

BrightHouse

BrightHouse Group plc

Quarterly Report
for the thirteen weeks ended 2 July 2016

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Operational Highlights for the First Quarter 2016

BrightHouse Group plc (the “Company”), the leading provider of rent-to-own products in the United Kingdom, today announces interim results of operations for the thirteen weeks ended 2 July 2016.

Key Highlights

- Increased revenue by 1.7% to £91.7 million for the First Quarter 2016;
- Generated EBITDA of £7.4 million for the First Quarter 2016;
- Our Contract Portfolio is valued at £497.3 million as of 2 July 2016 compared to £571.5 million as of 29 June 2015;
- As of 2 July 2016, we had 262,600 customers, representing a decrease of 4.9% compared to 276,200 customers as of 29 June 2015;
- Increased like-for-like revenue by 2.0% for the twelve months ended 2 July 2016;
- Online applications for the First Quarter 2016 increased by 3.9% compared to the First Quarter 2015;
- Continued investment in the Microsoft Dynamics platform and other strategic programs; and
- Continued progress in relation to our FCA authorisation application.
- Generated pre-financing cash flows of £22.6 million for the First Quarter 2016 compared to £15.0m for the First Quarter 2015.

Leo McKee, Chief Executive Officer, said:

“Consistency in Customer Service – around affordability assessments and collections practices – was a key theme throughout the quarter. Substantial investment continues in our training, evidencing and quality assurance programmes.

“At the same time the considered application of automation, and other systems enhancements, is designed to render our in-store experiences more customer friendly, whilst sustaining the compliance imperative.”

The following table reconciles EBITDA to profit before tax for the period for the First Quarter 2015 and the First Quarter 2016.

(in thousands of £)	For the First Quarter 2016	For the First Quarter 2015
(Loss) / Profit before tax	(2,024)	2,539
Financial income and expense.....	5,501	5,595
Depreciation of fixtures and equipment and amortization of software.....	3,258	3,135
Exceptional items	643	–
EBITDA	<u>7,378</u>	<u>11,269</u>

Certain Definitions

Definitions of certain terms used in this Quarterly Report and certain financial and operating data can be found below.

“APR” refers to the annual percentage interest rate.

“Company” refers to BrightHouse Group plc.

“Contract Portfolio” refers to, collectively, all the hire purchase agreements existing on any given date. For a detailed explanation of Contract Portfolio as a non-IFRS operating measure, see “Introduction—Presentation of Financial and Other Data—Presentation of non-IFRS operating measures”.

“EBT” refers to the Employee Benefit Trust.

“First Quarter 2015” refers to the thirteen weeks ended 29 June 2015.

“First Quarter 2016” refers to the thirteen weeks ended 2 July 2016.

“First Quarter Report” refers to this report as of and for the thirteen weeks ended 2 July 2016.

“IFRS” refers to International Financial Reporting Standards as adopted by the European Union.

“Indenture” refers to the indenture dated 9 May 2013 relating to the 7⁷/₈% senior secured notes due 2018 issued by the Company.

“Insurance Subsidiaries” refers to, collectively, Caversham Insurance (Malta) Limited, Caversham Holdings (Malta) Limited, Caversham Insurance Limited and Caversham Insurance (Isle of Man) Limited.

“Loan Notes” refers to the unsecured loan stock issued by the Company to Haig Luxembourg Holdco S.à r.l. on 9 May 2013 as part of the exchange of the loan stock previously issued by BrightHouse Holdings Ltd to Haig Luxembourg Holdco S.à r.l.; the principal amount outstanding under the Loan Notes on the issue date of the Notes was the balance of amounts owing to Haig Luxembourg Holdco S.à r.l. under the previously issued loan stock instrument less cash paid from the proceeds of the offering of the Notes.

“LTM” refers to any twelve month period as required by the context.

“Notes” refers to the 7⁷/₈ % senior secured notes due 2018 issued by the Company on 9 May 2013.

“Revolving Credit Facility” refers to the agreement among the Company, the guarantors of the Notes, Lloyds Bank plc, as security agent and agent, and the lenders party thereto, dated 9 May 2013, for the provision of a £25.0 million revolving credit facility, as amended from time to time.

“SEC” refers to the U.S. Securities and Exchange Commission.

“sterling”, “pound sterling” and “£” refer to the lawful currency of the United Kingdom.

“the period” and “this period” refer to the First Quarter 2016 unless the context otherwise requires;

“we”, “us”, “our”, “Group” and other similar terms refer to the Company and its consolidated subsidiaries unless the context otherwise requires or is clear from context.

Presentation of Financial and Other Data

For purposes of this Quarterly Report we refer to the thirteen weeks ended 2 July 2016 as “First Quarter 2016”, and the thirteen weeks ended 29 June 2015 as “First Quarter 2015”. We refer to our fiscal year started 1 April 2016 ending 31 March 2017 as “Fiscal 2017”.

Consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries for the thirteen weeks ended 2 July 2016 presented in this Quarterly Report have been prepared in accordance with IFRS and in accordance with the accounting policies presented in the offering memorandum relating to the Notes. The consolidated financial statements are unaudited and have been derived from the internal management reporting of the Company. The results of operations for prior periods or interim periods are not necessarily indicative of the results to be expected for the full financial reporting periods or any future reporting periods.

Presentation of non-IFRS financial measures

In this Quarterly Report, we present certain non-IFRS financial measures, including EBITDA and certain related ratios. As used in this Quarterly Report, the following terms have the following meanings:

We define “EBITDA” as profit for the period before financial charges, tax, depreciation of fixtures, fittings and equipment (but not depreciation of hire purchase assets), amortisation of software and exceptional items.

We believe that EBITDA is a useful indicator of our overall financial performance and EBITDA is a useful indicator of our liquidity and our ability to incur and service our indebtedness, and can assist certain investors, securities analysts and other interested parties in evaluating us.

EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDA as reported by us to that reported by other companies. EBITDA as presented herein differs from the definition of “Consolidated EBITDA” contained in the Indenture or for purposes of any of our other indebtedness. The information presented as EBITDA is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the SEC and will not be subject to review by the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

EBITDA is not a measurement of performance under IFRS and you should not consider EBITDA as an alternative to net income or operating profit or other performance measures determined in accordance with IFRS, or to cash flows from operations, investing activities or financing activities. EBITDA has limitations as an analytical tool, and you should not consider it in isolation.

Presentation of non-IFRS operating measures

This Quarterly Report includes information on our “Contract Portfolio” and other related data. Our Contract Portfolio consists of all of the hire purchase agreements we enter into with our customers. The value of our Contract Portfolio refers to the aggregate amount of remaining payments due under our hire purchase agreements on a given date through the term of the relevant contracts in effect on such date, assuming that all contracts are paid in full and not terminated prior to maturity. These payments include, in addition to the expected installment payments towards the retail price of the product, interest and indirect taxes and payments on the purchase of our insurance and warranty products, namely, optional service cover, damage liability cover and optional product insurance cover. This Quarterly Report also presents information on the performance of our Contract Portfolio. Information relating to the value of our Contract Portfolio and performance of our Contract Portfolio has been produced by Euristix, a specialist analytics and risk management firm, based on the data we provide them. We cannot assure you of the accuracy and completeness of such information, and Euristix does not assume liability for such information.

We present the value of our Contract Portfolio because it represents our best estimate of the undiscounted cash value of the aggregate payments that will come due under our existing hire purchase agreements at certain points in time. The value of our Contract Portfolio is an important supplemental measure by which our board of directors and management assess our performance, as they highlight the cash generation capacity of the assets underlying our business. However, these numbers are not derived from our internal financial systems or management accounts, but are derived from our non-financial operating systems and they have not been audited, reviewed or verified by independent auditors.

The value of the Contract Portfolio and other Contract Portfolio related performance data, as computed by us, may not be comparable to similar metrics used by other companies in our industry. In addition, our computations could differ in the future from the figures included in this Quarterly Report. Furthermore, levels of actual recoveries are uncertain and may vary materially due to several factors. Therefore, none of the value of our Contract Portfolio or any other Contract Portfolio related data included herein should be relied on as indicators of future revenue or performance.

Rounding adjustments

Certain numerical figures contained in this Quarterly Report, including financial information and certain operating data, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or within a table may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

Consolidated Financial Statements

Group income statement

for the thirteen weeks ended 2 July 2016

		<i>13 weeks ended</i> 2 July 2016 <i>(unaudited)</i> £000	<i>13 weeks ended</i> 29 June 2015 <i>(unaudited)</i> £000
	<i>Notes</i>		
Revenue	3	91,719	90,152
Cost of sales		(44,729)	(40,646)
Gross profit		<u>46,990</u>	<u>49,506</u>
Operating expenses		(43,513)	(41,372)
Operating profit		<u>3,477</u>	<u>8,134</u>
Analysed by:			
Depreciation of fixtures, fittings and equipment and amortisation of intangible assets		3,258	3,135
Exceptional items	2	643	–
Earnings before interest, tax, depreciation amortisation and exceptional items		<u>7,378</u>	<u>11,269</u>
Other finance income	4	113	5
Other finance expense	4	(5,614)	(5,600)
(Loss) / Profit before taxation		<u>(2,024)</u>	<u>2,539</u>
Tax credit / (charge)	5	133	(589)
(Loss) / Profit for the period		<u>(1,891)</u>	<u>1,950</u>

The results shown above all relate to continuing activities.

Group statement of comprehensive income

for the thirteen weeks ended 2 July 2016

		<i>13 weeks ended</i> 2 July 2016 <i>(unaudited)</i> £000	<i>13 weeks ended</i> 29 June 2015 <i>(unaudited)</i> £000
(Loss) / Profit for the period		(1,891)	1,950
Other comprehensive income for the period net of tax		–	–
Total comprehensive income for the period net of tax		<u>(1,891)</u>	<u>1,950</u>

Group statement of financial position

as of 2 July 2016

		2 July 2016 (unaudited) £000	29 June 2015 (unaudited) £000
	Notes		
Non-current assets			
Property, plant and equipment	6	145,526	169,033
Intangible assets	7	89,269	86,225
Trade and other receivables	10	16,331	21,767
Deferred tax assets	8	5,905	7,454
		<hr/> 257,031	<hr/> 284,479
Current assets			
Inventories	9	20,488	20,281
Trade and other receivables	10	50,270	56,023
Cash and cash equivalents	11	55,191	26,297
		<hr/> 125,949	<hr/> 102,601
Total assets		<hr/> 382,980	<hr/> 387,080
Current liabilities			
Trade and other payables	12	51,497	73,746
Other provisions	14	3,349	–
Current tax payable		1,473	937
		<hr/> 56,319	<hr/> 74,683
Non-current liabilities			
Financial liabilities	13	252,097	247,817
		<hr/> 252,097	<hr/> 247,817
Total liabilities		<hr/> 308,416	<hr/> 322,500
Net assets		<hr/> 74,564	<hr/> 64,580
Equity attributable to equity holders of the parent			
Share capital	15	50	50
Share premium		552	552
Capital redemption reserve		57	57
Own shares reserve		(296)	(296)
Retained reserves		74,201	64,217
Total equity		<hr/> 74,564	<hr/> 64,580

