

**Registered number: 7381764**

**ABS-CBN Europe Remittance Limited**

**Report and financial statements**

**for the year ended 31 December 2016**



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**ABS-CBN Europe Remittance Limited**

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**Company Information**

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<b>Directors</b>	R L Lopez L C Bariuan
<b>Company secretary</b>	L C Bariuan
<b>Company number</b>	7381764
<b>Registered office</b>	117 Earls Court Road London SW5 9RL
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

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**Directors' report  
for the year ended 31 December 2016**

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Registered No. 7381764

The directors present their report and the financial statements for the year ended 31 December 2016.

**Principal activities**

The principal activity of the Company is the remittance of money from the United Kingdom to the Philippines.

**Directors**

The directors who served during the period were:

R L Lopez  
L C Bariuan

**Future developments**

The directors aim to maintain the management policies. They consider that the subsequent years will generate significant improvement in the results of the Company's operation.

**Going Concern**

The Company has considerable financial resources together with the financial support from its immediate parent company and existence of potential remitters across UK. As a consequence, the directors believe that the Company is placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have reasonable expectation that the Company have adequate resources to continue in operation existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Disclosure of information to the auditors**

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, being information needed by the auditor in connection with preparing its report, of which the Company's auditors are 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 information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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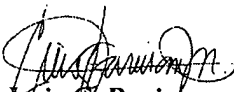
**ABS-CBN Europe Remittance Limited**

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**Directors' report  
for the year ended 31 December 2016**

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This report was approved by the board on 28 September 2017 and signed on its behalf.

  
**Luis C. Bariuan**  
Managing Director  
Date: Sept. 28, 2017



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**Directors' responsibilities statement  
for the year ended 31 December 2016**

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The directors are responsible for preparing the 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 estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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.

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**Independent auditors' report to the shareholders of ABS-CBN Europe Remittance Limited**

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We have audited the financial statements of ABS-CBN Europe Remittance Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance sheet and the related notes 1 to 12. 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Auditors' 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 on page 3, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the Director's Report and Financial Statements to identify material inconsistencies with the audited financial statements 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.

**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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent auditors' report to the shareholders of ABS-CBN Europe Remittance Limited**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

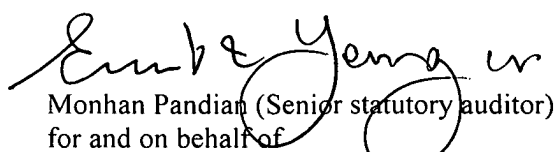
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Director's Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Director's Report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report and take advantage of the small companies exemption in preparing the Directors' Report.

  
Monhan Pandian (Senior statutory auditor)  
for and on behalf of  
**Ernst & Young LLP**  
Statutory Auditor  
London

Date     **29 SEP 2017**



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**ABS-CBN Europe Remittance Limited**  
**Registered number: 7381764**

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**Statement of comprehensive income**  
**for the year ended 31 December 2016**

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	Note	2016 £	2015 £
<b>TURNOVER</b>	3	<b>323,400</b>	331,831
Cost of services		<b>(266,364)</b>	(152,032)
<b>GROSS PROFIT</b>		<b>57,036</b>	179,799
Administrative expenses		<b>(263,164)</b>	(351,756)
Other operating income (loss)		<b>(6,610)</b>	(403)
<b>OPERATING LOSS</b>		<b>(212,738)</b>	(172,360)
Interest receivable and similar income		<b>214</b>	397
Interest payable and similar charges		<b>280</b>	–
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(212,244)</b>	(171,963)
Tax on loss on ordinary activities		–	–
<b>LOSS FOR THE FINANCIAL YEAR</b>	4	<b>(212,244)</b>	(171,963)

There is no comprehensive income attributable to the shareholders of the company other than the loss for the year.

The notes on pages 9 to 14 form part of these financial statements.

