

Registered number: 06994591

CONSUMER MONEY MATTERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013



CONSUMER MONEY MATTERS LIMITED

COMPANY INFORMATION

Directors	D Fuher A Crossman T Dinan (appointed 1 November 2013) M Swann (appointed 1 November 2013) G White (appointed 1 November 2013) J Hudson (resigned 9 August 2013) P Wood (resigned 30 October 2013)
Registered number	06994591
Registered office	Reynard House 37 Welford Road Leicester LE2 7AD
Independent auditors	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	Barclays Bank Plc Meridian Business Park Leicester LE19 1RP
Solicitors	Nelsons Solicitors LLP Provincial House 37 New Walk Leicester LE1 6TU

CONSUMER MONEY MATTERS LIMITED

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CONSUMER MONEY MATTERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Principal activity

The principal activity of the company is an introducer for claims management services and other ancillary financial services.

Results and dividends

The profit for the year, after taxation, amounted to £1,170,432 (2012: £2,471,516).

The company paid a dividend of £nil (2012: £2,000,000) during the year. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

D Fuher
A Crossman
T Dinan (appointed 1 November 2013)
M Swann (appointed 1 November 2013)
G White (appointed 1 November 2013)
J Hudson (resigned 9 August 2013)
P Wood (resigned 30 October 2013)

Charitable contributions

Charitable donations of £2,563 (2012: £12,897) were made during the year to the Cape Verde Kids 2 Care 4 Charity.

CONSUMER MONEY MATTERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

Disclosure of information to 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 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 relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 18.6.2014 and signed on its behalf.



D Fuher
Director

CONSUMER MONEY MATTERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Business review

The profit and loss account is set out on page 6, and shows turnover for the year of £15,844,786 (2012: £32,472,688) and a trading profit before exceptional costs of £1,410,950 (2012: £2,896,869). Turnover has fallen by 51.2% from 2012, however, trading profit margin before exceptional items has been maintained at a margin of 8.9% as a result of cost management and control. At 31 December 2013, the company had net assets of £8,038,078 (2012: £6,867,646).

Turnover has been adversely impacted in our claims management services business and has reduced by £15.3m from 2012. This is primarily due to factors outside of management's control, due to a slowdown by Financial Institutions in the acceptance and payment of Payment Protection Insurance ("PPI") to customers, policies to suppress claim sizes, and an increasing backlog of claims held at the Financial Ombudsman Service ("FOS"). In addition, income from our financial planning introduction service has reduced by £1.3m following regulatory issues and a number of our business partners no longer operating in this sector.

The business has no external funding, and is financed by cash and utilises intercompany funding as required, therefore has minimal exposure to interest rate and cashflow risk.

Principal risks and uncertainties

The principal risk is considered to be changes to the Ministry of Justice rules, both directly or under the influence of the Financial Conduct Authority ("FCA"). Any reactions to changes in rules by the Financial Institutions may present delays in successfully completing business, and timing of revenues. Senior management have continued to co-operate with all external regulatory bodies and strive to maintain a close and open working relationship with Financial Institutions.

In addition, the company faces the risk of customer complaints and the loss of sales advisors and other key staff. The company seeks to manage customer complaints through ensuring adherence to high business standards and through delivery of comprehensive trading to sales advisory and related support staff. Furthermore, the business maintains suitable professional indemnity cover.

Financial key performance indicators

The business uses a number of key performance indicators to manage its overall performance.

	2013	2012
Debtor Days	21	20

There has been no major change in debtor days from the prior year.

This report was approved by the board on

18.6.2014

and signed on its behalf.



D Fuher
Director

CONSUMER MONEY MATTERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONSUMER MONEY MATTERS LIMITED

We have audited the financial statements of Consumer Money Matters Limited for the year ended 31 December 2013, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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, 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 Strategic report and the Directors' 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 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

CONSUMER MONEY MATTERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONSUMER MONEY MATTERS 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.

PKF Cooper Parry Group Limited

Kevin Harris (Senior Statutory Auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 18.6.2014

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Turnover	1,2	15,844,786	32,472,688
Administrative expenses		(14,719,879)	(29,608,319)
Other operating income		42,044	32,500
		<hr/>	<hr/>
Trading profit		1,410,950	2,896,869
Exceptional items	6	(243,999)	-
Operating profit	3	1,166,951	2,896,869
Interest receivable and similar income		10,333	10,849
Amounts written off investments		-	(221,000)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,177,284	2,686,718
Tax on profit on ordinary activities	7	(6,852)	(215,202)
		<hr/>	<hr/>
Profit for the financial year	13	1,170,432	2,471,516
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.


The notes on pages 8 to 17 form part of these financial statements.

