

**1ST STOP FUNDING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**



# 1ST STOP FUNDING LIMITED

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# 1ST STOP FUNDING LIMITED

## COMPANY INFORMATION

<b>Directors</b>	A.J. Mollart D. Enright M.A. Robins
<b>Company secretary</b>	A.J. Mollart
<b>Registered number</b>	09827589
<b>Registered office</b>	10 Whitehills Business Park Whitehills Blackpool Lancashire FY4 5LW
<b>Auditors</b>	Ernst & Young LLP 1 Bridgewater Place Leeds LS11 5QR

# 1ST STOP FUNDING LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

### 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 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's 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;
- 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 to 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.

### Directors

The directors who served during the year were:

A.J. Mollart  
D. Enright  
M.A. Robins

### 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

### Auditors

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**1ST STOP FUNDING LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 1 August 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'M.A. Robins', with a long horizontal stroke extending to the right.

M.A. Robins  
Director

## 1ST STOP FUNDING LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1ST STOP FUNDING LIMITED

#### Opinion

We have audited the financial statements of 1st Stop Funding Limited for the year ended 31 March 2018 which comprise the Income Statement, the Balance Sheet, Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31st March 2018 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in the note 2 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

## 1ST STOP FUNDING LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1ST STOP FUNDING LIMITED

#### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

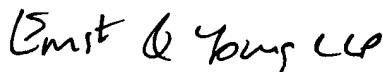
#### Auditor's responsibilities for the audit of the financial statements

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

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

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Robb (Senior statutory auditor)  
for and on behalf of  
Ernst & Young LLP, Statutory Auditor  
Leeds  
Date: 1 August 2018

# 1ST STOP FUNDING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover		5,486,703	-
Cost of sales		(68,954)	-
<b>Gross profit</b>		<b>5,417,749</b>	<b>-</b>
Administrative expenses		(177,076)	-
<b>Operating profit</b>		<b>5,240,673</b>	<b>-</b>
Interest payable and expenses		(1,962,104)	-
<b>Profit before tax</b>		<b>3,278,569</b>	<b>-</b>
<b>Profit after tax</b>		<b>3,278,569</b>	<b>-</b>
Profit/(loss) for the year		3,278,569	-
<b>Retained earnings at the end of the year</b>		<b>3,278,569</b>	<b>-</b>

The notes on pages 8 to 11 form part of these financial statements.



**1ST STOP FUNDING LIMITED**  
**REGISTERED NUMBER: 09827589**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	5	1,085,636	10,000,001
Debtors: amounts falling due within one year	5	42,330,873	-
Cash at bank	6	1,476,076	-
		<u>44,892,585</u>	<u>10,000,001</u>
Creditors: amounts falling due within one year	7	(3,289,015)	(10,000,000)
<b>Net current assets</b>		<u>41,603,570</u>	<u>1</u>
<b>Total assets less current liabilities</b>		<u>41,603,570</u>	<u>1</u>
Creditors: amounts falling due after more than one year	8	(38,325,000)	-
<b>Net assets</b>		<u><u>3,278,570</u></u>	<u><u>1</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		3,278,569	-
		<u><u>3,278,570</u></u>	<u><u>1</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 August 2018.



**M.A. Robins**  
Director

The notes on pages 8 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**1. General information**

1st Stop Funding Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. Accounting policies**

**Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.1 Tax**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

**2.2 Deferred Tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**2.3 Turnover**

Turnover represents interest, commissions and fees earned in respect of loans made. Turnover is recognised in profit or loss, using the effective interest rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset to the carrying amount of the financial asset.

All turnover arises within the UK.

**2.4 Cost of Sales**

Cost of sales represents direct costs incurred when underwriting loan agreements. Commission is recognised in the Statement of Comprehensive Income using the effective interest rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset to the carrying amount of the financial asset.

# 1ST STOP FUNDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 2. Accounting policies (continued)

#### 2.5 Cash and cash equivalents

Cash is represented by cash 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.

#### 2.6 Administrative expenses

Administrative expenses represents all indirect costs incurred by the group within the financial period. Expenses are charged to the Statement of Comprehensive Income in the year.

#### 2.7 Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Basic financial assets, which include debtors, prepayments and bank balances, are initially measured at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the asset is measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities, which include creditors, accruals, bank loans and group borrowings, are initially recognised at transaction price and are subsequently carried at cost unless the arrangement indicates otherwise and then the liability is measured at the present value of the future obligations discounted at a market rate of interest.

#### 2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.9 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

#### 2.10 Financial assets

In accordance with FRS102, the beneficial ownership of the loan sold to the Company by the group fail the derecognition criteria, and consequently, these loans remain on the balance sheet of the originating entities. In relation to the beneficial interest in the loan portfolios transferred to the Company, derecognition is considered to be inappropriate for the originating entities own financial statements as the originating entities have retained the significant risks and rewards of ownership of that financial asset. The Originating entity therefore recognises a deemed loan financial liability on its Statement of Financial Position and an equivalent loan asset is held on the Company's Statement of Financial Position. The Loans are repaid as and when principle repayments are made by customers against these transferred loans.

### 3. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,000	-

# 1ST STOP FUNDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 4. Employees

Staff costs were as follows:

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2017 -0).

### 5. Debtors

	2018 £	2017 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	1,085,636	10,000,001
	<u>1,085,636</u>	<u>10,000,001</u>
	2018 £	2017 £
<b>Due within one year</b>		
Deemed loan asset	41,294,478	-
Prepayments and accrued income	1,036,395	-
	<u>42,330,873</u>	<u>-</u>

Included within the amounts above is a deemed loan asset of £41,294,478, which consists of assets purchase from the originating entities of 1st Stop Group Limited, this is offset with an equal and opposite deemed loan liability, due to the originating entities retaining control of the asset, being both the administrator and servicer, the originating entities continues to recognise the assets on its balance sheet.

Futher breakdown of financial instruments can be found in note 8.

### 6. Cash and cash equivalents

	2018 £	2017 £
Cash at bank	1,476,076	-
	<u>1,476,076</u>	<u>-</u>

**1ST STOP FUNDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018 £	2017 £
Trade creditors	392,522	-
Amounts owed to group undertakings	2,896,493	10,000,000
	<u>3,289,015</u>	<u>10,000,000</u>

**8. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Bank loans	38,325,000	-
	<u>38,325,000</u>	<u>-</u>

The loans from banks, finance providers and high net worth individuals (Other loans) are due for repayment within 5 years and attract interest rates of up to 13%.

**9. Financial instruments**

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Financial assets measured at amortised cost	42,380,114	10,000,001
	<u>42,380,114</u>	<u>10,000,001</u>

Financial assets that are debt instruments measured at amortised cost comprise of: amounts owed to group undertakings and deemed loan assets.

**10. Controlling party**

The ultimate parent undertaking is 1st Stop Holdings Limited, which is incorporated in Great Britain and registered in England and Wales (company number 10024904) and the registered office is at 8 Hanover Street, London, W1S 1YQ. Its Annual Report and Financial Statements are available from Companies House. In the opinion of the directors the company is controlled by 1st Stop Holdings Limited as it is the ultimate parent undertaking of the 1st Stop Group Limited.