

**NORTH WEST LOANS LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 March 2017**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS 2017**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D Staziker  
G Thorley (appointed 4 April 2016)  
K O'Leary  
M Owen

**SECRETARY**

J Oates

**REGISTERED OFFICE**

1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

**BANKERS**

Barclays Bank Plc  
PO Box 69  
Queen Street  
Cardiff  
CF10 1SG

**AUDITOR**

Deloitte LLP  
5 Callaghan Square  
Cardiff  
CF10 5BT

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2017.

This directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

### **BUSINESS REVIEW, PRINCIPAL ACTIVITIES AND EVENTS AFTER THE BALANCE SHEET DATE**

The principal activity of the Company is to act as the carried interest partner for the North West Funds for Business Loans Limited Partnership, the Tees Valley Catalyst Limited Partnership and the NE Property Fund Limited Partnership. The Company will potentially receive a share of any residual profits at the time of winding up such Limited Partnership in accordance with the fund management service arrangement to which this company is party.

The directors expect the general level of activity to remain consistent with 2017 in the forthcoming year.

The financial position of the Company is set out in the balance sheet on page 7.

There have been no significant events since the balance sheet date.

### **GOING CONCERN**

The Company is the carried interest partner for a partnership that works closely with Small and Medium Sized Enterprises ("SMEs").

As stated above, the principal activity of the Company is to act as the carried interest partner for the North West Funds for Business Loans Limited Partnership, the Tees Valley Catalyst Limited Partnership and the NE Property Fund Limited Partnership. The Company will potentially receive a share of any residual profits at the time of winding up such Limited Partnership in accordance with the Limited Partnership agreement to which this Company is party. Until such time, the Company will not make losses and will maintain a net asset position as it incurs no charges.

After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is part of the Finance Wales Group. Note 21 of the Finance Wales plc financial statements includes the Group's objectives, policies and processes around managing capital risk, its financial risk management objectives; and its exposure to market, credit and liquidity risk.

### **DIVIDENDS**

The directors cannot recommend the payment of a dividend (2016 - £nil).

### **DIRECTORS**

The directors of the company, who served throughout the financial year and subsequently to the date of this report unless stated otherwise, are as shown on page 1.

**DIRECTORS' REPORT (continued)**

**AUDITOR**

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Group has a policy of tendering the external audit every five years. The audit was tendered in the prior year when the incumbents Deloitte were reappointed.

Approved by the Board of Directors  
and signed on behalf of the Board



J Oates  
Company Secretary

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual 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 judgements and accounting estimates that are reasonable and prudent; 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NORTH WEST LOANS LIMITED**

We have audited the financial statements of North West Loans Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, incorporating the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 9. 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 FRS 101, "Reduced Disclosure Framework".

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 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 annual report 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 March 2017 and of its result 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, 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; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF NORTH WEST LOANS 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; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing a strategic report or in preparing the directors' report.



**David Heaton**  
**Senior Statutory Auditor**  
**for and on behalf of Deloitte LLP**  
Statutory Auditor  
Cardiff, United Kingdom

5 September 2017



# NORTH WEST LOANS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME, INCORPORATING THE PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2017

|   | Note | 2017<br>£ | 2016<br>£ |
|---|------|-----------|-----------|
| <b>Turnover</b>   |      | -         | -         |
| Other administrative expenses   |      | -         | -         |
| <b>OPERATING RESULT</b>   |      | -         | -         |
| <b>RESULT BEFORE TAXATION</b>   |      | -         | -         |
| Tax on result   | 4    | -         | -         |
| <b>RESULT FOR THE FINANCIAL YEAR AND TOTAL<br/>COMPREHENSIVE INCOME ATTRIBUTABLE TO<br/>OWNERS OF THE COMPANY</b> |      | -         | -         |

All activities in both the current and preceding period derive from continuing operations.

