

STB Leasing Limited
Annual report and Financial Statements
For the period ended 31 December 2022

Registered Number 01648384



Contents

| | |
|----|------------------------------------------|
| 1 | Directors' report |
| 3 | Statement of Directors' responsibilities |
| 4 | Statement of comprehensive income |
| 5 | Statement of financial position |
| 6 | Statement of changes in equity |
| 7 | Statement of cash flows |
| 8 | Notes to the financial statements |
| 11 | Corporate contacts & advisers |

Directors' report

During the period STB Leasing Limited ("the Company") changed its Accounting Reference Date from 30 June to 31 December. Accordingly, the Directors present their report and the financial statements for the six months ended 31 December 2022. The Directors have taken advantage of the small companies' exemption under section 414B of the Companies Act 2006 with regards to the preparation of a strategic report. As such, no report has been prepared for the period ended 31 December 2022. Furthermore, the Directors have also taken advantage of the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Principal activities, business review and post balance sheet event

The principal activity of the Company during the prior year was the funding and operation of finance leases through a disclosed agency agreement with RentSmart Limited.

In 2021 levels of new business reduced to nil and consequently in the second half of 2021 the balance of receivables fell sufficiently to trigger a contractual arrangement resulting in the sale of the loan book and the return of collateral back to RentSmart Limited.

Since the sale of the loan book in January 2022 the Company has ceased to trade. The Statement of Comprehensive Income for the period is set out on page 4.

Results for the period

The loss for the period of £35,000 (year ended June 2022: loss of £20,000), has been transferred to reserves. The Directors have proposed a final dividend of £305,921. No final dividend was proposed for the year ended June 2022 but an interim dividend of £6,000,000 was paid in March 2022.

Directors serving during the period

J M Bowers (resigned 30 November 2022)

R M Lawrence

D A McCreadie

Directors' interests

Of the Directors holding office at 31 December 2022 D A McCreadie and R M Lawrence were also directors of Secure Trust Bank PLC, the ultimate and immediate parent company. Their interests in the share capital of that company at December 2022 are shown in the Director's Report of that company's 2022 Annual Report and Accounts. Director's Interests in the share capital of that company at the date of J M Bowers resignation and of all Directors at 30 June 2022 are shown below:

| Share options | 1 July 2022 | Granted during the period | (Exercised) during the period | (Lapsed) during the period | At date of resignation |
|--------------------------------------------|-------------|---------------------------|-------------------------------|----------------------------|------------------------|
| J Bowers | | | | | |
| 2017 Long term incentive plan share scheme | 35,097 | - | - | (13,906) | 21,191 |

| Shares | 1 July 2021 Number | Shares purchased during the year Number | 30 June 2022 Number |
|-------------|-----------------------|--------------------------------------------|------------------------|
| D McCreadie | 5,000 | 5,847 | 10,847 |

Directors' report

| Share options | 1 July 2021 | Granted during the year | (Exercised) during the year | (Lapsed) during the year | 30 June 2022 |
|--------------------------------------------|----------------|-------------------------|-----------------------------|--------------------------|----------------|
| D McCreadie | | | | | |
| 2017 Long term incentive plan | 55,319 | 53,065 | - | - | 108,384 |
| 2017 Deferred bonus plan | - | 19,216 | - | - | 19,216 |
| 2017 Sharesave plan | - | 1,683 | - | - | 1,683 |
| | 55,319 | 73,964 | - | - | 129,283 |
| R Lawrence | | | | | |
| 2017 Long term incentive plan | 44,927 | 33,308 | - | - | 78,235 |
| 2017 Deferred bonus plan | - | 12,062 | - | - | 12,062 |
| 2017 Sharesave plan | 3,388 | - | - | - | 3,388 |
| | 48,315 | 45,370 | - | - | 93,685 |
| J Bowers | | | | | |
| 2017 Long term incentive plan share scheme | 31,297 | 10,189 | (2,595) | (3,794) | 35,097 |
| | 134,931 | 129,523 | (2,595) | (3,794) | 258,065 |

No Director had a beneficial interest in shares of the Company during the period.

