Director  
20 March 2015

Shawbrook Group Limited

Balance Sheet and related notes as at 19 March 2015

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**Independent Auditor's Report to Shawbrook Group Limited for the purposes of section 92 (1) (b) and (c) of the Companies Act 2006**

We have audited the balance sheet and related notes of Shawbrook Group Limited as at 19 March 2015 set out on pages 5 to 12. 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 in accordance with section 92 (1) (b) and (c) of the Companies Act 2006. Our work has been undertaken so that we, as the company's auditor, might state to the company those matters we are required to state to it in a report under section 92 (1) (b) and (c) of that Act 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 for our work under section 92 (1) (b) and (c) of that Act, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the balance sheet and related notes are set out on page 3.

Our responsibility is to

- (a) Audit the balance sheet 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. An audit involves obtaining evidence about the amounts and disclosures in the balance sheet and related notes sufficient to give reasonable assurance that the balance sheet and related notes 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 balance sheet and related notes.

In addition, we read all the financial and non-financial information in the accounts to identify material inconsistencies with the audited balance sheet and related notes 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.

Having carried out this audit, we then report on whether the balance sheet has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied if it had been prepared for a financial year of the company, with such modifications as are necessary by reason of that fact.

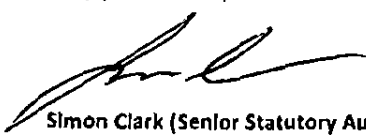
- (b) Form an independent opinion concerning the relationship between the company's net assets and its called-up share capital and undistributable reserves at the balance sheet date.

**Opinion concerning the preparation of the balance sheet and related notes**

In our opinion, the balance sheet and related notes as at 19 March 2015 have been properly prepared in accordance with the provisions of the Companies Act 2006 which would have applied had the balance sheet and related notes been prepared for a financial year of the company.

**Statement on net assets**

In our opinion, at 19 March 2015 the amount of the company's net assets (within the meaning given to that expression by section 831(2) of the Companies Act 2006) was not less than the aggregate of its called-up share capital and undistributable reserves.



Simon Clark (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 Canada Square, London, E14 5GL

20 March 2015

Shawbrook Group Limited

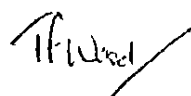
Balance Sheet and related notes as at 19 March 2015

## Balance Sheet

	Note	19 March 2015 £'000	31 December 2014 £'000
<b><u>Assets</u></b>			
Loans and advances to banks		1	190
Investment in subsidiaries	3	186,000	186,000
Debtors and prepayments	4	3,768	-
<b>Total assets</b>		<b>189,769</b>	<b>186,190</b>
<b><u>Liabilities</u></b>			
Accruals and other creditors	5	2,679	7
<b>Total liabilities</b>		<b>2,679</b>	<b>7</b>
<b>Net Assets</b>		<b>187,090</b>	<b>186,183</b>
<b><u>Equity</u></b>			
Share capital	6	185,257	185,257
Share premium account		1,293	1,293
Retained earnings		540	(367)
<b>Total equity</b>		<b>187,090</b>	<b>186,183</b>
<b>Total equity and liabilities</b>		<b>189,769</b>	<b>186,190</b>

The notes on pages 6 to 12 are an integral part of this balance sheet

The balance sheet and related notes were approved by the Board of Directors on 20 March 2015 and were signed on its behalf by:



**Thomas Wood**

Director

Company number 07240248

## Notes to the Accounts

### 1. Basis of preparation

#### 1.1 Reporting entity

Shawbrook Group Limited is domiciled in the UK. The Company's registered office is at Lutea House, Warley Hill Business Park, Brentwood, Essex, CM13 3BE.

#### 1.2 Basis of accounting

The balance sheet and related notes have been prepared on a historical cost basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The balance sheet and related notes are drawn up in accordance with the Companies Act 2006.

#### 1.3 Functional and presentation currency

The balance sheet and related notes are presented in Pounds Sterling, which is the Company's functional currency.

#### 1.4 Going concern

The balance sheet and related notes have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Directors have reviewed the strategic plan which shows the financial position, cash flow, liquidity and capital forecasts for the Company. The Directors are confident that they show that the Company will have sufficient resources to meet its liabilities as they fall due and believe that it remains appropriate to prepare the balance sheet and related notes on a going concern basis.