CONSUMER MONEY MATTERS LIMITED
REGISTERED NUMBER: 06994591

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	2012 £
Fixed assets				
Intangible assets	8		52,800	66,000
Current assets				
Debtors	10	9,331,822	7,582,477	
Cash at bank and in hand		47,117	792,663	
		<u>9,378,939</u>	<u>8,375,140</u>	
Creditors: amounts falling due within one year	11	<u>(1,393,661)</u>	<u>(1,573,494)</u>	
Net current assets			<u>7,985,278</u>	<u>6,801,646</u>
Net assets			<u>8,038,078</u>	<u>6,867,646</u>
Capital and reserves				
Called up share capital	12		100	100
Profit and loss account	13		<u>8,037,978</u>	<u>6,867,546</u>
Shareholders' funds	14		<u>8,038,078</u>	<u>6,867,646</u>

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

18.6.2014


D Fuher
 Director

The notes on pages 8 to 17 form part of these financial statements.

CONSUMER MONEY MATTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group headed by the immediate and ultimate parent company, Carrington Carr Holdings Limited, whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of fees and commissions receivable for services provided. Refunds due on any fees received are recognised as and when these become known.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated useful economic life.

Amortisation is provided at the following rates:

Goodwill	-	5 years straight line
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1.5 Investments

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

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. Turnover

An analysis of turnover by class of business is as follows:

	2013 £	2012 £
Claims management services	15,001,956	30,306,138
Financial planning service introduction	781,990	2,095,744
Other	60,840	70,806
	<u>15,844,786</u>	<u>32,472,688</u>

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2013 £	2012 £
Amortisation - intangible fixed assets	13,200	-
Auditors' remuneration	11,500	12,500
Auditors' remuneration - non-audit	2,625	2,525
Operating lease rentals: - plant and machinery	43,369	37,414
	<u>70,704</u>	<u>52,439</u>

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	5,127,961	6,460,181
Social security costs	482,043	639,849
Other pension costs	2,323	4,520
	<u>5,612,327</u>	<u>7,104,550</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Office and management	103	122
Sales and marketing	106	124
	<u>209</u>	<u>246</u>

Employee numbers and costs relate to the cost of employees who have a contract of employment with fellow subsidiary undertaking Carrington Carr Group Services Limited. Carrington Carr Group Services Limited incurs and pays the related payroll cost for these employees and subsequently charges the cost to the respective fellow subsidiary undertaking which the employee works for.

5. Directors' remuneration

Certain directors are remunerated via the company as detailed below:

	2013 £	2012 £
Remuneration	<u>32,814</u>	<u>-</u>

Certain other directors are remunerated via the parent company, Carrington Carr Holdings Limited in respect of the group as a whole. Directors emoluments in respect of such directors, included within Carrington Carr Holdings Limited are:

	2013 £	2012 £
Remuneration	<u>372,083</u>	<u>123,228</u>

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. Exceptional items

Exceptional costs included in administrative expenses are detailed below:

	2013 £	2012 £
Restructuring costs	214,104	-
Intercompany debt waiver	29,895	-
	243,999	-

7. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	8,801	100,687
Adjustments in respect of prior periods	(1,949)	114,515
	6,852	215,202

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012: lower than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	1,177,284	2,686,718
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	273,718	658,173
Effects of:		
Expenses not deductible for tax purposes	8,983	62,352
Income not taxable for tax purposes	-	(315,280)
Adjustments in respect of prior periods	(1,949)	114,515
Other differences leading to an increase in the tax charge	44,203	-
Group relief claimed	(318,103)	(304,273)
Other short term timing differences	-	(285)
	6,852	215,202

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2013 and 31 December 2013	66,000
Amortisation	
At 1 January 2013	-
Charge for the year	13,200
At 31 December 2013	13,200
Net book value	
At 31 December 2013	52,800
At 31 December 2012	66,000

9. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 January 2013 and 31 December 2013	731,000
Impairment	
At 1 January 2013 and 31 December 2013	731,000
Net book value	
At 31 December 2013	-
At 31 December 2012	-

In earlier years a total of £731,000 has been invested in Integrated Planning Opportunities No.14 LLP and Integrated Planning Opportunities No.9 LLP, property development partnerships. Due to the level of uncertainty over the extent of any future returns on these investments, full provision has been made against their carrying value.

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. Debtors

	2013	2012
	£	£
Due after more than one year		
Amounts owed by group undertakings	-	28,426
Due within one year		
Trade debtors	289,092	116,901
Amounts owed by group undertakings	2,833,790	3,184,612
Amounts owed by associates	5,909,064	3,792,354
Amounts owed by related parties	137,535	-
Other debtors	10,880	101,923
Prepayments and accrued income	151,461	358,261
	9,331,822	7,582,477
	9,331,822	7,582,477

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

	2013	2012
	£	£
Trade creditors	40,241	148,936
Amounts owed to group undertakings	151,260	403,602
Amounts owed to related parties	215,210	-
Corporation tax	8,801	-
Other taxation and social security	436,148	-
Accruals and deferred income	542,001	1,020,956
	1,393,661	1,573,494
	1,393,661	1,573,494

12. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	100	100

13. Reserves

	Profit and loss account £
At 1 January 2013	6,867,546
Profit for the financial year	1,170,432
	8,037,978
At 31 December 2013	8,037,978

CONSUMER MONEY MATTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

14. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	6,867,646	6,396,130
Profit for the financial year	1,170,432	2,471,516
Dividends (Note 15)	-	(2,000,000)
Closing shareholders' funds	<u>8,038,078</u>	<u>6,867,646</u>

15. Dividends

	2013 £	2012 £
Dividends paid on equity capital	-	2,000,000

16. Contingent liabilities

HMRC are investigating the VAT status of certain revenue streams earned by the company, and have considered these to be subject to VAT at standard rate, the company having previously taken specialist professional advice, and treated such revenue streams as exempt from VAT.