Third party indemnity provisions

The Directors of the Company have an insurance policy in place to provide them with indemnity cover. This policy was in force during the period and also at the date of approval of the financial statements.

Risk management

The Company regards the monitoring and controlling of risks as a fundamental part of the management process. Consequently, senior management are involved in the development of risk management policies and in monitoring their application. However, since it ceased trading, the Company is not exposed to any significant financial risks. The Company's overall approach to managing internal control and financial reporting is described in Note 3.

Going concern

The Company ceased trading in February 2022, after selling the loan book to Rentsmart Limited in January 2022. These accounts have therefore been prepared on a basis that is consistent with IFRS but amended to reflect the fact that the 'going concern' assumption is not appropriate. This has not resulted in any material change to the results for the period or the balance sheet at 31 December 2022. However, the ultimate parent company, Secure Trust Bank PLC has agreed that it will continue to provide the Company with financial and non-financial support for a period of at least 12 months from the date of approval of the financial statements. The Directors are satisfied that the ultimate parent company has the ability to provide financial support when necessary. The Secure Trust Bank PLC Group's stress testing process, covering capital and liquidity, demonstrated its ability to continue as a going concern. Further details of this can be found on pages 35 and 36 of Secure Trust Bank PLC's 2022 Annual Report and Accounts.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Approved by the Board and signed on its behalf



D McCreadie

Director

5 July 2023

Statement of Directors' responsibilities

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 period. Under that law the directors are required to prepare the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and UK adopted International Financial Reporting Standards. The financial statements also comply with UK adopted International Financial Reporting Standards ('IFRS'), as issued by the IASB as adopted by the United Kingdom.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

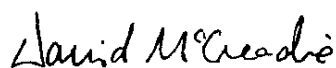
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- state whether they have been prepared in accordance with UK adopted International Financial Reporting Standards
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report that complies with that law and those regulations.

We confirm that to the best of our knowledge the financial statements, prepared in accordance with International Financial Reporting Standards as issued by the IASB and adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole.

This responsibility statement was approved by the Board of Directors on 4 July 2023 and is signed on their behalf by:



D McCreadie
Director

Statement of comprehensive income

| | | Period ended 31 December 2022 £000 | Year ended 30 June 2022 £000 |
|--------------------------------------------------|------|---------------------------------------------|---------------------------------------|
| | Note | | |
| Interest and similar expense | | - | (12) |
| Operating loss | | - | (12) |
| Loss on sale of loan book | 5 | - | (14) |
| Loss before income tax | | - | (26) |
| Income tax (expense)/credit | 6 | (35) | 6 |
| Loss for the period | | (35) | (20) |
| Loss attributable to: | | | |
| Equity holders of the Company | | (35) | (20) |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the Company | | (35) | (20) |

The Company has no recognised gains and losses other than those included in the results above hence a Statement of Other Comprehensive Income has not been prepared.

The Company's results above are from discontinuing operations, with the loan book being sold on 31 January 2022.

Statement of financial position

| | | At 31 December 2022 £000 | At 30 June 2022 £000 |
|------------------------------------------------------------------|------|-----------------------------------|-------------------------------|
| | Note | | |
| ASSETS | | | |
| Other assets – Amounts due from the immediate parent undertaking | 8 | 324 | 369 |
| Total assets | | 324 | 369 |
| EQUITY AND LIABILITIES | | | |
| Liabilities | | | |
| Current tax liabilities | | 18 | 28 |
| Total liabilities | | 18 | 28 |
| Equity attributable to the Company's equity holders | | | |
| Share capital | 9 | - | - |
| Retained earnings | | 306 | 341 |
| Total equity | | 306 | 341 |
| Total equity and liabilities | | 324 | 369 |

For the period ending 31 December 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 4 to 10 were approved by the Board of Directors on 4 July 2023 and were signed on its behalf by