**Statement of changes in equity**  
**for the year ended 31 December 2016**

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	<b>Called up Share Capital (Note 10) £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
<b>At 1 January 2015</b>	<b>413,000</b>	<b>(321,481)</b>	<b>91,519</b>
Loss for the financial year	–	(171,963)	(171,963)
<b>At 31 December 2015</b>	<b>413,000</b>	<b>(493,444)</b>	<b>(80,444)</b>
Loss for the financial year	–	(212,244)	(212,244)
Shares issued	382,000	–	382,000
<b>At 31 December 2016</b>	<b>795,000</b>	<b>(705,688)</b>	<b>89,312</b>

The notes on pages 9 to 14 form part of these financial statements.

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**ABS-CBN Europe Remittance Limited**  
**Registered number: 7381764**

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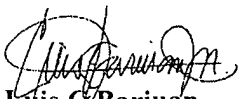
**Balance sheet**  
**as at 31 December 2016**

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	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	7	2,632	2,484
Other assets		–	1,573
		<b>2,632</b>	<b>4,057</b>
<b>CURRENT ASSETS</b>			
Debtors	8	206,126	262,393
Cash in bank		591,061	536,105
		<b>797,187</b>	<b>798,498</b>
<b>TOTAL ASSETS</b>		<b>799,819</b>	<b>802,555</b>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(710,507)	(882,999)
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<b>86,680</b>	<b>(84,501)</b>
<b>NET ASSETS (LIABILITIES)</b>		<b>89,312</b>	<b>(80,444)</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	795,000	413,000
Profit and loss account		(705,688)	(493,444)
<b>SHAREHOLDERS FUNDS (DEFICIT)</b>		<b>89,312</b>	<b>(80,444)</b>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102 Section 1A (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2017.

  
**Luis C. Bariuan**  
Managing Director  
Date: Sept. 28, 2017



The notes on pages 9 to 14 form part of these financial statements.

**Notes to the financial statements  
for the year ended 31 December 2016**

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**1. Statement of Compliance with FRS 102**

ABS-CBN Europe Remittance Limited is a limited liability Company incorporated in England. The registered office is 117 Earls Court Road, London, SW5 9RL.

The Company's financial statements for the year ended 31 December 2016 have been prepared in accordance with the provisions of Financial reporting Standard (FRS) 102 Section 1A *Small Entities*.

These financial statements are the first the Company has prepared in accordance with FRS 102.

On transition to FRS 102, the Company has applied the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 4 Statement Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

The Company has also taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

There were no material recognition or measurement differences arising on the adoption of FRS 102.

**2. Accounting policies**

**2.1 Fundamental accounting concept**

The accounts have been prepared on the going concern concept on the basis that ABS-CBN Global Limited (Parent Company) has agreed to provide financial support to the Company to enable it to continue operating and to meet its liabilities as they fall due. The financial statements do not include any adjustments that would result should continuing finance cease to be made available.

**2.2 Basis of preparation of financial statements**

The financial statements were authorized for issue by the board of directors on 15 September 2017.

The Company transitioned from previously extant UK GAAP to FRS 102 for all periods presented. There are no adjustments as a result of the transition to FRS 102. The financial statements have been prepared under the historical cost convention and in accordance with the FRS 102 (effective January 2015).

The financial statements are prepared in sterling which is its functional currency and all values are rounded to the nearest pounds (£), except when otherwise indicated.

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**Notes to the financial statements  
for the year ended 31 December 2016**

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**2.3 Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

*Taxation.* The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

**2.4 Revenue recognition**

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of consideration received, excluding discounts and value added tax (VAT).

**2.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Asset Type	
Fixtures & fittings	33% straight line
Computer equipment	20% straight line

**2.6 Foreign currencies**

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Notes to the financial statements  
for the year ended 31 December 2016**

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**2.7 Deferred tax**

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

**3. Turnover**

Turnover comprises revenue recognised by the Company in respect of services supplied during the period. None of the Company's turnover is attributable to geographical markets outside the United Kingdom.

