

together.[®]
Common sense lending

Factfocus Limited

Annual Report and Financial Statements

For the year ended 30 June 2017

Company Registration No. 01402330



Factfocus Limited

Annual report and financial statements for the year ended 30 June 2017

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Statement of directors' responsibilities	5
Independent auditor's report	6
Financial statements	8
Notes to the financial statements	11

Officers and professional advisers

Directors

HN Moser
GD Beckett
MR Goldberg

Chief Executive Officer

Secretaries

SE Batt
NA Dale
GD Beckett

(Appointed 13 April 2017)
(Appointed 6 September 2016, Resigned 13 April 2017)
(Resigned 6 September 2016)

Registered office

Lake View
Lakeside
Cheadle
Cheshire
SK8 3GW

Auditor

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF

Principal banker

The Royal Bank of Scotland PLC
135 Bishopsgate
London
EC2M 3UR

Strategic report

The directors present their annual report and the audited financial statements for the year ended 30 June 2017.

Business review

Business model and strategy

The principal activity of Factfocus Limited ('the Company') continues to be that of property investment. The Company is a wholly-owned subsidiary of Together Financial Services Limited (formerly Jerrold Holdings Limited) which, with its subsidiaries, operates as the Together Group of businesses. All operations are located at its head office.

Group restructuring

During the year the majority shareholders of Together Financial Services Limited indirectly acquired the equity interest of the minority shareholders. The related transactions resulted in a series of holding companies being incorporated above the Together Group, the ultimate parent being Redhill Famco Limited. The largest group of which the Company is a member, and for which group financial statements will be drawn up, is that headed by Redhill Famco Limited ('the Redhill Group').

Results and dividends

As shown in the Company's statement of comprehensive income on page 8, profit after tax has decreased to £16,000 (2016: £29,800).

A dividend of £1,000,000 was paid during the year (2016: £nil). The directors do not recommend the payment of a further dividend.

Liquidity

The Company is financed by its parent company, Together Financial Services Limited. The Company is indirectly financed by the other group companies which constitute the Redhill Group.

Principal risks and uncertainties

Credit risk

Credit risk is the risk of suffering financial loss should debtors default on their contractual obligations.

The Company has limited credit risk as its assets other than inventories are mainly amounts due from group undertakings.

Liquidity and funding risk

Liquidity risk is the risk that the Company is unable to meet its current and future financial obligations as they fall due, or can do so only at excessive cost.

The Company and the Redhill Group actively monitor and consider compliance with their funding covenants, including formal monthly reporting and by performing stress-test analysis as part of the budgeting and forecasting process.

Market risk

Market risk is the risk of loss as a result of the value of financial assets or liabilities being adversely affected by movements in market rates or prices.

The Company is exposed to fluctuations in property prices which may be influenced among other things by general business and economic conditions.

Strategic report (continued)

Principal risks and uncertainties (continued)

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Company aims to have in place a robust framework to manage operational risks, including systems, controls, policies and procedures. The Company has taken steps to ensure that the IT infrastructure is robust so as to meet operational performance needs and is sufficiently resilient. There is a documented and tested business continuity plan in place to enable the Company to recover operations in the event of an incident. As for many institutions, the Company's principal external risk it faces is the increased cyber risk prevalent across the industry. The Company as part of the Together Group has invested heavily in this area over many years and its systems have proven robust against all the recently publicised attacks.

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



GD Beckett
Chief Financial Officer
8 December 2017

Directors' report

Directors

The directors of the Company are set out on page 1.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Environment

As the Company operates in the property investment sector, its actions do not have a significant environmental impact. However, the Company does recognise the importance of the environment, and acts to minimise its impact on the environment wherever it can, including recycling and reducing energy consumption.

Statement of going concern

As set out in the statement of directors' responsibilities, the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Company is reliant on its parent company, Together Financial Services Limited, for a significant proportion of its funding. The Board of Together Financial Services Limited has confirmed that it is a going concern and that it will provide funding to the Company for the foreseeable future.

The directors of the Company have considered the Company's forecast funding and liquidity positions and applied reasonable sensitivities thereon in order to confirm that the preparation of the Company's financial statements on a going concern basis is appropriate.

On the basis the Company has adequate funding as detailed above, together with its current performance and financial position, the directors have a reasonable expectation that the Company will have sufficient funding and liquidity facilities to ensure that it will continue in operational existence for the foreseeable future. Accordingly, the directors of the Company have adopted the going concern basis in preparing financial statements.

Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company is contained in the strategic report.

Audit information

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

- as 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 he ought to have taken as a director to make himself aware of any audit information and to establish that the Company's auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provisions of S418(2) of the Companies Act 2006.

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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



GD Beckett
Chief Financial Officer
8 December 2017

Statement of directors' responsibilities

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), including FRS 101 Reduced Disclosure Framework. 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 year. 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; 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 its 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.