Group statement in changes of equity

for the thirteen weeks ended 2 July 2016

	Share capital (unaudited) £000	Share premium (unaudited) £000	Own shares (unaudited) £000	Retained earnings (unaudited) £000	Capital redemption reserve (unaudited) £000	Total Equity (unaudited) £000
As of 1 April 2015	50	552	(296)	62,267	57	62,630
Profit for the period	–	–	–	1,950	–	1,950
As of 29 June 2015	<u>50</u>	<u>552</u>	<u>(296)</u>	<u>64,217</u>	<u>57</u>	<u>64,580</u>
As of 1 April 2016	50	552	(296)	76,092	57	76,455
Loss for the period	–	–	–	(1,891)	–	(1,891)
As of 2 July 2016	<u>50</u>	<u>552</u>	<u>(296)</u>	<u>74,201</u>	<u>57</u>	<u>74,564</u>

Group statement of cash flows

for the thirteen weeks ended 2 July 2016

	<i>13 weeks ended</i>	
	<i>2 July</i>	<i>29 June</i>
	<i>2016</i>	<i>2015</i>
<i>Notes</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>£000</i>	<i>£000</i>
<i>Cash flows from operating activities</i>		
(Loss) / Profit for the period	(1,891)	1,950
Adjustments for:		
Sales proceeds from sales of rental assets	680	753
Depreciation	33,144	27,903
Amortisation of intangible assets	1,738	1,350
Financial income	(113)	(5)
Financial expense	5,614	5,600
Profit on rental assets sold to customers	(237)	(131)
Rental assets written off as obsolete or not recoverable from defaulting customers	6,666	7,011
Purchase of rental assets	(24,148)	(34,807)
Taxation	(133)	589
<i>Operating cash inflow before changes in working capital</i>	21,320	10,213
Decrease / (Increase) in trade and other receivables	1,094	(3,437)
Increase in inventories	(1,405)	(5,918)
Increase in trade and other payables	4,347	18,340
Increase in provisions	249	–
<i>Cash generated from operations</i>	25,605	19,198
Tax paid	(256)	(80)
<i>Net cash flow from operating activities</i>	25,349	19,118
<i>Cash flows from investing activities</i>		
Interest received	25	5
Purchase of property, plant and equipment	(564)	(1,858)
Payments to acquire intangible assets	(2,241)	(2,266)
<i>Net cash from investing activities</i>	(2,780)	(4,119)
<i>Cash flows from financing activities</i>		
Interest paid	(8,747)	(8,761)
<i>Net cash flow from financing activities</i>	(8,747)	(8,761)
<i>Net increase in cash and cash equivalents</i>	13,822	6,238
Cash and cash equivalents at the beginning of the period	41,369	20,059
Cash and cash equivalents at the end of the period	11 55,191	26,297

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

1. Accounting policies and basis of preparation

This Quarterly report contains condensed consolidated financial information of BrightHouse Group plc for the thirteen weeks ended 2 July 2016. The unaudited Quarterly financial information has been prepared using consistent accounting policies, presentation, and method of computation to those applied in the latest annual financial statements of BrightHouse Group plc for the year ended 31 March 2016. This financial information should be read in conjunction with the consolidated financial statements of BrightHouse Group plc for the year ended 31 March 2016.

Basis of preparation

The consolidated financial statements of BrightHouse Group plc and its subsidiaries (the “Group”) are approved by the directors and prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union (“EU”) (“Adopted IFRS”). The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£’000) except where otherwise indicated. The financial information contained in this interim statement does not constitute statutory accounts as defined by Section 435 of the Companies Act 2006.

2. Exceptional items

Recognised as part of operating profit

	<i>13 weeks ended</i> <i>2 July 2016</i> <i>(unaudited)</i> <i>£000</i>	<i>13 weeks ended</i> <i>29 June 2015</i> <i>(unaudited)</i> <i>£000</i>
Affordability action plan	643	–
	<u> </u>	<u> </u>

Further details are provided in note 14 of the Quarterly report.

3. Revenue

Revenue comprises revenue from the provision of home electronic and domestic appliances, technology products, household furniture and other related products to domestic customers through hire purchase agreements and related service insurance and warranty agreements. Customers entering into our hire purchase agreements from 2 September 2013 are entitled to return assets at any time with no further payments falling due and with no penalties incurred. This has not changed since 27 April 2015 with product insurance being offered as a separate optional cover. The Group accounts for its revenue on an accruals basis for all domestic hire-purchase and service insurance and warranty agreements taking credit for all weekly or monthly instalments that have fallen due, but not for instalments which will fall due in the future under contracts in existence at the balance sheet date. Prior to 2 September 2013, the automatic right of return was not provided within the hire purchase agreement, however, the majority of customers also entered into an additional optional insurance arrangement which gave them this benefit.

On this basis the transactions are treated as being operating leases in nature and the directors believe that at the inception of the lease there are no minimum future lease payments as the goods can be returned at any time.

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

4. Finance income and expense

Recognised in the income statement

	<i>13 weeks ended</i> <i>2 July 2016</i> <i>(unaudited)</i> <i>£000</i>	<i>13 weeks ended</i> <i>29 June 2015</i> <i>(unaudited)</i> <i>£000</i>
Interest income	25	5
Unwinding of discount re: trade receivables due after more than 1 year	88	–
Finance income	<u>113</u>	<u>5</u>

	<i>13 weeks ended</i> <i>2 July 2016</i> <i>(unaudited)</i> <i>£000</i>	<i>13 weeks ended</i> <i>29 June 2015</i> <i>(unaudited)</i> <i>£000</i>
Interest expense	5,614	5,529
Unwinding of discount re: trade receivables due after more than 1 year	–	71
Finance expense	<u>5,614</u>	<u>5,600</u>

5. Taxation

Tax on profit on ordinary activities

Recognised in the income statement

	<i>13 weeks ended</i> <i>2 July 2016</i> <i>(unaudited)</i> <i>£000</i>	<i>13 weeks ended</i> <i>29 June 2015</i> <i>(unaudited)</i> <i>£000</i>
<i>Current tax:</i>		
Corporation tax charge UK	–	185
Corporation tax charge overseas	121	36
Total current income tax	<u>121</u>	<u>221</u>
<i>Deferred tax:</i>		
Deferred tax charge	(254)	368
Total taxation in income statement	<u>(133)</u>	<u>589</u>

