

Registered number: 03087393

BRITISH CREDIT TRUST LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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BRITISH CREDIT TRUST LIMITED

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COMPANY INFORMATION

Directors	A R Hill V P Fandozzi
Company secretary	Linnells Secretarial Services Limited
Registered number	03087393
Registered office	Seacourt Tower West Way Oxford Oxfordshire OX2 0FB
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

BRITISH CREDIT TRUST LIMITED

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BRITISH CREDIT TRUST LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The Directors present their strategic report of British Credit Trust Ltd (the Company) for the year ended 31 March 2016.

Review of business and future developments

The Company was established to originate HP contracts and loan agreements and to arrange their funding from the company's own resources, loans from its holding companies and from various Special Purpose Entities with the servicing of these HP contracts and loan agreements conducted by another company in the same group, British Credit Trust Holdings Limited or by external parties.

Origination of new HP contracts and loan agreements ceased in 2010 due to conditions in the financial markets at that time. Prior to 2010 the Company sold HP contracts it had originated to the various Special Purpose Entities and continued to receive deferred income from these agreements until their sale.

In five transactions on 22nd July 2013, 29th August 2013, 26th September 2013 and 25th February 2014 the residual outstanding HP contracts and loan agreements were sold following a competitive auction process. Net proceeds after establishing a cash reserve were remitted to the parent company Consumer Finance Acquisitions Co. Limited.

Since 2010 the Directors have managed the companies in the group to realise deferred consideration due to the group, to repay indebtedness and to meet liabilities as they fall due whilst retaining a cash reserve which was calculated as likely to be sufficient to meet known and expected liabilities to third parties on the basis of regulation and guidance in place when the reserve was established. Following the sales in 2013 and 2014 there are no additional funds available from which to establish further reserves. In light of judgement in the Supreme Court on 14 November 2014 in Plevin v Paragon Personal Finance Ltd ("Plevin") the FCA issued a statement on the proposed treatment of PPI claims which may be made as a result of this judgement. This judgement and the FCA statement has introduced uncertainty as to the sufficiency of the reserve.

Results and dividends

The Company produced a loss on ordinary activities before taxation of £1,300,625 (2015: loss £1,294,344). No dividends will be distributed for the year ended 31 March 2016 (2015: nil).

Outlook

The Company will continue to manage the bank accounts associated with the loan agreements and to administer PPI claims for the foreseeable future, however it no longer owns any agreements or intends issuing any new agreements. Pending the discharge of responsibilities to manage the bank accounts associated with the loan agreements, the directors plan to liquidate the Company.

Financial risk management

The management are of the opinion that, notwithstanding the uncertainty introduced as a result of Plevin and the consequent FCA statement, based on the current level of new PPI claims arising in practice and that provided that the claims remain low, sufficient cash resources exist to fulfil and meet the Company's obligations to third parties as they fall due. The Company has no exposure to interest rate risk.

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

A R Hill
Director

Date:


16 Dec 16.

BRITISH CREDIT TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

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

Principal activity

British Credit Trust Limited ('the Company') historically provided Hire Purchase ('HP') motor finance and loan agreements to UK customers. The company is however no longer trading.

Results and dividends

The loss for the year, after taxation, amounted to £1,300,625 (2015 - loss £1,294,344).

No dividends were declared or paid in the year.

Directors

The directors who served during the year were:

A R Hill
V P Fandozzi

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Principal risks and uncertainties

Following the sale of the HP contracts and loan agreements the main risk to the is being able to meet its liabilities as and when they fall due. The company has maintained a cash balance to mitigate this risk to the group. The group has significantly downsized its operations to reduced its cost base.

Going concern

As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and that these financial statements have not been prepared on that basis, rather they have been prepared on a break up basis.

BRITISH CREDIT TRUST LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditors

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

A R Hill
Director

Date:



16 Dec 16

BRITISH CREDIT TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRITISH CREDIT TRUST LIMITED

We have audited the financial statements of British Credit Trust Limited for the year ended 31 March 2016, set out on pages 6 to 18. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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 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 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

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 2016 and of its loss 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 and the directors' report has been prepared in accordance with applicable legal requirements.

BRITISH CREDIT TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BRITISH CREDIT TRUST 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.