#### 1.5 Dividends

Dividend income is recognised when the right to receive payment is established.

#### 1.6 Share based payment transactions

Where the Company engages in share based payment transactions in respect of services received from certain of the employees of its subsidiary, Shawbrook Bank Limited, these are accounted for as equity settled share based payments in accordance with IFRS 2. The equity is in the B and C Ordinary Shares.

The grant date fair value of a share based payment transaction is recognised as an employee expense, with a corresponding increase in equity over the period that the employees become unconditionally entitled to the awards. In the absence of market prices, the fair value of the equity at the date of the acquisition is estimated using an appropriate valuation technique.

The amount recognised as an expense in the Income Statement is based on amortising the grant date fair value at a constant rate to the vesting date.

#### 1.7 Subsidiaries

Subsidiaries are entities controlled by the Company. The balance sheet and related notes of subsidiaries are not included.

**2. Employee share-based payment transactions**

On 31 January 2011, the Incentive Share scheme was introduced for directors and senior employees of Shawbrook Bank Limited. All shares were issued at a price of £1 per share, as were any share buy backs. Holders are entitled to receive a return on the shares acquired in the event of a prescribed exit event of the A shareholders. The Incentive Share scheme is governed by the Company's Articles of Association and is deemed by Management to be an equity settled scheme and has been accounted for as such in the financial statements. Participants have to remain in employment or be deemed as a good leaver to continue to qualify for the scheme.

Detail of shares issued are shown in the table below.

	Period to 19 March 2015 No. of shares	Year 2014 No. of shares
At 1 January	106,381	94,630
Granted	-	19,750
Forfeited	-	(7,999)
At 31 December	106,381	106,381

The average fair value of shares issued was £nil (2014 £5.15). The fair values of the shares at the date of grant were valued using the Black-Scholes valuation model. The assumptions used are as follows:

	19 March 2015	Year 2014
Expected volatility	20%	20%
Risk free rate	0.4%	0.4%
Dividend yield	0%	0%
Expected life	1-2 years	1-2 years

Although the Black-Scholes equation assumes predictable constant volatility, this is not observed in real markets. In order to estimate the annualised volatility we have assessed the past standard deviation of the stock price of comparable quoted banks over various time frames.



# Shawbrook Group Limited

Balance Sheet and related notes as at 19 March 2015

## 3. Subsidiary companies

The Company has the following subsidiary companies

	Country of Incorporation	Class of shares held	Ownership	Principal activity
Shawbrook Bank Limited and its subsidiaries	England & Wales	Ordinary	100%	Banking
Shawbrook Buildings and Protection Limited	England & Wales	Ordinary	100%	FCA authorised introducer of insurance
Link Loans Limited	England & Wales	Ordinary	100%	Non-trading
Centric Group Holdings Limited and its subsidiaries	England & Wales	Ordinary	100%	Non-trading
Centric Group Finance 2 Limited	England & Wales	Ordinary	100%	Dormant
Centric Group Finance Limited and its subsidiaries	England & Wales	Ordinary	100%	Non-trading
Centric Commercial Finance Limited	England & Wales	Ordinary	100%	Non-trading
Resource Partners SPV Limited	England & Wales	Ordinary	100%	Non-trading
Centric SPV 1 Limited	England & Wales	Ordinary	100%	Non-trading
Centric SPV 2 Limited	England & Wales	Ordinary	100%	Dormant
Singers Corporate Asset Finance Limited	England & Wales	Ordinary	100%	Non-trading
Coachlease Limited	England & Wales	Ordinary	100%	Dormant
East Anglian Finance Limited*	England & Wales	Ordinary	100%	Dormant
Hermes Group Limited	England & Wales	Ordinary	100%	Dormant
Singer and Friedlander Commercial Finance Limited	Scotland	Ordinary	100%	Dormant
Singers Healthcare Finance Limited and its subsidiary	England & Wales	Ordinary	100%	Non-trading
SAF Funding Limited	England & Wales	Ordinary	100%	In Liquidation
Singers Asset Finance Holdings Limited	England & Wales	Ordinary	100%	In Liquidation
Singer and Friedlander Finance Limited	England & Wales	Ordinary	100%	In Liquidation
Apple Holdco Limited and its subsidiary	England & Wales	Ordinary	100%	In Liquidation
Apple Acquisition Limited and its subsidiary	England & Wales	Ordinary	100%	In Liquidation
Ascot Funding Limited	England & Wales	Ordinary	100%	In Liquidation
Money2Improve Limited	England & Wales	Ordinary	100%	In Liquidation

