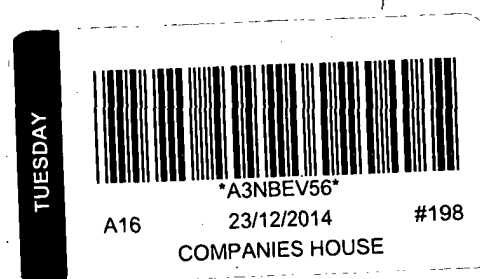


ULTIMATE FINANCE GROUP plc

Report and Financial statements for the 18 months ended

31 December 2013

Company Number: 04350565



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Ultimate Finance Group plc

Country of incorporation of company

United Kingdom

Legal form

Public limited company

Directors at the date of this report

D Blain
J Brooke
M Cooper
J Coombes
J Cranston
R McDowell

Secretary and registered office

D Blain, 1 Westpoint Court, Great Park Road, Bradley Stoke, Bristol, BS32 4PS

Company number

04350565

Auditors

Deloitte LLP, 2 Hardman Street, Manchester M3 3HF

Principal Bankers

Lloyds TSB Bank Plc, PO Box 112, Canons Way, Bristol, BS99 7LB

Website

www.ultimatefinance.co.uk

Email address

info@ultimatefinance.co.uk

Ultimate Finance Group plc

Strategic Report

Nature of business

The company has six trading subsidiaries, Ultimate Invoice Finance Limited, Ultimate Asset Finance Limited, Ultimate Trade Finance Limited, Ultimate Construction Finance Limited, Ashley Commercial Finance Limited and Ashley Business Cash Limited, and two dormant subsidiaries, Ultimate Factors Limited and Ultimate Recruitment Finance Limited. Ultimate Business Cash Limited has not generated revenue since its incorporation but has been incurring development costs with regard to the on-line lending platform to be used when the product is launched. During the period the entire share capital of the Company was acquired by Renovo Group plc (which has subsequently changed its name to Inspired Capital plc).

The principal activity of the Company is to act as the holding company for the investment in group subsidiaries.

The Company incurred a loss of £156,000 in the 18 month period ended 31 December 2013 (year to 30 June 2012: profit of £1,015,000). This has reduced because of a reduction of intercompany dividends received.

Principal risks and uncertainties

A high level summary of the key business risks facing the Company and the management actions that currently mitigate them to an acceptable level is provided below:

	Business risk	Mitigating management actions
Liquidity risk	The risk to insolvency arising from an inability to meet obligations when they become due, without incurring unexpected or unacceptable losses. The Company funds its business through dividends from subsidiary companies and a deterioration in performance may prevent any dividends being paid. The company is also dependent upon support from its parent company.	The Company seeks to mitigate this risk by investigating alternative products and ongoing investment in existing operations.
Competitor risk	The Company faces competition in the markets in which it operates. There is a danger that its planned growth and profitability may be impaired.	The Company seeks to mitigate this risk by investigating alternative products and ongoing investment in existing operations.
Management	The success of the Company is dependent on recruiting and retaining skilled senior management personnel and failure to do so would put the Company's ability to successfully carry out its plans at risk.	The Company's employment policies are designed to mitigate this exposure and ensure that an appropriately skilled workforce is and remains in place.

Outlook

The Board remains confident about the outlook for the business (and its part in the Group structure) and its ambition to be a major player in the SME finance arena. This will be achieved by reinvesting profits generated by the business into strategic expenditure in the areas of technology, marketing and management, in order to achieve significant future growth.

Ultimate Finance Group plc

Strategic Report

Going concern


The principal risks and uncertainties affecting the Company and the steps taken to mitigate these risks are described above. Critical accounting assumptions and key sources of estimation and uncertainty affecting the results and financial position are discussed in note 2. The Company is reliant on the support of its ultimate parent Inspired Capital plc, in order to continue as a going concern. The directors of Inspired Capital plc have indicated this support will continue until the company is able to support itself, and that repayment of balances due to group companies will only be required when funds are available.

After making enquiries, 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 have adopted the going concern basis in preparing the Annual Report and financial statements.

Approval

This Strategic Report for the Company has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the Directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

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



David Blain
Director
11 December 2014

Ultimate Finance Group plc

Directors' Report

The directors present their report together with the audited financial statements for the 18 month period ended 31 December 2013. The accounting period has been extended by six months as a result of the acquisition of the Ultimate Finance Group by Inspired Capital plc.

Results and Dividend

The statement of comprehensive income is set out on page 11 and shows the loss for the period. No final dividend is proposed.

Directors and directors' interests

The directors who held office during the year were as follows:

David Blain (appointed 22 October 2013)
James Brooke (appointed 22 October 2013)
Matt Cooper
Jeremy Coombes
Jonathan Cranston
Shane Horsell (resigned 30 June 2014)
Roger McDowell

The interests of directors in the shares of the ultimate holding company are disclosed in the accounts of that company for the period ended 31 December 2013. Copies of that report are available from the website www.inspiredcapitalplc.com.

