

**ARIANTY HOLDINGS LIMITED**

**Report and Financial Statements**

**Year Ended 30 September 2018**



## **STRATEGIC REPORT**

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

Arianty Holdings Limited ('the Company') is a holding company and its main trading subsidiaries are Arianty No.1 plc ("ARI1"), First Flexible No.1 plc ("FFL1"), First Flexible No.2 plc ("FFL2"), First Flexible No.3 plc ("FFL3") First Flexible No.4 plc ("FFL4"), First Flexible No.5 plc ("FFL5") and Arianty Services Limited ("ARIS").

During the year the Company operated in the United Kingdom, the principal activities of the Group during the year under review are the provision of first mortgage loans secured on residential properties. There have been no significant changes in the Group's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Group's activities in the next year.

Under the terms of the servicing agreement, Mortgage Trust Limited ("MTL") was appointed to service the mortgages. The business of MTL was transferred to Mortgage Trust Services Plc ("MTS") on 1 October 2003, under the novation agreement then dated, and consequently, since that date, MTS has been the servicer.

The Group's consolidated income statement is shown on page 7, the loss after tax has increased from £10,000 to £36,000. This was mainly due to the difference between the interim dividends received from the Company's subsidiaries and the provision charge on loans to group companies.

The balance sheet on page 8 of the financial statements shows the value of investments the Company currently holds. Net assets have decreased to a net liability position due to the loss for the year. Details of amounts owed to other group companies are shown in note 19.

No interim dividend was paid during the year (2017: £nil). No final dividend is proposed (2017: £nil).

The Paragon Group manages its operations on a centralised basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group comprises securitisation companies and has been structured so as to avoid, in as far as is possible, all forms of financial risk with its outstanding term loan match-funded to maturity. An analysis of the Group's exposure to risk, including financial risk, and the steps taken to mitigate these risks are set out in note 4.

After considering the above, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

### **ENVIRONMENT**

The Paragon Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Paragon Group's activities. The Company operates in accordance with group policies, which are described in the Paragon Group's Annual Report, which does not form part of this Report.

### **EMPLOYEES**

The Company has no employees. All operational services are provided by employees of the Paragon Group. The Paragon Group's employment policies are described in its Annual Report, which does not form part of this Report.

Approved by the Board of Directors  
and signed on behalf of the Board

  
K G Allen  
Director

15 January 2019

## **DIRECTORS' REPORT**

The directors present their Annual Report prepared in accordance with Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the audited Financial Statements for Arianty Holdings Limited, a company registered in England and Wales with registration no: 04062132, for the year ended 30 September 2018.

### **CORPORATE GOVERNANCE**

The directors have been charged with governance in accordance with the transactional documentation detailing the mechanism and structure of the transaction. The structure of the Group is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the transaction documents.

### **DIRECTORS**

The directors during the period and subsequently were:

R D Shelton

R J Woodman

J Fairrie (resigned 19 November 2018)

K G Allen

J P Giles

P H Whitaker

### **DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

The directors have taken all reasonable steps to make themselves and the Company's auditor, KPMG LLP, aware of any information needed in preparing the audit of the Annual Report and Financial Statements for the year, and, as far as each of the directors is aware, there is no relevant audit information of which the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 (2) of the Companies Act 2006.

### **INDEPENDENT AUDITOR**

No notice from members under section 488 of the Companies Act 2006 having been received, the directors intend that the auditor, KPMG LLP, shall be deemed to be reappointed in accordance with section 487(2) of the Act.

**DIRECTORS' REPORT (CONTINUED)**

**INFORMATION PRESENTED IN OTHER SECTIONS**

Certain information required to be included in a directors' report by the Companies Act 2006 and regulations made there under can be found in the other sections of the Annual Report, as described below. All of the information presented in these sections is incorporated by reference into this Directors' Report and is deemed to form part of this report.

- Commentary on the likely future developments in the business of the Company is included in the Strategic Report.
- A description of the Company's financial risk management objectives and policies, and its exposure to risks arising from its use of financial instruments are set out in note 4 to the accounts.
- Disclosure on any dividends paid during the year is included in the Strategic Report.

Approved by the Board of Directors  
and signed on behalf of the Board



K G Allen  
Director

15 January 2019

Registered Office: 51 Homer Road, Solihull, West Midlands, B91 3QJ

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**in relation to Financial Statements**

The directors are responsible for preparing the Annual 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 have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group, and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

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 their profit or loss for that period.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets, for the Company's systems of internal control and for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a strategic report and directors' report which comply with the applicable requirements of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.