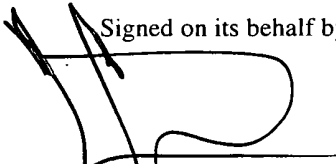
# NORTH WEST LOANS LIMITED

## BALANCE SHEET At 31 March 2017

|  | Note | 2017<br>£      | 2016<br>£      |
|--|------|----------------|----------------|
| <b>FIXED ASSETS</b>  |      |                |                |
| Available-for-sale financial assets                            | 5    | 84,671         | 260            |
|  |      | <u>84,671</u>  | <u>260</u>     |
| <b>CURRENT ASSETS</b>  |      |                |                |
| Debtors  |      |                |                |
| - due after one year   | 6    | 184,401        | 99,990         |
| Cash at bank and in hand                                       |      | 1              | 1              |
|  |      | <u>184,402</u> | <u>99,991</u>  |
| <b>NET CURRENT ASSETS</b>                                      |      | <u>184,402</u> | <u>99,991</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | <u>269,073</u> | <u>100,251</u> |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 7    | (269,072)      | (100,250)      |
| <b>NET ASSETS</b>  |      | <u>1</u>       | <u>1</u>       |
| <b>CAPITAL AND RESERVES</b>                                    |      |                |                |
| Called-up share capital  | 8    | 1              | 1              |
| Profit and loss account  |      | -              | -              |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>                               |      | <u>1</u>       | <u>1</u>       |

The financial statements of North West Loans Limited, registered number 07397297, were approved by the Board of Directors and authorised for issue on 21 August 2017.

Signed on its behalf by

  
Giles Thorley  
Director

# NORTH WEST LOANS LIMITED

## STATEMENT OF CHANGES IN EQUITY At 31 March 2017

|                                 | Share<br>capital<br>£ | Profit and<br>loss<br>account<br>£ | Total<br>£ |
|---------------------------------|-----------------------|------------------------------------|------------|
| <b>Balance at 1 April 2015</b>  | 1                     | -                                  | 1          |
| Result for the period           | -                     | -                                  | -          |
|                                 | <hr/>                 | <hr/>                              | <hr/>      |
| <b>Balance at 31 March 2016</b> | 1                     | -                                  | 1          |
|                                 | <hr/>                 | <hr/>                              | <hr/>      |
| Result for the period           | -                     | -                                  | -          |
|                                 | <hr/>                 | <hr/>                              | <hr/>      |
| <b>Balance at 31 March 2017</b> | 1                     | -                                  | 1          |
|                                 | <hr/>                 | <hr/>                              | <hr/>      |

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2017**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

**Basis of accounting**

North West Loans Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors Report on pages 2 - 3.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) '*Reduced Disclosure Framework*' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a statement of cash flows and standards not yet effective. Where required, equivalent disclosures are given in the Group accounts of Finance Wales plc. The Group accounts of Finance Wales Plc are available to the public and can be obtained as set out in note 9.

**Going concern**

The Company is the carried interest partner for a partnership that works closely with SMEs. The principal activity of the Company is to act as the carried interest partner for the North West Funds for Business Loans Limited Partnership, the Tees Valley Catalyst Limited Partnership and the NE Property Fund Limited Partnership and will potentially receive a share of any residual profits at the time of winding up such Limited Partnership in accordance with the Limited Partnership agreement to which this Company is party. Until such time, the Company will not make losses and will maintain a net asset position as it incurs no charges.

After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**Taxation**

**Current Tax**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2017

#### 1. ACCOUNTING POLICIES (continued)

##### **Taxation (continued)**

##### Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

##### Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### ***Financial Liabilities and Equity***

Debt and equity instruments are classified as either financial liabilities or equity instruments according to the substance of the contractual arrangements.

##### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2017

#### 1. ACCOUNTING POLICIES (continued)

##### Related party transactions

In accordance with the exemption conferred by paragraph 8 (j) of FRS 101 "Reduced Disclosure Framework" the Company has not disclosed transactions with other Group companies, where 100% of the voting rights are controlled by the group.

##### Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

##### *Going Concern*

In preparing the financial statements, the directors have concluded that the Company is a going concern and have assumed that it will be able to continue to trade in line with its business plan, realising the value of assets and liabilities in the normal course of business.

This judgement has significant impact on the valuation and presentation of the balance sheet as, if the Company were no longer a going concern, the carrying value would need to be restated to market value for assets and settlement values for liabilities. Significant items affected would include non-current assets, loans, and deferred income.

##### Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 2. AUDITOR'S REMUNERATION

The fees payable to the Company's auditor for the statutory audit of the Company's annual accounts of £2,800 (2016 - £2,800) have been paid by FW Capital Limited and were not recharged.

#### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any emoluments from the Company in the current or the prior financial year. It is not practicable to allocate their remuneration between their services as directors of this Company and other group companies. Further details of directors' remuneration are presented in the financial statements of Finance Wales plc and Finance Wales Investments Limited.

The directors were the only employees of the Company during the current and the prior financial year.

#### 4. TAX ON RESULT ON ORDINARY ACTIVITIES

There is no taxation charge for the current or the prior financial year due to the results in the financial periods.

There is no difference between the current taxation and the amount calculated by applying the standard rate of UK corporation tax to the result before tax.

From 1 April 2016, the main rate of corporation tax reduced to 20%. In March 2016, the government announced further reductions in the main rate of corporation tax to 19% from 1 April 2017 and 17% from 1 April 2020. These changes were substantively enacted in September 2016. The reduction in rate is not anticipated to materially affect the future tax charge of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 March 2017

#### 5. AVAILABLE-FOR-SALE FINANCIAL ASSETS

| Available-for-sale investments | 2017<br>£     | 2016<br>£  |
|--------------------------------|---------------|------------|
| Equity investments             | 84,671        | 260        |
| Less impairment                | -             | -          |
| <b>Total investments</b>       | <b>84,671</b> | <b>260</b> |

The investments included within available for sale investments represent shares in unlisted limited companies or partnerships.

20% or more of the capital is held in the following investment:

| Name                          | Place of incorporation (or registration) and operation | Proportion of ownership interest % | Proportion of voting power held % |
|-------------------------------|--|------------------------------------|-----------------------------------|
| North West Mezzanine Loans LP | UK   | 20                                 | 20                                |

The registered office address of North West Mezzanine Loans LP is 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ. The principal activity of the limited partnership is to provide investment support to Small and Medium Enterprises ("SMEs") in the North West of England.

Although the company may hold more than 20% of the equity of certain companies, the directors consider that, in view of the current investment objectives of the company and Finance Wales having no significant influence over the day-to-day operations of those companies, it would not be appropriate to treat these holdings as investments in associated undertakings.

#### 6. DEBTORS

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| <b>Amounts falling due after more than one year:</b> |           |           |
| Amounts due from other group companies               | 184,401   | 99,990    |

Amounts due from group companies are interest free and no formal repayment terms have been set.

#### 7. CREDITORS

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| <b>Amounts falling after more than one year:</b> |           |           |
| Amounts owed to group undertakings               | 269,072   | 100,250   |

Amounts owed to group companies are interest free and no formal repayment terms have been set.

#### 8. CALLED UP SHARE CAPITAL

|   | 2017<br>£ | 2016<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 1 ordinary share of £1                    | 1         | 1         |

The Company has one class of ordinary shares which carry no right to fixed income

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

**9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The Company's immediate parent undertaking is Finance Wales plc, a Company incorporated in England and Wales. Finance Wales plc is the parent of the smallest and largest group of which the Company is a member and for which consolidated financial statements are prepared. The registered office address of Finance Wales plc is 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ. Copies of the group financial statements of Finance Wales plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

Finance Wales plc regards the Welsh Ministers, acting through the Welsh Government (formerly the Welsh Assembly Government), as the ultimate controlling party.