None of the Directors has a service contract with the Company requiring more than twelve months' notice of termination to be given.

None of the Directors had, either during or at the end of the period, any material interest in any contract of significance with the Company or any other Group company.

Directors' indemnity

The Company has purchased insurance to cover the Directors, officers and employees of Renovo Group plc and its subsidiaries against defence costs and civil damages awarded following an action brought against them in their personal capacity whilst carrying out their professional duties for the Group.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

In accordance with section 418 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting of the ultimate parent company.

Ultimate Finance Group plc

Directors' Report

Information presented in other sections

Certain information required to be included in a Directors' Report by Schedule 7 can be found in the other sections of the Annual Report. All of the information presented in those sections is incorporated by reference into this Directors' Report and is deemed to form part of this Report.

By order of the Board



David Blain

Director

11 December 2014

Statement of Directors' responsibilities in relation to the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those 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;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 the system of internal control, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the members of Ultimate Finance Group plc

We have audited the financial statements of Ultimate Finance Group plc for the 18 month period ended 31 December 2013 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the 18 month period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Ultimate Finance Group plc

Independent Auditor's Report to the members of Ultimate Finance Group plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter Birch (senior statutory auditor)

For and on behalf of Deloitte LLP, statutory auditor

Manchester, UK

11 December 2014

Ultimate Finance Group plc

Statement of comprehensive income for the period ended 31 December 2013

	Note	18 months to 31 December 2013 £000	Year to 30 June 2012 £000
Income statement			
Administrative expenses		(756)	(500)
Operating loss		(756)	(500)
Finance income	5	1	66
Finance expense	5	(51)	(51)
Dividend income received		650	1,500
(Loss)/profit before tax		(156)	1,015
Taxation	7	-	-
(Loss)/profit for the period		(156)	1,015

All amounts are attributable to the owners of the parent.

Ultimate Finance Group plc

Statement of financial position

at 31 December 2013

Company number 04350565

	Note	31 December 2013 £000	30 June 2012 £000
Non-current assets			
Investment in subsidiaries	8	7,070	7,064
		<u>7,070</u>	<u>7,064</u>
Current assets			
Loans and other receivables	9	6,306	2,745
Cash and cash equivalents	10	2,014	-
		<u>8,320</u>	<u>2,745</u>
Total assets		<u>15,390</u>	<u>9,809</u>
Current liabilities			
Trade and other payables	12	(5,020)	(19)
Contingent consideration	12	-	(1,287)
Bank loans	11	(400)	(400)
		<u>(5,420)</u>	<u>(1,706)</u>
Non-current liabilities			
Bank loans	11	(323)	(914)
		<u>(5,743)</u>	<u>(2,620)</u>
Total liabilities		<u>(5,743)</u>	<u>(2,620)</u>
Net assets		<u>9,647</u>	<u>7,189</u>
Equity attributable to owners of the parent			
Share capital	14	3,766	2,886
Share premium		6,450	4,149
Retained earnings		(569)	154
		<u>9,647</u>	<u>7,189</u>
Total equity		<u>9,647</u>	<u>7,189</u>

These financial statements were approved by the board of directors on 11 December 2014 and were signed on its behalf by:



David Blain
Director

Ultimate Finance Group plc

Statement of cash flows

for the period ended 31 December 2013

	Note	18 months to 31 December 2013 £000	Year to 30 June 2012 £000
Cash flows from operating activities			
Operating loss for the period		(756)	(500)
Adjustments for:			
Finance income		-	(63)
Interest expense on deferred consideration		-	261
Equity settled share-based payment expenses	13	(6)	-
		<u>(762)</u>	<u>(302)</u>
(Increase)/decrease in loans and other receivables		(3,565)	(62)
Increase/(decrease) in trade and other payables		5,005	(42)
		<u>678</u>	<u>(406)</u>
Net cash from operating activities			
Cash flows from investing activities			
Payment of contingent consideration		(1,287)	(1,250)
Dividends received		650	1,500
		<u>(637)</u>	<u>250</u>
Net cash (outflow) / inflow from investing activities			
Cash flows from financing activities			
Proceeds from issue of share capital		3,232	1,000
Issue costs on issue of ordinary shares		(51)	(53)
Finance income		1	66
Finance expense		(51)	(51)
Repayment of long term borrowings		(591)	(400)
Dividends paid	6	(567)	(406)
		<u>1,973</u>	<u>156</u>
Net cash from financing activities			
Net increase in cash and cash equivalents		<u>2,014</u>	<u>-</u>
Cash and cash equivalents at the start of the period		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the period	10	<u><u>2,014</u></u>	<u><u>-</u></u>

Ultimate Finance Group plc

Statement of changes in equity for the period ended 31 December 2013

	Share Capital	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
30 June 2011	2,479	3,505	(456)	5,528
New shares issued	407	697	-	1,104
Share issue costs	-	(53)	-	(53)
Dividends paid	-	-	(405)	(405)
Total comprehensive income for the year	-	-	1,015	1,015
30 June 2012	2,886	4,149	154	7,189
New shares issued	880	2,352	-	3,232
Share issue costs	-	(51)	-	(51)
Dividends paid	-	-	(567)	(567)
Total comprehensive income for the 18 months	-	-	(156)	(156)
31 December 2013	3,766	6,450	(569)	9,647

1 Accounting policies

Basis of preparation and statement of compliance

Ultimate Finance Group plc (the "company") is a company incorporated in the UK.