Pandora Sharp  
Company Secretary  
15 January 2019

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIANTY HOLDINGS LIMITED**

## **Opinion**

We have audited the Group and parent company's Financial Statements of Arianty Holdings Limited for the year ended 30 September 2018 which comprise the consolidated income statement, the Group and Company balance sheet, the statement of movement in equity and the related notes 1 to 21, including the accounting policies in note 3.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2018 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARIANTY HOLDINGS LIMITED (CONTINUED)**

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Matthew Rowell (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH

15 January 2019

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
Interest receivable	6	-	6
Interest payable	7	(3)	(9)
Net interest expense		<u>(3)</u>	<u>(3)</u>
Other operating income	8	151	-
Total operating income		<u>148</u>	<u>(3)</u>
Operating expenses	9	(11)	(10)
Provision for losses	12	(176)	-
Operating loss being loss on ordinary activities before taxation		<u>(39)</u>	<u>(13)</u>
Tax on loss on ordinary activities	13	3	3
Loss on ordinary activities after taxation	18	<u>(36)</u>	<u>(10)</u>

The loss for the current and preceding years relate entirely to continuing operations.

There are no other items of comprehensive income in either the current or preceding years.

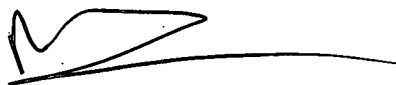
**GROUP AND COMPANY BALANCE SHEETS**

**30 SEPTEMBER 2018**

	Note	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
<b>ASSETS EMPLOYED</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiary undertakings	15	63	75	63	75
<b>CURRENT ASSETS</b>					
Other receivables	16	-	3	-	3
Cash and cash equivalents		1	1	1	1
		<u>1</u>	<u>4</u>	<u>1</u>	<u>4</u>
Total assets		<u>64</u>	<u>79</u>	<u>64</u>	<u>79</u>
<b>FINANCED BY</b>					
<b>EQUITY SHAREHOLDERS' (DEFICIT) / FUNDS</b>					
Called up share capital	17	-	-	-	-
Profit and loss account	18	(29)	7	(29)	7
Total equity		<u>(29)</u>	<u>7</u>	<u>(29)</u>	<u>7</u>
<b>CURRENT LIABILITIES</b>					
Other liabilities	19	93	72	93	72
		<u>64</u>	<u>79</u>	<u>64</u>	<u>79</u>

These financial statements of the Group and Company (registered number 04062132) were approved by the Board of Directors on 15 January 2019.

Signed on behalf of the Board of Directors



R D Shelton  
Director

STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2018

*Group and Company*

	Share capital £000	Profit and loss account £000	Total equity £000
<i>Total comprehensive income for the year</i>			
Loss for the year	-	(36)	(36)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(36)	(36)
Opening equity	-	7	7
Closing equity	-	(29)	(29)

YEAR ENDED 30 SEPTEMBER 2017

*Group and Company*

	Share capital £000	Profit and loss account £000	Total equity £000
<i>Total comprehensive income for the year</i>			
Loss for the year	-	(10)	(10)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(10)	(10)
Opening equity	-	17	17
Closing equity	-	7	7

## **NOTES TO THE ACCOUNTS**

### **YEAR ENDED 30 SEPTEMBER 2018**

#### **1. GENERAL INFORMATION**

Arianty Holdings Limited ('the Company') is a company domiciled in the United Kingdom and incorporated in England and Wales under the Companies Act 2006 with company number 04062132. The address of the registered office is 51 Homer Road, Solihull, West Midlands, B91 3QJ. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

The Company and its subsidiary entity ('the Group'), are both controlled by Paragon Banking Group PLC and included within the consolidated accounts of the Group headed by that company ('the Paragon Group').

These financial statements are presented in pounds sterling, which is the currency of the economic environment in which the Company operates.

#### **2. ADOPTION OF NEW AND REVISED REPORTING STANDARDS**

In the preparation of these financial statements no new reporting standards are being applied for the first time.

International Financial Reporting Standards and Interpretations in issue, but not effective, do not address matters relevant to the Group's accounting and reporting.

#### **3. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with IFRSs as adopted by the European Union. In the financial years reported upon this means that the financial statements accord also with International Financial Reporting Standards as approved by the International Accounting Standards Board.

The Company, as a company with wholly owned subsidiaries is required to prepare accounts under section 399 of the Companies Act 2006. However, due to restrictions on the Company's control of the assets and liabilities of its subsidiary company, the criteria for the inclusion of the subsidiary in the consolidated accounts set out in IFRS 10 – 'Consolidated Financial Statements' are not met. Hence the group accounts of the Company are the same as its individual company accounts.