\* East Anglian Finance Limited was sold on 18 February 2015

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**Subsidiaries (continued)**

	19 March 2015 £'000	31 December 2014 £'000
<b>Investment in subsidiaries</b>		
Brought forward	186,000	138,828
Acquisition of share capital in Shawbrook Bank Limited	-	47,112
Capital contribution	-	60
Carried forward	186,000	186,000

**4. Debtors and prepayments**

	Note	19 March 2015 £'000	31 December 2014 £'000
Amounts due from group companies	7	3,377	-
Prepayments		389	-
Other debtors		2	-
<b>Total debtors and prepayments</b>		<b>3,768</b>	<b>-</b>

**5. Accruals and other creditors**

	Note	19 March 2015 £'000	31 December 2014 £'000
Accruals		2,678	-
Amounts due to group companies	7	-	6
Other creditors		1	1
<b>Total accruals and other creditors</b>		<b>2,679</b>	<b>7</b>

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**6 Share capital**

**Ordinary shares of £1 each: Authorised and Issued**

	<b>Class A No.</b>	<b>Class B No.</b>	<b>Class C No.</b>	<b>Total No.</b>
At 31 December 2014	185,147,511	100,000	10,000	185,257,511
At 19 March 2015	185,147,511	100,000	10,000	185,257,511

**Ordinary shares of £1 each: Authorised, Issued and fully paid**

	<b>Class A No.</b>	<b>Class B No.</b>	<b>Class C No.</b>	<b>Total No.</b>
At 31 December 2014	185,147,511	99,181	7,200	185,253,892
At 19 March 2015	185,147,511	99,181	7,200	185,253,892

**Ordinary shares of £1 each: Authorised, Issued and not fully paid**

	<b>Class A No.</b>	<b>Class B No.</b>	<b>Class C No.</b>	<b>Total No.</b>
At 31 December 2014	-	819	2,800	3,619
At 19 March 2015	-	819	2,800	3,619

	<b>Class A No.</b>	<b>Class B No.</b>	<b>Class C No.</b>	<b>Total No.</b>
On Issue at 1 January 2014	137,851,021	100,000	10,000	120,194,021
Issued	47,296,490	-	-	47,296,490
On Issue at 31 December 2014 and 19 March 2015	185,147,511	100,000	10,000	185,257,511

The holders of the A Ordinary shares are entitled to one vote per share. The holders of B and C Ordinary shares are not entitled to vote. The B and C Ordinary shares convert to A Ordinary shares in the event of an exit by the majority Class A shareholder.

Shawbrook Group Limited

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7. Reconciliation of movement in shareholders' funds

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 January 2014	137,961	-	(611)	137,350
Profit for the year	-	-	184	184
Shares Issued during the year	47,296	-	-	47,296
Premium on shares Issued during the year	-	1,293	-	1,293
Share based payment	-	-	60	60
Balance at 31 December 2014	185,257	1,293	(367)	186,183

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 January 2015	185,257	1,293	(367)	186,183
Profit for the period	-	-	907	907
Balance at 19 March 2015	185,257	1,293	540	187,090

## 8. Related party transactions

Related parties of the Company include key Management personnel, close family members of key Management personnel and entities which are controlled, jointly controlled or significantly influenced, or for which significant voting power is held, by key Management personnel or their close family members. Key Management personnel are defined as the Directors.

Transactions with group companies

	Period to 19 March 2015 £'000	Year 2014 £'000
Brought forward	(6)	(881)
Dividend from subsidiary	4,000	-
Costs paid by subsidiary	(340)	(535)
Transfer of funds	(277)	1,411
Other	-	(1)
Carried forward	3,377	(6)

Shawbrook Group Limited is an investment company of Pollen Street Capital Limited

On 18 February 2015, the Shawbrook Bank Limited sold its entire shareholding in East Anglian Finance Limited to Pollen Street Capital Limited for £15k

## 9. Ultimate parent company

No single entity or individual has a controlling interest in the Company. The largest company in which the results of the Group are consolidated is that headed by Shawbrook Group Limited (formerly called Laidlaw Acquisitions Limited), incorporated in England and Wales.