Alexander Peal BSc(Hons) FCA DChA (senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House

George Street

Reading

Berkshire

RG1 8LS

Date: 20 December 2016

BRITISH CREDIT TRUST LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Administrative expenses		(1,301,829)	(1,296,719)
Operating loss	3	(1,301,829)	(1,296,719)
Interest receivable and similar income	4	1,204	2,375
Loss before tax		(1,300,625)	(1,294,344)
Loss for the year		(1,300,625)	(1,294,344)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive income for the year		(1,300,625)	(1,294,344)

BRITISH CREDIT TRUST LIMITED
REGISTERED NUMBER: 03087393

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	6	700,000	167,500
Cash at bank and in hand	7	262,569	1,831,804
		<u>962,569</u>	<u>1,999,304</u>
Creditors: amounts falling due within one year	8	(20,947,723)	(20,683,833)
Net current liabilities		<u>(19,985,154)</u>	<u>(18,684,529)</u>
Total assets less current liabilities		<u>(19,985,154)</u>	<u>(18,684,529)</u>
 Net assets			
		<u>(19,985,154)</u>	<u>(18,684,529)</u>
Capital and reserves			
Called up share capital	11	60,700,102	60,700,102
Share premium account	14	3,499,900	3,499,900
Profit and loss account	14	(84,185,156)	(82,884,531)
		<u>(19,985,154)</u>	<u>(18,684,529)</u>

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

A R Hill
Director

Date:

16 Dec 16.

The notes on pages 10 to 18 form part of these financial statements.

BRITISH CREDIT TRUST LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 April 2015	60,700,102	3,499,900	(82,884,531)	(18,684,529)
Comprehensive income for the year				
Loss for the year	-	-	(1,300,625)	(1,300,625)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(1,300,625)	(1,300,625)
Total transactions with owners	-	-	-	-
At 31 March 2016	60,700,102	3,499,900	(84,185,156)	(19,985,154)

BRITISH CREDIT TRUST LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 April 2014	60,700,102	3,499,900	(81,590,187)	(17,390,185)
Comprehensive income for the year				
Loss for the year	-	-	(1,294,344)	(1,294,344)
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(1,294,344)	(1,294,344)
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	60,700,102	3,499,900	(82,884,531)	(18,684,529)

The notes on pages 10 to 18 form part of these financial statements.

BRITISH CREDIT TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 17.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

For the reasons explained below, the financial statements have not been prepared on a going concern basis, rather they have been prepared on a break up basis. Under that basis assets have been stated at their realisable values and additional liabilities arising from the change in basis have been provided where necessary. Long term liabilities have been reclassified as current assets and liabilities. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

On October 2013, the company sold the remaining residual outstanding HP contracts and loan agreements. The company no longer owns any agreements or intends to issue any new agreements. The directors plan to liquidate the company. Liquidation is however not expected to occur until after December 2016.

1.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.5 Statement of cash flows

The company has taken advantage of the exemption available under Section 7 of FRS 102 in omitting a Statement of Cash Flows on the grounds that the company is a 100% owned subsidiary of Consumer Finance Acquisitions Co. Limited. The information is included in the consolidated financial statements of Consumer Finance Acquisitions Co. Limited and these accounts are publicly available.

BRITISH CREDIT TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefits will be necessary to settle the obligation, and these can be reliably estimated. Provisions include amounts set aside for potential redress obligations for mis-selling of regulated products, in accordance with industry practice.

Impairment provisions: The company has recognised an impairment of intercompany debt owed to it by British Credit Trust Holdings Limited for accounting purposes, to reduce it to its net realisable value, on the basis that insufficient assets remain in the group to repay the debt in full. However, the intention of the directors and the shareholders is to effect an orderly wind down of the business of the Company and its subsidiaries, meeting all liabilities as they fall due.

The group retains a cash reserve which is expected to be sufficient to meet known and expected liabilities to third parties. To the extent that insufficient assets are available to repay debt owed to shareholders in full, it is the expectation of the directors and the shareholders that such excess amounts will be waived or capitalised to enable solvent liquidation of the group in due course provided the cash reserves in the business are sufficient to meet all known and future liabilities as they fall due.

BRITISH CREDIT TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting policies (continued)

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

1.10 Taxation

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions made by the company and the risk of material adjustments has been carefully considered to ensure compliance with the requirements under FRS 102.

The most significant estimate made by management relates to potential Payment Protection Insurance (PPI) liabilities that may arise. The accounts include a provision for such amounts based on management's best estimate of future claims by previous customers of the business.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Impairment of intercompany loan	1,401,964	1,273,539

During the year, no director received any emoluments (2015 - £NIL).

Fees payable to the company's auditors for the audit of the company's financial statements were incorporated into the total group audit fee of £5,000. Other group fees charged by the company's auditors for non-audit services for the year included financial statement preparation fees of £5,500 and corporation tax compliance service fees of £2,500. These costs were paid on behalf of the company by its parent company British Credit Trust Holdings Limited, without recharge.

In the year ended 31 March 2015, audit fees totalling £10,000 for the company were paid on behalf of the company by its parent company British Credit Trust Holdings Limited, without recharge.