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

6. Property, plant and equipment

	<i>Rental assets (unaudited) £000</i>	<i>Fixtures, equipment and vehicles (unaudited) £000</i>	<i>Total (unaudited) £000</i>
Cost:			
As of 1 April 2015	200,380	56,242	256,622
Additions	34,807	1,858	36,665
Disposals	(34,170)	–	(34,170)
As of 29 June 2015	201,017	58,100	259,117
As of 1 April 2016	180,795	63,066	243,861
Additions	24,148	564	24,712
Disposals	(36,665)	–	(36,665)
As of 2 July 2016	168,278	63,630	231,908
Depreciation:			
As of 1 April 2015	47,664	41,055	88,719
Depreciation charge for the period	26,118	1,785	27,903
Disposals	(26,538)	–	(26,538)
As of 29 June 2015	47,244	42,840	90,084
As of 1 April 2016	35,166	47,627	82,793
Depreciation charge for the period	31,624	1,520	33,144
Disposals	(29,555)	–	(29,555)
As of 2 July 2016	37,235	49,147	86,382
Net book value:			
As of 2 July 2016	131,043	14,483	145,526
As of 1 April 2016	145,629	15,439	161,068
As of 29 June 2015	153,773	15,260	169,033
As of 1 April 2015	152,716	15,187	167,903

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

7. Intangible assets

	<i>Software</i> <i>(unaudited)</i> <i>£000</i>	<i>Goodwill</i> <i>(unaudited)</i> <i>£000</i>	<i>Total</i> <i>(unaudited)</i> <i>£000</i>
Cost:			
As of 1 April 2015	48,826	74,978	123,804
Additions	2,266	–	2,266
As of 29 June 2015	51,092	74,978	126,070
As of 1 April 2016	58,612	74,978	133,590
Additions	2,241	–	2,241
As of 2 July 2016	60,853	74,978	135,831
Amortisation:			
As of 1 April 2015	38,495	–	38,495
Amortisation charge for the period	1,350	–	1,350
As of 29 June 2015	39,845	–	39,845
As of 1 April 2016	44,824	–	44,824
Amortisation charge for the period	1,738	–	1,738
As of 2 July 2016	46,562	–	46,562
Net book value:			
As of 2 July 2016	14,291	74,978	89,269
As of 1 April 2016	13,788	74,978	88,766
As of 29 June 2015	11,247	74,978	86,225
As of 1 April 2015	10,331	74,978	85,309

Impairment testing

Goodwill arose from the acquisition of BrightHouse Limited and has been allocated to the Group's one cash generating unit (CGU) of retail sales, hire-purchase agreements and associated premiums for insurance and warranty contracts. The recoverable amount of the CGU is determined based on a value in use calculation using cash flow projections from financial budgets approved by the board covering a five year period.

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

8. Deferred tax assets

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
Assets:		
Tax losses recognised	687	1,157
Other property, plant and equipment	5,036	5,985
Capital contributions on lease incentives	182	312
	<hr/>	<hr/>
Total tax assets	5,905	7,454
	<hr/> <hr/>	<hr/> <hr/>

9. Inventories

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
Goods held for resale at cost	20,488	20,281
	<hr/> <hr/>	<hr/> <hr/>

During the period assets acquired for resale amounting to £24,148,000 (2015 – £34,807,000) were capitalised within property, plant and equipment as rental assets when issued to stores in advance of being hired to customers pursuant to hire and hire purchase agreements.

10. Trade and other receivables

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
Current:		
Trade receivables	928	3,702
Other trade receivables and prepayments	18,618	18,657
Other non-trade receivables	527	580
VAT incurred in advance of recovery from customers	26,971	31,217
Other taxes and social security	3,226	1,867
	<hr/>	<hr/>
	50,270	56,023
	<hr/> <hr/>	<hr/> <hr/>
Non current:		
VAT incurred in advance of recovery from customers	15,040	19,963
Other trade receivables and prepayments	887	1,102
Other non-trade receivables	404	702
	<hr/>	<hr/>
	16,331	21,767
	<hr/> <hr/>	<hr/> <hr/>

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

10. Trade and other receivables (continued)

The directors consider that the carrying amount of trade and other receivables approximates to their fair value. Trade receivables primarily comprise VAT recoverable which is paid on the full value of assets acquired by customers under hire and hire purchase agreements when the contracts commence and are recovered from customers over the full length of these agreements or from HMRC on customer default.

Within trade receivables £15,040,000 (2015 – £19,963,000) is receivable after more than one year and has been discounted to determine its fair value. All trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a bad debt provision of £1,416,000 (2015 – £1,534,000) has been recorded accordingly.

In addition, some of the unprovided trade receivables are past due as of the reporting date. The age of financial assets past due but not provided for is as follows:

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
1-7 days	93	93
8-14 days	94	100
15-45 days	356	369
45-90 days	10	11
	<u>553</u>	<u>573</u>

Movements in bad debt provision

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
At beginning of period	1,437	1,387
Amounts written off as uncollectable	(4,268)	(4,344)
Increase in bad debt provision	4,247	4,491
	<u>1,416</u>	<u>1,534</u>

The movement in the bad debt provision consists of individually insignificant balances.

11. Cash and cash equivalents

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
Cash and cash equivalents per balance sheet and cash flow statement	55,191	26,297
	<u>55,191</u>	<u>26,297</u>

Cash and cash equivalents comprise cash at bank and in hand. Included within cash and cash equivalents is restricted cash of £9,955,000 (2015 – £4,681,000). This includes restricted cash of £9,246,000 (2015 - £3,966,000) which represents cash at bank held by entities who supply insurance related services within the Group which is restricted due to certain regulatory and solvency requirements. This also includes restricted cash of £709,000 (2015 – £715,000) which represents cash held by the Group on behalf of customers.

The directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

12. Trade and other payables

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
Trade payables	15,801	35,281
Other taxes and social security	3,812	1,748
Other non-trade payables	462	497
Accrued expenses	29,065	34,000
Accrued interest	2,357	2,220
	<u>51,497</u>	<u>73,746</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

13. Financial liabilities

	<i>2 July 2016</i> <i>(unaudited)</i> £000	<i>29 June 2015</i> <i>(unaudited)</i> £000
Non-current liabilities:		
Unsecured 10% loan stock issued to related parties	35,041	32,348
Senior secured notes	217,056	215,469
	<u>252,097</u>	<u>247,817</u>

As of 2 July 2016, the senior credit facility includes a drawdown of £nil (2015 - £nil). The carrying value of fees incurred on this debt facility are £404,000 (2015 - £702,000). The senior secured notes include an issue of £220 million (2015 - £220 million) less fees incurred on the debt facility of £2,944,000 (2015 - £4,531,000). These fees are amortised over the term of the facilities.

Terms and debt repayment schedule

The unsecured 10% loan stock is redeemable on 9 May 2040 and forms part of the investment made in the Group by funds advised by Vision Capital LLP. The unsecured 10% loan stock is subordinated and junior in right of payment to the senior credit facility and the senior secured notes. The amount above includes £8,401,000 (2015: £5,708,000) of accrued interest. The terms of the unsecured loan stock are such that the maturity date cannot be prior to the maturity date of the senior credit facility and the senior secured notes.

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

13. Financial liabilities (continued)

In 2013/14 the Group entered into a senior credit facility with Lloyds Bank Plc and GE Corporate Finance Bank SAS. This amounted to a total facility of £25 million and is secured against the assets of the Group. This facility is repayable on 9 September 2017. There is a first priority fixed security and floating charge over the assets of the Group in favour of Lloyds Bank Plc, acting as security agent.

In 2013/14 the Group issued £220 million senior secured notes due 15 May 2018. Interest is fixed at 7.875% and payable on 15 May and 15 November every year to the date of expiry. These notes are pari passu with the senior credit facility issued on the same date, however, in the event of enforcement of the collateral and certain distressed disposals, holders of the notes will receive proceeds from the enforcement of the collateral only after the senior credit facility lenders have been repaid.

As of 2 July 2016 the Group had undrawn committed facilities available to it of £24.5 million (2015 – £24.5 million), in respect of which all conditions precedent had been met and all covenants complied with.

Subsequent to the First Quarter 2016, the Group has taken the decision to cancel the senior credit facility with Lloyds Bank Plc and GE Corporate Finance Bank SAS in advance of the planned repayment date.

14. Other provisions

	<i>Affordability Action Plan</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>
At 1 April 2015 and 29 June 2015	—	—
At 1 April 2016	3,100	3,100
Charged to the income statement:		
Affordability action plan	300	300
Utilised during the period	(51)	(51)
At 2 July 2016	3,349	3,349

In the latter part of 2015/16, we developed an affordability action plan to improve customer acceptance policies ahead of FCA authorisation. The estimated costs of implementing this plan were recorded as an exceptional item of £3,100,000 and were recorded in the annual financial statements of BrightHouse Group plc for the year ended 31 March 2016.

The estimated costs of implementation have increased by £643,000 in the First Quarter 2016, of which £300,000 is provided for, £224,000 accrued for and £119,000 has been paid. The total of these amounts has been recorded as an exceptional item.

The full cost of implementing the plan is dependent on a number of future events. Further details are not disclosed due to the ongoing nature of the discussions with the FCA.

The Group expects the majority of costs to be incurred during the latter part of 2016/17.

Notes to Group financial statements

as of and for the thirteen weeks ended 2 July 2016

15. Share capital (continued)

<i>Allotted, called up and fully paid</i>	<i>2 July 2016</i>		<i>29 June 2015</i>	
	<i>No.</i>	<i>£000</i>	<i>No.</i>	<i>£000</i>
A Ordinary shares of £0.001 each	4,340,000	4	4,340,000	4
Ordinary shares of £0.001 each	152,500	–	152,500	–
B Ordinary shares of £0.01 each	200,000	2	200,000	2
C Ordinary shares of £0.01 each	75,000	1	75,000	1
D Ordinary shares of £0.01 each	62,500	1	62,500	1
E Ordinary shares of £0.01 each	62,500	1	62,500	1
F Ordinary shares of £500 each	1	1	1	1
G Ordinary shares of £0.001 each	107,499	–	107,499	–
H Ordinary shares of £500 each	1	1	1	1
A Preferred shares of £0.0000001 each	6,725,639	–	6,725,639	–
B Preferred shares of £0.0000001 each	86,583,475	–	86,583,475	–
Deferred shares of £0.0000001 each	6,993,992,053	–	6,993,992,053	–
C Preferred shares of £1.00 each	40,500	41	40,500	41

On 22 November 2012 new Articles of Association were adopted by the Company which resulted in the sub-division and re-designation of the existing share capital into new classes of both Ordinary and Preferred Shares as set out below.

‘A Ordinary Shares’ are controlled by VCP VI B (see note 24 Related parties). ‘B Ordinary Shares’, ‘C Ordinary Shares’, ‘D Ordinary Shares’, ‘E Ordinary Shares’, ‘F Ordinary Shares’, ‘G Ordinary Shares’ and ‘Ordinary Shares’ are controlled by management (‘Management Shares’). ‘A Preferred Shares’ are controlled by VCP VI B, ‘B Preferred Shares’ are controlled by VCP VI B and management and ‘Deferred Shares’ are controlled by the Employee Benefit Trust. Dividends are distributed first to A Preferred Shares until the maximum hurdle rate, described in the Articles of Association, has been met. Remaining dividend amounts are then distributed to B Preferred Shares until the maximum hurdle rate has been met. Deferred Shares receive no dividend distribution. All other classes of share are treated equally for any remaining distribution. For voting, each class of share holds in aggregate, the % of votes as follows: A Ordinary: 75%, B Ordinary: 5%, C Ordinary 5%, D Ordinary 5%, E Ordinary 5% and F Ordinary 5%. All other classes of share hold no voting rights. In the event of a sale of the business, realisation proceeds are allocated in the following order. To the extent that the hurdle rate exceeds any previous return of capital A Preferred Shares receive proceeds first. Next to the extent that the hurdle rate exceeds any previous return of capital B Preferred Shares receive proceeds. Deferred Shares receive a maximum of 1p on a sale of the business. Finally any remaining proceeds are distributed equally between the remaining share classes. However, in certain circumstances described in the Articles, participation of Management Shares in the proceeds may increase.