The company has a maximum contingent liability for VAT up to £6.5m on these revenues earned in periods prior to, and including the early part of the year ended 31 December 2013, should HMRC decide to apply standard rate VAT on a retrospective basis. This matter is currently under review, and it is therefore not practicable to state the amount nor timing of any potential payment.

Having taken further significant professional advice on this matter, the company has challenged this decision with HMRC, and have appealed to the First Tier Tribunal. Based on this professional advice, the directors consider that there is a possible, but not probable risk of VAT being levied on these revenues, and that on balance, a Tribunal would not levy VAT retrospectively. Accordingly, no provision for any liability due to HMRC has been made in these financial statements.

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. Pension commitments

The company operates a money purchase pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension charge represents contributions payable by the company to the fund and totalled £2,323 (2012: £4,520).

18. Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013	Other
	£	2012
		£
Expiry date:		
Between 2 and 5 years	44,399	44,399

CONSUMER MONEY MATTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

19. Related party transactions

Advantage has been taken of the exemption provided by Financial Reporting Standard 8 Related Party Disclosures, not to disclose transactions with wholly owned group companies.

During the year, the company made purchases totalling £nil (2012: £1,435,145) from Key Financial Claims Limited, a company in which the immediate and ultimate parent company, Carrington Carr Holdings Limited, has a 24% shareholding. D Fuher is the ultimate controlling party of Carrington Carr Holdings Limited, and from August 2013, the immediate and ultimate parent undertaking of Key Financial Claims Limited was FCT Financial Limited, a company in which D Fuher is also the ultimate controlling party.

During the year, income totalling £13,232,554 (2012: £29,071,914) was receivable from Key Financial Claims Limited. A balance of £5,908,289 (2012: £3,792,354) remains outstanding at the year end and is included within debtors.

During the year, income of £12,477 (2012: £7,278) was receivable from Simms Carmichael Limited, a company in which the immediate and ultimate parent company, Carrington Carr Holdings Limited, has a 24% shareholding. D Fuher is the ultimate controlling party of Carrington Carr Holdings Limited, and from August 2013, the immediate and ultimate parent undertaking of Simms Carmichael Limited was FCT Financial Limited, a company in which D Fuher is also the ultimate controlling party. A balance of £775 (2012: £147) remains outstanding at the year end and is included in debtors.

During the year, income of £941,975 (2012: £813,788) was receivable from Complaint Handling Services Limited, a company in which the immediate and ultimate parent company, Carrington Carr Holdings Limited has a 55% shareholding. A balance of £331,127 (2012: £697,475) remains outstanding at the year end and is included in debtors. The company also made purchases of £18,374 (2012: £27,859) from Complaint Handling Services Limited, a balance of £2,592 (2012: £18,464) was outstanding at the year end and is included in creditors.

During the year, income totalling £106,000 (2012: £146,677) was receivable from Platinum Wills Limited. The immediate parent company of Platinum Wills Limited is FAT Enterprises Limited, a company in which director D Fuher is a shareholder, and Carrington Carr Holdings Limited has a 75% interest in the issued equity share capital. A balance of £1,197 (2012: £44,421) remains outstanding at the year end and is included within debtors. During 2013, the company waived a debt due from Platinum Wills Limited of £29,895 (2012: £nil), which is included in exceptional items.

During the year, the company made purchases of £496,813 (2012: £159,572) from Family Money Savers Limited (formerly AARD Marketing Services Limited), a company in which Carrington Carr Holdings Limited had a 50% interest up to 18 December 2013, when this interest was sold to FCT Enterprises Limited, a company in which D Fuher is the ultimate controlling party. A balance of £215,210 (2012: £nil) remains outstanding at the year end and is included in creditors. The company also made sales of £67,759 and invoiced £20,478 for salary recharges (2012: £nil) to Family Money Savers Limited. A balance of £78,906 (2012: £nil) remains outstanding at the year end and is included in debtors.

During the year, the company charged Your Choice Pensions Limited, a subsidiary of FCT Enterprises Limited a management charge of £42,044. During the year income of £16,585 was also receivable from Your Choice Pensions Limited, a balance of £58,629 remains outstanding at the year end and is included in debtors.

During the year the company sold an asset for £61,420 to director, D Fuher (2012: £nil) realising a profit on sale of £14,162.

During the prior year, the company acquired the trade and assets of an unincorporated business from the former wife of director and shareholder A Crossman for £66,000.

CONSUMER MONEY MATTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

20. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company is Carrington Carr Holdings Limited, a company registered in England and Wales and which heads the group in which these financial statements are consolidated. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

The ultimate controlling party of Carrington Carr Holdings Limited is D Fuher.