Independent auditor's report

Independent auditor's report to the members of Factfocus Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Factfocus Limited (the 'Company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related Notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report (continued)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

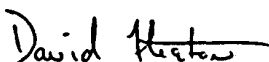
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



David Heaton (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester
8 December 2017

Statement of comprehensive income

Year ended 30 June 2017

Unless otherwise indicated, all amounts are stated in £000

Income statement	Note	2017	2016
Interest receivable and similar income	4	50.0	36.0
Interest payable and similar charges	5	-	(0.6)
Net interest income		50.0	35.4
Fee and commission expense	6	(2.4)	-
Other income	7	0.6	7.7
Operating income		48.2	43.1
Administrative expenses	8	(28.6)	(13.2)
Profit before taxation		19.6	29.9
Income tax	9	(3.6)	(0.1)
Profit after taxation		16.0	29.8

The results for the current and preceding years relate entirely to continuing operations. There is no other comprehensive income in either year.

Statement of financial position

As at 30 June 2017


Unless otherwise indicated, all amounts are stated in £000

	Note	2017	2016
Assets			
Cash and cash equivalents		21.5	124.2
Inventories	10	850.5	839.7
Other assets	11	139.9	638.5
Investment property	12	-	45.0
Investments		2.1	2.1
Total assets		1,014.0	1,649.5
Liabilities			
Other liabilities	13	621.8	276.9
Current tax liabilities		10.9	4.4
Deferred tax liability	14	50.1	53.0
Total liabilities		682.8	334.3
Equity			
Share capital	15	200.0	200.0
Retained earnings		131.2	1,115.2
Total equity		331.2	1,315.2
Total equity and liabilities		1,014.0	1,649.5

These financial statements were approved by the Board of Directors on 8 December 2017.

Company Registration No. 01402330

Signed on behalf of the Board of Directors



HN Moser
Director



GD Beckett
Director

Statement of changes in equity

Year ended 30 June 2017

Unless otherwise indicated, all amounts are stated in £000

2017	Share capital	Retained earnings	Total
At beginning of the year	200.0	1,115.2	1,315.2
Profit for the year	-	16.0	16.0
Dividend	-	(1,000.0)	(1,000.0)
At end of the year	200.0	131.2	331.2

2016	Share capital	Retained earnings	Total
At beginning of the year	200.0	1,085.4	1,285.4
Profit for the year	-	29.8	29.8
At end of the year	200.0	1,115.2	1,315.2

Notes to the financial statements

1. Reporting entity and general information

Factfocus Limited is incorporated and domiciled in the UK and limited by shares. The registered address of the Company is Lake View, Lakeside, Cheadle, Cheshire, SK8 3GW. The Company is primarily involved in property investment.

2. Significant accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, *Reduced Disclosure Framework* (FRS 101). This applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) but provides certain exemptions from the disclosure requirements of IFRS.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the individual accounting policies.

The Company has taken advantage of the disclosure exemptions under FRS 101 in relation to presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective and related party transactions. Consolidated financial statements are prepared by the Company's parent, Together Financial Services Limited.

Going concern

The directors have assessed, in the light of current and anticipated economic conditions, the Redhill Group's ability to continue as a going concern. The directors confirm they are satisfied that the Company and the Redhill Group have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going-concern basis for preparing accounts.

Interest receivable

Interest income and expense are recognised in the statement of comprehensive income for all instruments measured at amortised cost using the effective interest rate method.

Fee and commission expense

Fees and commissions which are an integral part of the effective interest rate of a financial instrument are recognised as an adjustment to the contractual interest rate and recorded in interest income. Fees and commissions which are not considered integral to the effective interest rate are generally recognised on an accruals basis when the service has been provided. Fees and commissions expenses primarily consist of legal and valuation fees and credit search fees.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding amounts used for taxation purposes, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. 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.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the year 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 reporting date.

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 the Company intends to settle its current tax assets and liabilities on a net basis.

Cash and cash equivalents

Cash comprises cash in hand, demand deposits and bank overdrafts. Cash equivalents comprise highly liquid investments which are convertible into cash with an insignificant risk of changes in value with a maturity of three months or less at the date of acquisition, including short-term highly liquid debt securities.

Inventories

Inventories consist of stock properties and are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Financial assets & liabilities

Financial assets

The majority of the Company's financial assets are now amounts owed by group undertakings that are initially measured at fair value. All financial assets are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less impairment losses.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset have expired or where substantially all the risks and rewards of ownership have been transferred.

Financial liabilities

All the Company's financial liabilities are designated as financial liabilities at amortised cost and largely consist of amounts owed to Group undertakings. A financial liability is measured initially at fair value less the transaction costs that are directly attributable to its issue. Interest and fees payable are recognised in the statement of comprehensive income using the effective interest rate method.

Financial liabilities are derecognised when their contractual obligations are discharged, cancelled or have expired.