D McCreadie

Director

Company number: 01648384

Statement of changes in equity

| | Share capital £000 | Retained earnings £000 | Total £000 |
|--------------------------------------------------------------|--------------------------|------------------------------|----------------|
| Balance at 1 July 2021 | - | 6,361 | 6,361 |
| Total comprehensive loss for the year | | | |
| Loss for the year ended 30 June 2022 | - | (20) | (20) |
| Total comprehensive loss for the year | - | (20) | (20) |
| Transactions with owners, recorded directly in equity | | | |
| Contributions by and distributions to owners | | | |
| Dividends | - | (6,000) | (6,000) |
| Total contributions by and distributions to owners | - | (6,000) | (6,000) |
| Balance at 30 June 2022 | - | 341 | 341 |
| Total comprehensive loss for the period | | | |
| Loss for the period ended 31 December 2022 | - | (35) | (35) |
| Total comprehensive loss for the period | - | (35) | (35) |
| Balance at 31 December 2022 | - | 306 | 306 |

The Company's results above are from discontinuing operations, with the loan book being sold in January 2022.

Statement of cash flows

| | | Period ended 31 December 2022 £000 | Year ended 30 June 2022 £000 |
|--------------------------------------------------------------------------------------|------|------------------------------------------------|---------------------------------------|
| | Note | | |
| Cash flows from operating activities | | | |
| Loss for the period | | (35) | (20) |
| Adjustments for: | | | |
| Loss on sale of loan book | 5 | - | 14 |
| Income tax expense/(credit) | 6 | 35 | (6) |
| Cash flows from operating profits before changes in operating assets and liabilities | | - | (12) |
| Changes in operating assets and liabilities: | | | |
| - net decrease in loans and advances to customers | | - | 1,176 |
| - net increase in other assets | 8 | - | (1,164) |
| Net cash outflow from operating activities | | - | - |
| Net cash flow from investing activities | | - | - |
| Net cash flow from financing activities | | - | - |
| Net decrease in cash and cash equivalents | | - | - |
| Cash and cash equivalents at start of the period | | - | - |
| Cash and cash equivalents at end of the period | | - | - |

The Company's results above are from discontinuing operations, with the loan book being sold on 31 January 2022.

Notes to the financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1.1 Reporting entity

STB Leasing Limited is a private company limited by shares and incorporated and domiciled in England and Wales in the United Kingdom. The registered address of STB Leasing Limited is Yorke House, Arlestone Way, Solihull, West Midlands, B90 4LH.

1.2 Basis of presentation

The Company's financial statements have been prepared under the historical cost convention and in accordance with United Kingdom adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and United Kingdom adopted International Financial Reporting Standards.

The financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. There are no IFRS that are issued but not yet effective that will have a material impact on the Company.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements (Note 2).

The Company ceased trading in February 2022, after selling the loan book to Rentsmart Limited in January 2022. These accounts have therefore been prepared on a basis that is consistent with IFRS but amended to reflect the fact that the 'going concern' assumption is not appropriate. This has not resulted in any material change to the results for the period or the balance sheet at 31 December 2022. Discontinued operations are a component of an entity that has been disposed of and represents a major line of business and is part of a single co-ordinated disposal plan.

1.3 Interest income

For all financial instruments measured at amortised cost, the effective interest rate method was used to measure the carrying value and allocate interest income or expense. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset or
- the amortised cost of the financial liability.

In calculating the effective interest rate for financial instruments, other than assets that were credit impaired on initial recognition, the Company estimated cash flows considering all contractual terms of the financial instrument (for example, early redemption penalty charges and broker commissions) and anticipated customer behaviour but did not consider future credit losses.

The calculation of the effective interest rate included all fees received and paid that were an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Transaction costs included incremental costs that were directly attributable to the acquisition or issue of a financial instrument.