On 17 April 2013 two new classes of share were created. The H share is controlled by management and has 5% voting rights. Following the creation of this class of share, the E Shares lost voting rights. C Preferred shares are controlled by both VCP VI B and management and have no voting rights. The H Shares have the same economic rights as the Ordinary Shares and the C Preferred Shares only entitle the holders to an aggregate of £20 on any realisation.

On 28 November 2013 25,000 C Ordinary Shares were converted into 25,000 Ordinary Shares and 2,250,000,000 Deferred Shares.

On 25 July 2014 10,000 A Ordinary Shares were converted into 10,000 Ordinary Shares.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is intended to assist in providing an understanding of our financial condition, changes in financial condition and results of operations and should be read together with our consolidated financial statements as of and for the thirteen weeks ended 2 July 2016 and the accompanying notes included elsewhere in this Quarterly Report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below in "Forward-Looking Statements".

Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Quarterly Report, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things: our future financial conditions, financial performance, performance of our Contract Portfolio, results of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; future developments in the markets in which we participate or are seeking to participate; and anticipated regulatory changes in the industry in which we operate. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "project", "should" or "will" or, in each case, their negative, or other variations or comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry, the macroeconomic environment and the regulatory landscape in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Quarterly report. In addition, even if our financial condition, results of operations and cash flows, and the development of the industry and regions in which we operate, are consistent with the forward-looking statements contained in this Quarterly Report, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements are only made as of the date of this Quarterly Report and, except as required by law or the rules and regulations of any stock exchange on which the Notes are listed, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Quarterly Report.

Overview

We are the leading player in the rent-to-own market in the United Kingdom measured by revenue, total customers and number of stores. We offer an integrated retail, credit and service proposition attractive to low income and credit impaired consumers who have limited access to traditional financing alternatives. We conduct our operations from our 312 stores which are located across the United Kingdom. Our product offering consists of a well-balanced mix of quality new and refurbished household goods, including essential and aspirational products, from four main categories: (i) televisions and audio products; (ii) domestic appliances, including washers, fridges and cookers; (iii) furniture, including sofas, dining sets and beds; and (iv) consumer technology, including mobile devices, gaming consoles and computers. Each product category includes a choice of leading brands from name-brand manufacturers, as well as entry level products and quality refurbished products, across a wide range of price points, which are carefully selected to appeal to low income customers.

We continue to evolve our proposition to ensure that it meets the needs of our customers. With effect from 27 April 2015, we are offering our product insurance as a separate optional cover. The retail price of the product now comprises a package of benefits incorporating delivery and installation, cover providing for unlimited repair and maintenance of the product over the life of the agreement and a short term replacement product if the product needs to be repaired outside the home. The product must be insured and optional product insurance cover is offered alongside the hire purchase agreement. This provides cover for loss through accidental damage, fire and theft. Optional product insurance cover can be cancelled by the customer at any time. The Group accounts for its revenue on an accruals basis for all domestic hire-purchase and service insurance and warranty agreements taking credit for all weekly or monthly instalments that have fallen due, but not for instalments which will fall due in the future under contracts in existence at the balance sheet date.

We offer our products on an affordable payment schedule. This enables customers to have the items they want and need while spreading the cost over a number of years. Once a customer has selected a product, we conduct a bespoke credit verification process and enter into a hire purchase agreement, providing, primarily, weekly instalment payments and no initial deposit. Ownership of the product passes to the customer upon full payment under the hire purchase agreement. Since 27 April 2015, the representative APR offered in our hire purchase agreements is 69.9%. The actual rate offered to individual customers is currently in the range 69.9% – 99.9% based upon the customer’s individual credit score, the product taken and the length of the agreement. Included within the credit agreement, we provide the customers, for no additional cost, the right of return and cancellation at any time, typically without penalty, and the ability to take a payment holiday if needed. As a result, customers benefit from a package which provides them with peace of mind by providing a full repair service and also providing them with the flexibility to return the product and terminate the hire purchase at any time should their preferences or circumstances change.

Key Performance Indicators

We use certain key operating measures to track the financial and operating performance of our business. None of these terms are measures of financial performance under IFRS, nor have these measures been audited or reviewed by an auditor, consultant or expert. These numbers are not derived exclusively from our internal financial systems or management accounts, but also from our non-financial operating systems. As they are defined by our management, these terms may not be directly comparable to similar terms used by competitors or other companies.