Impairment of financial assets

The Company regularly assesses whether there is evidence that financial assets are impaired. Financial assets are impaired and impairment losses incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the assets and prior to the reporting date and that have had an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred, discounted at the original effective interest rate. All impairment losses are reviewed at least at each reporting date. If subsequently the amount of the loss decreases as a result of a new event, the relevant element of the outstanding impairment loss is reversed. Impairment losses and any subsequent reversals are recognised in the income statement.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics.

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £000

2. Significant accounting policies (continued)

Investment property

A valuation of investment property is made annually as at the reporting date by the directors, at fair value based upon valuations conducted by external chartered surveyors. Changes in the fair value of investment property are included in the income statement in the year in which they are recognised.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the income statement.

Investments

Fixed asset investments are stated at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

3. Critical accounting estimates and judgements

In applying the accounting policies set out above, the Company makes significant estimates and assumptions that affect the reported amounts of assets and liabilities as follows:

Revenue

Interest income

The effective interest rate method applies a rate that discounts estimated future cash payments or receipts relating to a financial instrument to its net carrying amount. The estimated future cash flows take into account all contractual terms of the financial instrument including transaction costs and all other premiums or discounts but not future credit losses. Models are reviewed at least annually to assess expected lives of groups of assets based upon actual repayment profiles. See note Note 4 for further disclosure on interest income.

4. Interest receivable and similar income

	2017	2016
Interest receivable from intergroup loans	50.0	36.0

5. Interest payable and similar charges

	2017	2016
Other interest	-	0.6

6. Fee and commission expense

	2017	2016
Insurance commissions and charges	2.4	-

7. Other income

	2017	2016
Rental income	3.2	7.7
Loss on disposal of investment property	(2.6)	-
	0.6	7.7

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £000

8. Administrative expenses

	2017	2016
Administrative costs	28.6	13.2

Company overheads, including directors' emoluments, wages and salaries, office administration costs, and auditor remuneration are borne by a fellow subsidiary company of Together Financial Services Limited, Blemain Finance Limited and are recharged to companies within the Together Group on a proportionate basis.

The audit fee borne by Blemain Finance Limited in respect of the Company in 2017 is £500.

9. Income tax

	2017	2016
Current tax		
Corporation tax	10.9	4.4
Adjustment in respect of previous years	(4.4)	-
	6.5	4.4
Deferred tax		
Origination and reversal of temporary differences	(7.1)	1.6
Adjustment in respect of prior years	11.4	-
Effect of changes in tax rate	(7.2)	(5.9)
Total deferred tax	(2.9)	(4.3)
Total tax on profit	3.6	0.1

Corporation tax is calculated at 19.75% (2016: 20.00%) of the estimated profit for the year. Amounts in respect of prior years relate to the finalisation of the adjustments on transition to IFRS.

The differences between the Company tax charge for the period and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2017	2016
Profit before tax	19.6	29.9
Tax on profit at standard UK corporation tax rate of 19.75%/20.00%	3.9	6.0
Effects of:		
Expenses not deductible for tax purposes	(0.1)	-
Changes in tax rates	(7.2)	(5.9)
Adjustment in respect of prior years	7.0	-
Tax charge for year	3.6	0.1

10. Inventories

	2017	2016
Properties held for resale	850.5	839.7

11. Other assets

	2017	2016
Amounts owed by group undertakings	137.9	637.0
Prepayments and accrued income	2.0	1.5
	139.9	638.5

Notes to the financial statements (continued)

Unless otherwise indicated, all amounts are stated in £000

12. Investment property

	2017	2016
At beginning of year	45.0	45.0
Disposal during the year	(45.0)	-
	-	45.0

13. Other liabilities

	2017	2016
Amounts owed to group undertakings	568.2	213.7
Other creditors	53.6	62.0
Accruals and deferred income	-	1.2
	621.8	276.9

14. Deferred tax

	2017	2016
Deferred taxation liability		
At beginning of year	53.0	57.3
Charge to income statement	(2.9)	(4.3)
	50.1	53.0

The deferred tax liability comprises short term timing differences.

15. Share capital

All amounts are stated in pounds.

	2017	2016
Authorised, called-up, allotted and fully paid		
200,000 ordinary shares of £1 each	200,000	200,000

16. Contingent liabilities

As at 30 June 2017, the Company's assets, along with those of the Together Group's assets were subject to a fixed and floating charge in respect of £575m senior secured notes (2016: £300m) and £nil in respect of bank borrowings (30 June 2016: £29m).

17. Ultimate parent company

The Company is a subsidiary undertaking of Together Financial Services Limited, a company incorporated in Great Britain and registered in England and Wales.

The smallest group of which the Company is a member, and for which group financial statements are drawn up, is that headed by Together Financial Services Limited. The largest group of which the Company is a member, and for which group financial statements will be drawn up, is that headed by Redhill Famco Limited. The principal place of business for Together Financial Services and Redhill Famco Limited, where copies of the financial statements can be obtained, is Lake View, Lakeside, Cheadle, Cheshire, United Kingdom, SK8 3GW. Together Financial Services Limited and Redhill Famco Limited are both privately owned and limited by shares.