The particular accounting policies applied are described below.

##### **Accounting convention**

The Financial Statements are prepared under the historical cost convention.

##### **Going concern**

The Financial Statements have been prepared on a going concern basis as described in the Strategic Report, the directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

##### **Basis of consolidation**

The consolidated accounts deal with the accounts of the Company and its subsidiary made up to 30 September 2018.

##### **Fixed assets – investments in subsidiaries**

The investment in the subsidiary companies is shown at cost less provision for impairment.

##### **Amounts owed by or to group companies**

The balances owed by or to other group companies are carried at the current amount outstanding less any provision.

## NOTES TO THE ACCOUNTS

### YEAR ENDED 30 SEPTEMBER 2018

#### 3. ACCOUNTING POLICIES (CONTINUED)

##### Cash and cash equivalents

Balances shown as cash at bank in the balance sheet comprise demand deposits and short-term deposits with banks with initial maturities of not more than 90 days.

##### Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of temporary differences. Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

##### Revenue

The revenue of the Group comprises interest receivable and other income. The accounting policy for the recognition of each element of revenue is described separately within these accounting policies.

#### 4. FINANCIAL RISK MANAGEMENT

The Company's primary financial assets and liabilities are with other group companies; therefore, the directors do not consider that the Company is exposed to any significant cash flow, credit or liquidity risks.

#### 5. REVENUE

	Group 2018 £000	Group 2017 £000
Interest receivable (note 6)	-	6
Other operating income (note 8)	151	-
	<u>151</u>	<u>6</u>

#### 6. INTEREST RECEIVABLE

	Group 2018 £000	Group 2017 £000
Interest from related parties	-	6
	<u>-</u>	<u>6</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2018

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2018 £000	Group 2017 £000
Interest payable to group companies	2	2
Interest payable to related parties	1	7
Total interest on financial liabilities	<u>3</u>	<u>9</u>
Other finance costs	-	-
	<u>3</u>	<u>9</u>

8. OTHER OPERATING INCOME

	Group 2018 £000	Group 2017 £000
Dividend income	<u>151</u>	<u>-</u>

9. OPERATING EXPENSES

	Group 2018 £000	Group 2017 £000
Operating profit is after charging:		
Auditor remuneration (note 11)	8	8
Other administrative costs (note 10)	3	2
	<u>11</u>	<u>10</u>

The Group utilises employees and facilities of the Paragon group in its operations, and hence has no employees of its own.

10. KEY MANAGEMENT REMUNERATION

Directors' remuneration from the Group during the year is listed below:

	Group 2018 £000	Group 2017 £000
Directors' fees	<u>3</u>	<u>2</u>

The Group had no employees in the current period. All administration is performed by employees of related companies under the servicing agreement. The directors of the Company, with the exception of J Fairrie and P H Whitaker, are employed by Paragon Finance PLC, a fellow group company, and their remuneration is disclosed within the financial statements of that company, which do not form part of this Report.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2018

11. AUDITOR REMUNERATION

The analysis of fees payable to the Company's auditors and their associates, excluding irrecoverable VAT, required by the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 is set out below.

	2018 £000	2017 £000
Audit fee of the company	6	6
<b>Other services</b>		
Audit of subsidiary undertakings pursuant to legislation	-	-
Total fees	6	6
Irrecoverable VAT	2	2
Total cost to the Group	8	8

Fees paid to the auditors and their associates for non-audit services to the Company are not disclosed because the consolidated accounts of the Paragon Group are required to disclose such fees on a consolidated basis.

12. PROVISIONS FOR LOSSES

	Group 2018 £000	Group 2017 £000
Impairment of financial assets		
Investments in group companies (note 15)	12	-
Loans to group companies	164	-
	176	-

13. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of credit in the year

	Group 2018 £000	Group 2017 £000
<b>Current tax</b>		
Group relief	(3)	(3)
Total current tax	(3)	(3)
Deferred tax	-	-
Tax charge on profit on ordinary activities	(3)	(3)

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2018

13. TAX ON LOSS ON ORDINARY ACTIVITIES (Continued)

(b) Factors affecting tax credit for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom of 19% (2017: 19.5%). The differences are explained below:

	Group 2018 £000	Group 2017 £000
Loss before tax	(39)	(13)
UK corporation tax at 19.0% (2017: 19.5%) based on the loss for the year	(7)	(3)
Effects of:		
Tax exempt revenues	(29)	-
Non-deductible expenses	33	-
Tax credit for the year	(3)	(3)

The current rate of corporation tax applicable to the Company for the year ended 30 September 2018 is 19.0%. Legislation has been enacted that will reduce this to 17% with effect from 1 April 2020.