	As of and for the thirteen weeks ended 2 July 2016	As of and for the thirteen weeks ended 29 June 2015
Summary Statistical and Operating Data		
Customer Data		
Total customers ⁽¹⁾	262.6	276.2
Average number of contracts per customer ⁽²⁾	2.74	2.87
Average revenue per customer per month ⁽³⁾	£118.69	£119.74
Stores		
Number of stores	312	303
LTM like-for-like revenue growth (%) ⁽⁴⁾	2.0	4.7
Contract Portfolio (in millions of £) ⁽⁵⁾	497.3	571.5

- (1) Total customers represents the number of distinct individuals who are party to one or more hire purchase agreements outstanding on the relevant date with us, without regard to the number of hire purchase agreements entered into by each such customer.
- (2) Average number of contracts per customer is calculated by dividing the number of total hire purchase agreements outstanding on the relevant date by the number of total customers on such date.
- (3) Average revenue per customer per month is calculated by dividing the closing dues base at the period end by the closing customer base at the period end.
- (4) LTM like-for-like revenue refers to revenue generated by our stores in any given twelve-month period excluding revenues generated by new stores opened within the twelve-month period under review and the immediately preceding twelve-month period. Therefore, stores are included in this measure only when the results for two complete trading years are available. LTM like-for-like revenue growth is the increase in revenues generated by our stores in any given twelve-month period compared to the revenues generated by such stores in the previous twelve-month period presented as a percentage of such previous twelve-month period revenues. LTM like-for-like revenues are impacted by the growth in our business and trading volumes as well as the maturity profile of our store network. The number of new stores that have completed two trading years and are included in the calculation of LTM like-for-like revenues has an impact on the growth rate as these stores generally increase revenues at a faster rate.
- (5) The value of our Contract Portfolio refers to the aggregate amount of remaining payments due under our hire purchase agreements on a given date through the term of the relevant contracts in effect on such date, assuming all contracts are paid in full. These payments include, in addition to the expected instalment payments towards the retail price of the product, interest and indirect taxes and payments from the purchase of optional product insurance cover taken up by customers since 27 April 2015. These payments also include our previously offered insurance and warranty options, namely, the optional service cover and damage liability cover purchased by customers.

Total customers

Revenue is driven by the number of customers and their average spend with BrightHouse. Customer numbers have decreased by 4.9% from 276,200 as at 29 June 2015 to 262,600 as at 2 July 2016. Customer additions have been impacted by the more demanding regulatory environment and changes made to the application process. Stricter affordability processes and tightened credit criteria have impacted significantly on the Group's acceptance and successful conversion of applications.

Average number of contracts per customer

Average number of contracts per customer decreased to 2.74 as of 2 July 2016 compared to 2.87 as of 29 June 2015. The decrease of this metric is primarily due to extended sign-up procedures, impacting both application volumes and acceptance rates as existing customers adapt to the new requirements, leading to an impact on new agreement sign ups.

Number of stores

As of 2 July 2016, we had a total of 312 stores, and as of 29 June 2015, we had a total of 303 stores. There were no new store openings in the First Quarter 2016; we opened 5 new stores in the First Quarter 2015. Our strategy to expand the customer base is to grow like-for-like revenues through increased customer penetration and retention, to develop multi-channel capabilities and to launch new stores only where significant opportunities to enhance population coverage exist.

The E-commerce programme has continued the development of a clicks and mortar strategy. Our commercial website enables potential customers to peruse the features and benefits of different products before completing a full credit check online. The business seeks to launch a fully transactional website in the early part of 2017. Online applications for the First Quarter 2016 increased by 3.9% compared to the First Quarter 2015.

LTM like-for-like revenue

LTM like-for-like revenue for the twelve months ended 2 July 2016 increased by 2.0% compared to an increase of 4.7% for the twelve months ended 29 June 2015.

Contract Portfolio

The value of our Contract Portfolio as of 2 July 2016 was £497.3 million compared to £571.5 million as of 29 June 2015. This decrease is due to the introduction of new affordability processes and lending criteria as described above.

As calculated by an independent analytics firm, the Group has historically achieved a cash collection rate of 70%-71% of its Contract Portfolio. As a result of tightened lending criteria and a lower weighting of new customers in the portfolio these independent forecasts now indicate a cash collection rate of 74% of the Contract Portfolio as at June 2016.

Regulation and compliance

BrightHouse has always been a regulated business. On 1 April 2014, regulation for consumer credit passed from the Office of Fair Trading (OFT) to the Financial Conduct Authority (FCA).

Initially, all firms that wished to continue offering credit were granted interim permission by the FCA. Thereafter, all firms were required to apply for full authorisation, within an allocated three month window. BrightHouse submitted its application in May 2015. We are able to trade under our interim permission during the authorisation process.

The regulatory environment remains demanding. We have maintained a constructive dialogue with the FCA, as they have sought to understand our business and process our application. As part of this, we have further tightened our customer acceptance criteria and are embedding a more detailed and extended affordability assessment across our store estate. This is having a material impact on trading. As at 2 July 2016, the contract portfolio stood at £497.3 million, compared to £560.1 million at 31 March 2016.

Discussion and Analysis of Our Consolidated Results of Operations

Results of operations for the First Quarter 2016 compared with the results of operations for the First Quarter 2015

The following table sets forth certain information with respect to our consolidated results of operations for the First Quarter 2016 and the First Quarter 2015, respectively, which have been derived from our unaudited consolidated financial statements included elsewhere herein, as well as the period on period changes (expressed in absolute terms and percentages) for the period under review.

(in thousands of £, except percentages)	For the First	For the First	Change	
	Quarter 2016	Quarter 2015	Amount	%
	(unaudited)			
Revenue	91,719	90,152	1,567	1.7
Cost of sales	(44,729)	(40,646)	(4,083)	(10.0)
Gross Profit	46,990	49,506	(2,516)	(5.1)
Operating expenses	(43,513)	(41,372)	(2,141)	(5.2)
Operating profit	3,477	8,134	(4,657)	(57.3)
Finance income	113	5	108	2,160
Finance expense	(5,614)	(5,600)	(14)	(0.3)
Loss / Profit before taxation	(2,024)	2,539	(4,563)	(179.7)
Tax credit / (charge)	133	(589)	722	122.6
Loss / Profit for the period	(1,891)	1,950	(3,841)	(197.0)

Revenue

Revenue increased by £1.6 million, or 1.7%, to £91.7 million for the First Quarter 2016 from £90.2 million for the First Quarter 2015. This increase was predominantly driven by the like-for-like revenue performance.