**4. Profit or loss**

The profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the Company	1,227	2,248
Auditors' remuneration	6,000	11,087

During the year, no director received any emoluments.

**5. Auditors' remuneration**

In 2016, the Company paid £6,000 (2015: £11,087) to its auditors in respect of the audit of the financial statements. These fees paid to the Company's auditor were borne by its immediate parent company within the group.

Notes to the financial statements  
for the year ended 31 December 2016

6. Staff costs

	2016 £	2015 £
Wages and salaries	121,859	93,126
Social security costs	8,731	7,972
Other pension costs	4,011	1,574
	<b>134,601</b>	<b>102,672</b>

The average monthly number of employees during the year is composed of the following:

	2016 Number	2015 Number
Remittance operations	1	1
Marketing	1	1
Customer service	4	5
	<b>6</b>	<b>7</b>

7. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2016	4,865	7,139	12,004
Additions during the year	–	1,375	1,375
At 31 December 2016	<b>4,865</b>	<b>8,514</b>	<b>13,379</b>
<b>Depreciation</b>			
At 1 January 2016	4,863	4,657	9,520
Charge for the year	2	1,225	1,227
At 31 December 2016	<b>4,865</b>	<b>5,882</b>	<b>10,747</b>
<b>Net book value</b>			
At 31 December 2016	–	<b>2,632</b>	<b>2,632</b>
At 31 December 2015	2	2,482	2,484

**Notes to the financial statements  
for the year ended 31 December 2016**

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**8. Debtors**

	2016 £	2015 £
Amounts owed by group undertakings	201,652	256,267
Prepayments	299	2,979
Other debtors	4,175	3,147
	<b>206,126</b>	<b>262,393</b>

**9. Creditors:  
Amounts falling due within one year**

	2016 £	2015 £
Amounts owed to group undertakings	648,721	783,036
Amounts owed to customers	22,831	58,020
Other creditors	38,955	41,943
	<b>710,507</b>	<b>882,999</b>

**10. Share capital**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
At beginning of year (413,000 - Ordinary shares of £1 each)	413,000	413,000
Shares issued (382,000 - Ordinary shares of £1 each)	382,000	—
At end of year (795,000 - Ordinary shares of £1 each)	<b>795,000</b>	<b>413,000</b>

On 26 April 2016, the Company filed for an increase in its paid-in capital from £413,000 to £563,000 by issuing additional 150,000 shares with par value of £1 per share in favor of ABS-CBN Europe Limited, its immediate parent company.

On 31 December 2016, the directors of the Company approved the increase in its paid-in capital from £563,000 to £795,000. The said increase were subscribed by ABS-CBN Europe Limited through conversion of its advances to the Company amounting to £232,000.



**Notes to the financial statements  
for the year ended 31 December 2016**

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**11. Income tax**

	2016 £	2015 £
<b>Current tax</b>		
Total tax per income statement	–	–

Total charge for the year can be reconciled to the profit per Statement of Comprehensive Income as follows:

	2016 £	2015 £
Loss for the financial year	<b>(212,244)</b>	(171,963)
Tax on loss at standard UK tax rate of 20.00% (2015: 20.25%)	<b>(42,449)</b>	(34,823)
Effects of:		
Losses	<b>42,449</b>	34,823
Tax charge for the financial year	–	–

**11. Related party transactions**

As a wholly owned subsidiary of ABS-CBN Corporation, the Company has availed itself of the exemption in the FRS 102 (effective January 2015) from disclosing related party transactions with other wholly owned group undertakings.

**12. Ultimate parent undertaking and controlling party**

The Company's ultimate parent undertaking is Lopez Inc., a company registered in the Philippines.

The smallest and largest group of undertakings for which group accounts are drawn up is that headed by Lopez Inc., a company registered in the Philippines. Copies of the accounts of Lopez Inc. are publicly available and can be obtained from Philippine Stock Exchange or their official company website: <http://lopez-holdings.ph/>.