Therefore, the standard rate of corporation tax is expected to be 19% for the year ended 30 September 2019, 18% for the year ending 30 September 2020 and 17% thereafter.

14. LOSS ATTRIBUTABLE TO MEMBERS OF ARIANTY HOLDINGS LIMITED

The Company's loss after tax for the financial year amounted to £36,000 (2017: £10,000). A separate income statement has not been prepared for the Company under the provisions of section 408 of the Companies Act 2006.

The Company has no other items of comprehensive income for the year ended 30 September 2018 and the year ended 30 September 2017.

NOTES TO THE ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2018

15. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Group & Company 2018 £000	Group & Company 2017 £000
<b>Valuation</b>		
At 1 October 2017	75	75
Provisions movement (note 12)	(12)	-
At 30 September 2018	<u>63</u>	<u>75</u>

Listed below is the subsidiary company of the Group which is incorporated in England and Wales:

Company	Principal activity	Description of shares held	Proportion of nominal value of issued shares held	Year end Status
Arianty No.1 PLC	Mortgage warehouse	Ordinary £1 shares	100%	Trading
Arianty Services Ltd	Leasing	Ordinary £1 shares	100%	Trading
First Flexible No.1 PLC	Mortgage securitisations	Ordinary £1 shares	100%	Trading
First Flexible No.2 PLC	Mortgage securitisations	Ordinary £1 shares	100%	Trading
First Flexible No.3 PLC	Mortgage securitisations	Ordinary £1 shares	100%	Trading
First Flexible No.4 PLC	Mortgage securitisations	Ordinary £1 shares	100%	Trading
First Flexible No.5 PLC	Mortgage securitisations	Ordinary £1 shares	100%	Trading

During the year ended 30 September 2018 the Company received £151,000 (2017: £nil) in dividend income from its subsidiaries.

The registered office of each of the entities listed in this note is the same as that of the Company (note 1).

16. OTHER RECEIVABLES

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
<b>Current assets</b>				
Corporation tax	-	3	-	3
	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>

17. CALLED UP SHARE CAPITAL

	Company 2018 £	Company 2017 £
<b>Allotted:</b>		
1 ordinary share of £1 (fully paid)	<u>1</u>	<u>1</u>

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 30 SEPTEMBER 2018**

**18. PROFIT AND LOSS ACCOUNT**

<b>The Group</b>	<b>£000</b>
At 1 October 2016	17
Loss for the financial year	(10)
At 30 September 2017	7
Loss for the financial year	(36)
At 30 September 2018	(29)

<b>The Company</b>	<b>£000</b>
At 1 October 2016	17
Loss for the financial year	(10)
At 30 September 2017	7
Loss for the financial year	(36)
At 30 September 2018	(29)

No final dividend for the year ended 30 September 2018 (2017: £nil) is proposed.

**19. OTHER LIABILITIES**

	<b>Group 2018 £000</b>	<b>Group 2017 £000</b>	<b>Company 2018 £000</b>	<b>Company 2017 £000</b>
<b>Current liabilities:</b>				
Amounts due to group companies	63	53	63	53
Amounts owed to related parties (note 20)	21	10	21	10
Accruals and deferred income	9	9	9	9
	<u>93</u>	<u>72</u>	<u>93</u>	<u>72</u>

**20. RELATED PARTY TRANSACTIONS**

The Group has identified the following transactions which are required to be disclosed under the terms of IAS 24 - 'Related Party Disclosures' ('IAS 24').

**Transactions with Paragon Banking Group PLC (PBG)**

At the balance sheet date PBG, a Company under common control as defined by IAS 24, was owed £21,000 (2017: £10,000) by the Company in relation to payments made on behalf of the Company, which is included in other creditors.

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 30 SEPTEMBER 2018**

**21. ULTIMATE PARENT COMPANY**

On 10 October 2008 ATC Capital Markets (UK) Limited replaced Wilmington Trust SP Services (London) Limited as trustees under a declaration of trust for charitable purposes. The directors regard Paragon Banking Group PLC as the ultimate controlling party.

The smallest and largest group in which the Company is consolidated is that of the Paragon Banking Group PLC.

Copies of the consolidated financial statements may be obtained from the Secretary, 51 Homer Road, Solihull, West Midlands, B91 3QJ.