Cost of sales

Cost of sales increased by £4.1 million, or 10.0%, to £44.7 million (48.8% of revenue) for the First Quarter 2016 from £40.6 million (45.1% of revenue) for the First Quarter 2015. This rise was primarily due to greater rental asset depreciation and an increase in cost of debt, partially offset by a reduction in expenditure on the maintenance of rental assets.

Gross profit and gross profit margin

Our gross profit reduced by £2.5 million, or 5.1%, to £47.0 million for the First Quarter 2016 from £49.5 million for the First Quarter 2015. Our gross profit margin (expressed as a percentage of revenue) decreased to 51.2% for the First Quarter 2016 from 54.9% for the First Quarter 2015. The gross margin reduction reflects the fact that cost of sales are partly determined by historic business volumes and therefore lags behind the reduction in customer additions experienced in the First Quarter 2016. The decision to temporarily suspend the charging of late fees has also had a detrimental impact on gross margin.

Operating expenses

Our operating expenses increased by £2.1 million, or 5.2%, to £43.5 million (47.4% of revenues) for the First Quarter 2016 from £41.4 million (45.9% of revenues) for the First Quarter 2015. The rise was mainly due to an increase in costs resulting from additional compliance costs, an enlarged store base and exceptional costs incurred in the First Quarter 2016.

Operating profit

Our operating profit decreased by £4.7 million, or 57.3%, to £3.5 million for the First Quarter 2016 from £8.1 million for the First Quarter 2015. This decrease was primarily due to the factors described above. Our operating profit margin (expressed as a percentage of revenue) decreased to 3.8% for the First Quarter 2016 from 9.0% for the First Quarter 2015 predominately due to the factors discussed above within the costs of sales and operating expenses analysis.

Finance expenses (net)

Our net finance expenses reduced by £0.1 million, or 1.7%, to £5.5 million for the First Quarter 2016 from £5.6 million for the First Quarter 2015. This was due to the interest credit generated in the First Quarter 2016 from the unwinding of trade receivables due after more than 1 year.

Tax charge

We have reported a tax credit of £0.1m for the First Quarter 2016 compared to a tax charge of £0.6 million for the First Quarter 2015. The tax credit recognised in the First Quarter 2016 was driven by the loss reported in the period. Our effective tax rate for the First Quarter 2016 was (6.6%) compared to 23.2% for the First Quarter 2015.

Loss for the period

We have reported a loss of £1.9 million for the First Quarter 2016 compared to a profit of £2.0 million for the First Quarter 2015 as a result of the factors described above.

Cash Flows

(in thousands of £)	For the First Quarter 2016	For the First Quarter 2015
Cash and cash equivalents at beginning of period.....	41,369	20,059
Net cash flow from operating activities.....	25,349	19,118
Net cash from investing activities	(2,780)	(4,119)
Net cash flow from financing activities.....	(8,747)	(8,761)
Net increase in cash and cash equivalents	13,822	6,238
Cash and cash equivalents at end of period	55,191	26,297

Net cash flow from operating activities

First Quarter 2016 compared to First Quarter 2015

Net cash flow from operating activities increased by £6.2 million to an inflow of £25.3 million for the First Quarter 2016 from an inflow of £19.1 million for the First Quarter 2015, primarily as a result of reduced purchases of hire purchase assets.

Net cash flow from investing activities

First Quarter 2016 compared to First Quarter 2015

Net cash used in investing activities decreased by £1.3 million to an outflow of £2.8 million for the First Quarter 2016 from an outflow of £4.1 million for the First Quarter 2015. This has been analysed in the Capital Expenditures section.

Net cash flow from financing activities

First Quarter 2016 compared to First Quarter 2015

Net cash used in financing activities remained consistent quarter-on-quarter at £8.7 million. Net cash used in financing activities primarily comprise, in both quarters, interest payments on the senior secured notes.

Restricted cash

We are required by regulation to maintain cash reserves at our Insurance Subsidiaries relating to our insurance operations. In addition, we hold cash received as a result of voluntary overpayments by customers (generally for the purpose of application towards future payments) in segregated accounts. As of 2 July 2016 our total restricted cash was £10.0 million compared to £4.7 million as of 29 June 2015. The rise was attributable to increased restricted cash held by the entities who supply insurance related services.

Capital Expenditures

Our capital expenditures (excluding purchases of hire purchase assets) comprise new store fit-out expenditures, investments in our information technology systems and capital expenditure relating to the refurbishment of existing stores and service centres. The following table sets out our capital expenditures for the First Quarter 2015 and the First Quarter 2016:

(in millions of £)	For the First Quarter 2016	For the First Quarter 2015
Capital expenditure on new stores ⁽¹⁾	–	0.6
Capital expenditure on information technology hardware	0.1	0.2
Capital expenditure on software development ⁽²⁾	2.2	2.2
Others ⁽³⁾	0.5	1.1
Total capital expenditure	2.8	4.1

- (1) Includes expenditure relating to fixtures, fittings and equipment.
- (2) Includes expenditure relating to the ERP project and other strategic programmes.
- (3) Primarily includes capital expenditure relating to our stores and service centres, including refurbishment, new signage and similar improvements.

Total capital expenditure incurred in the First Quarter 2016 decreased by £1.3 million to £2.8 million compared to the First Quarter 2015. We opened no new stores in the First Quarter 2016 compared to 5 new stores in the First Quarter 2015.

Capital expenditure on software development remained consistent at £2.2 million quarter-on-quarter.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet financing arrangements other than operating leases for stores, vehicles and office equipment. As of 2 July 2016, the value of our Contract Portfolio, which is unrecognized and maintained off-balance sheet until instalment payments are due, was £497.3 million. This was supported by hire purchase assets, recognized on our balance sheet, underpinning our Contract Portfolio, having a net book value of £131.0 million as of 2 July 2016.

Key Contacts and Calendar

Key Contacts

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Finance Calendar

Details of future results releases will be made available on our website.