The effective interest method calculates the amortised cost of a financial asset or a financial liability and allocates the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company took into account all contractual terms of the financial instrument but did not consider future credit losses. The calculation included all fees paid or received between parties to the contract that were an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Notes to the financial statements

1.4 Financial assets

The Company classified its financial assets at inception at amortised cost, as they fulfilled the following criteria:

- the asset was held within a business model whose objective is to hold the asset to collect its contractual cash flows
- the contractual terms of the financial asset give rise to cash flows on specified dates that represent payments of solely principal and interest on the outstanding principal amount

The credit risk of the loan book was borne by RentSmart Limited through the agency agreement, all other risks and rewards associated with these loans were borne by the Company.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, plus or minus the cumulative amortisation using the effective interest method, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, minus any reduction for impairment.

1.5 Income taxation

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which the temporary differences can be utilised.

1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs. Any amounts received over nominal value are recorded in the share premium account, net of direct issuance costs.

2. Critical accounting judgements and key sources of estimation uncertainty

2.1 Judgements

No critical judgements have been identified.

2.2 Key sources of estimation uncertainty

There are no estimations which, based on a reasonably possible change within the next 12 months, could have a material impact on the Company's financial results.

3. Financial risk management

Strategy

The Directors and senior management of the Company have formally adopted an Operational Risk Framework which sets out the Board's attitude to risk and internal controls. Key risks identified by the Directors are formally reviewed and assessed at least once a year by the Board, in addition to which key business risks are identified, evaluated and managed by operating management on an ongoing basis by means of procedures such as physical controls, credit and other authorisation limits and segregation of duties. The Board also receives regular reports on any risk matters that need to be brought to its attention. Significant risks identified in connection with the development of new activities are subject to consideration by the Board. Since it ceased trading, the Company is not exposed to any significant financial risks.

4. Monthly average number of employees and Directors' emoluments

The Company had no employees during the period (year ended June 2022: none). Directors' emoluments were paid by the immediate parent company Secure Trust Bank PLC which made no recharges to the Company for their services.

Notes to the financial statements

5. Loss on sale of loan book

The loan book of £1,206,000 was sold on 31 January 2022 for consideration of £1,192,000, resulting in a loss of £14,000.

6. Income tax expense/(credit)

| | Period ended 31 December 2022 £000 | Year ended 30 June 2022 £000 |
|------------------------------------------------------------------|------------------------------------------------|------------------------------------------|
| Current taxation | | |
| Corporation tax charge - current period | - | - |
| Corporation tax credit – adjustments in respect of prior periods | 35 | (6) |
| Income tax expense/(credit) | 35 | (6) |
| Tax reconciliation | | |
| Loss before tax | - | (26) |
| Tax at 19.00% (year ended June 2022: 19.00%) | - | (5) |
| Group relief | - | - |
| Permanent adjustments | - | 5 |
| Adjustments in respect of prior periods | 35 | (6) |
| Income tax expense/(credit) for the period | 35 | (6) |

7. Dividends

The Directors recommend the payment of a final dividend for the year of £305,921 (£152,960.50p per share). No final dividend was proposed for the year ended June 2022 but an interim dividend of £6,000,000 (£3,000,000.00p per share) was paid in March 2022.

8. Amounts due from the immediate parent undertaking

Amounts due from the immediate parent undertaking do not bear any interest, have no fixed date for repayment and are therefore technically repayable on demand. They are accounted for as financial assets, measured at amortised cost and the fair value is not considered to be significantly different from the carrying value.

9. Share capital

| | Number of ordinary shares | Share capital £'000 |
|--------------------------------------|---------------------------------|---------------------------|
| At 31 December 2022 and 30 June 2022 | 2 | - |

There was no movement in the issued share capital in the current or prior periods. The total number of ordinary shares in issue at 31 December 2022 and 30 June 2022 was 2 with a par value of £1 per share (June 2022: £1 per share). Both issued shares are fully paid.

10. Immediate and ultimate parent company

The ultimate and immediate parent company is Secure Trust Bank PLC. A copy of the financial statements of Secure Trust Bank PLC may be obtained from Secure Trust Bank PLC, Yorke House, Arlestone Way, Solihull, West Midlands, B90 4LH.

Corporate contacts & advisers

Secretary & Registered Office

M P D Stevens
Yorke House
Arleston Way
Solihull
West Midlands
B90 4LH
T 0121 693 9100
F 0121 693 9124