4. Interest receivable

	2016	2015
	£	£
Other interest receivable	1,204	2,375
	1,204	2,375

5. Taxation

	2016	2015
	£	£
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(1,300,625)</u>	<u>(1,294,344)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(260,125)	(271,812)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	280,152	-
Unrelieved tax losses carried forward	(20,027)	271,812
Total tax charge for the year	<u>-</u>	<u>-</u>

6. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	700,000	167,500
	<u>700,000</u>	<u>167,500</u>

The company has recognised an impairment of the inter-company debt owed to it by Consumer Finance Acquisitions Co. Limited (CFAC) and British Credit Trust Holdings Limited (BCTH) for accounting purposes, on the basis that insufficient assets remain in the group to repay the debt in full. However, the intention of the directors and the shareholders is to effect an orderly wind down of the business of the company and its subsidiaries, meeting all liabilities as they fall due. On various dates between 1999 and 2010, the company and its ultimate parent CFAC have granted security over their assets in favour of the creditors of the company and CFAC under the Warehouse Debt and other facilities which remains in force. The group retains a cash reserve which is expected to be sufficient to meet known and expected liabilities to third parties. To the extent that insufficient assets are available to repay debt owed to shareholders in full, it is the expectation of the directors and the shareholders that such excess amounts will be waived or capitalised to enable a solvent liquidation of the group in due course provided the cash reserves in the business are sufficient to meet all known and future liabilities as they fall due. Some uncertainty has arisen regarding the adequacy of this reserve following a judgement in the Supreme Court and a consequent statement from the FCA proposing the introduction of new rules (the form which is not yet finalised) on its application.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	262,569	1,831,804
Less: bank overdrafts	(429,102)	-
	<u>(166,533)</u>	<u>1,831,804</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	429,102	-
Amounts owed to group undertakings	20,269,884	20,269,884
Other creditors	248,737	413,949
	<u>20,947,723</u>	<u>20,683,833</u>

Amounts owed to group undertakings are unsecured and do not bear interest.

9. Loans

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Seven Mile Capital Partners Founders Fund LP	16,215,907	16,215,907
Director's loan	4,053,977	4,053,977
	<u>20,269,884</u>	<u>20,269,884</u>

The warehouse facility provided by Seven Mile Capital Partners Founders Fund LP, is secured by fixed and floating charges over the assets of the company by way of a debenture. In 2011 Adrian Hill a director of the company acquired 20% of the benefit of sums due under this warehouse facility.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. Deferred taxation

There is an unrecognised deferred tax asset, made up as follows:

	2016 £	2015 £
Tax on losses carried forward and other timing differences	8,272,548	15,030,519
	<u>8,272,548</u>	<u>15,030,519</u>

The potential deferred tax asset has not been recognised on the grounds that there is presently insufficient evidence to suggest that the asset is more likely than not to be recovered for the foreseeable future based on the current economic outlook.

The movement in the unrecognised deferred tax asset during the year is as follows:

	2016 £
Unrecognised deferred tax asset at the beginning of the year	15,030,519
Tax losses arising in the year	20,027
Impact of rate change	(959,226)
Adjustment in respect of prior period	(5,818,772)
	<u>8,272,548</u>

11. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
60,700,102 Ordinary shares of £1 each	<u>60,700,102</u>	<u>60,700,102</u>

12. Contingent liability

A debenture was created on 4th September 1998 providing a charge over certain company assets which, together with charges over certain assets of British Credit Trust Limited and British Credit Trust Collections Limited, secures the obligations of the British Credit Trust Holdings Limited working capital loans.

On 2nd February 2010 the company entered into a guarantee and fixed and floating charge security document which secures the obligations of the company's ultimate parent Consumer Finance Acquisitions Co. Limited obligations in respect of a £61.9m warehouse facility now provided by Seven Mile Capital Partners Founders Fund, LP.

BRITISH CREDIT TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13. Debentures

The company has the following partially satisfied debenture against it:

To Seven Mile Capital Partners Founders Fund, LP, by way of fixed security, all its rights, title and interest in all its assets and existing loans to customers, securing all monies due or to become due from British Credit Trust Holdings Limited.

14. Reserves

Share premium

The share premium account represents the excess paid over the nominal value of shares purchased.

Profit and loss account

The profit and loss account represents the cumulative profit available for distribution to shareholders.

15. Related party transactions

The company is a wholly owned subsidiary of British Credit Trust Holdings Limited, which is 100% owned by Consumer Finance Acquisitions Co. Limited, whose financial statements can be obtained from its registered address as stated in note 16. The company has taken advantage of the exemption available within FRS 102 not to report related party transactions with group companies on the grounds that it is a wholly owned subsidiary of a group headed by Consumer Finance Acquisitions Co. Limited.

16. Controlling party

The immediate parent undertaking is British Credit Trust Holdings Limited.

The parent undertaking of the smallest and largest group that presents consolidated financial statements including the results of the company is Consumer Finance Acquisitions Co. Limited.

Copies of the financial statements of Consumer Finance Acquisitions Co. Limited are available from the company Secretary, Linnells Secretarial Services Limited, Seacourt Tower, West Way, Oxford, OX2 0FB.

Seven Mile Capital Partners Founders Fund, LP, a partnership established in Delaware owns the entire share capital of Consumer Finance Acquisitions Co. Limited and is the ultimate parent undertaking and controlling party.

BRITISH CREDIT TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.