Group financial statements are prepared by the holding company (Renovo Group plc) and consolidate the results of this company and its subsidiaries from the date of its acquisition of this company on 10 September 2013.

The financial statements have been prepared under the historic cost convention in accordance with International Financial Reporting Standards as adopted in the European Union ("adopted IFRSs"), and its interpretations adopted by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") of their predecessors, which had been approved by the European Commission at 31 December 2013.

The financial statements are presented in Pounds Sterling, the company's functional and presentational currency.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Information about such judgments and estimates are discussed in note 2.

At the date of authorisation of these financial statements the following International Financial Reporting Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 9 – 'Financial Instruments';
IFRS 10 – 'Consolidated Financial Statements';
IFRS 11 – 'Joint Arrangements';
IFRS 12 – 'Disclosure of Interests in Other Entities';
IFRS 13 – 'Fair Value Measurement';
IAS 27 (Revised) – 'Separate Financial Statements';
IAS 28 (Revised) – 'Investments in Associates and Joint Ventures'; and
Amendment to IAS 19 – 'Employee benefits'.

The impact of the adoption of IFRS 9, as currently in issue, is not currently quantifiable but may lead to an increase in the value of provisions held.

IFRS 10, 11 and 12 and the revised IAS 27 and 28 form the new IFRS regime for consolidation and do not affect the presentation of these accounts

IFRS 13, which is expected to apply to the Group's accounts from the year ending 31 December 2014 sets out new guidance on the establishment of fair value for accounting purposes and enhanced disclosures. It will apply to all amounts in the Group's financial statements presented at fair value, but is unlikely, in the view of the directors, to have a material impact on the Company's results or financial position.

The revision to IAS 19, which is expected to apply for the year ending 31 December 2014, will have no impact on the Company's accounting and reporting.

Other Standards and interpretations in issue but not effective do not address matters relevant to the Group's accounting and reporting.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Ultimate Finance Group plc

Notes to the Financial Statements

Going Concern

The Company is reliant on the support of its parent Inspired Capital plc, in order to continue as a going concern. The directors of Inspired Capital plc have indicated this support will continue until the company is able to support itself, and that repayment of balances due from group companies will only be required when funds are available.

Exemption from preparing Consolidated Financial Statements

The company has taken advantage of the exemption provided under section 400 of Companies Act 2006, as consolidated financial statements are prepared by the parent company.

Related Parties Transactions

All intra group transactions, balances, income and expenses are eliminated on consolidation.

Income from investments

Dividends are recognised when they become legally payable.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the temporary differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase recognised in retained earnings within equity, over the period in which the employees become unconditionally entitled to the options. The fair value of the options granted is measured at grant date using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Where the company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

Ultimate Finance Group plc

Notes to the Financial Statements

Investments

Investments in subsidiaries are carried at cost less provisions for impairment.

Financial assets

Management determine the classification of the group's financial assets at initial recognition into one of the following categories – loans and other receivables, held-to-maturity financial assets, available-for-sale financial assets and financial assets at fair value through profit or loss. The group has not held any held-to-maturity, available for sale financial assets or financial assets at fair value through profit or loss at any point during the year.

All financial assets are initially measured at fair value plus, in the case of financial assets not classified as a fair value through income statement, transaction costs that are directly attributable to their acquisition.

The group initially recognises advances to clients and deposits on the date that they are originated. These balances are included in loans and other receivables and are initially recognised at fair value and subsequently measured at amortised cost less impairment losses.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Assets held under finance leases are recognised as assets at their fair value or, if lower, at the present value of the minimum lease payments each determined at the inception of the lease. The corresponding liability is included in the statement of financial position as a finance lease obligation.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Impairment of intercompany investments, loans & receivables

In respect of loans and receivables, the group assesses on an ongoing basis whether there is objective evidence that an individual loan asset is impaired. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses are reversed through the income statement if there is a change in the estimates used to determine the recoverable amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The back to back financing facility with Lloyds TSB Commercial Finance forms an integral part of the group's cash management and as such is included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Notes to the Financial Statements

2 Key risks and critical accounting estimates and judgements

Financial risk management

This note presents information about the company's exposure to each of the risks identified in the Strategic Report, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Liquidity Risk

Liquidity risk is the risk to insolvency arising from an inability to meet obligations when they become due, without incurring unexpected or unacceptable losses. The company's liabilities include trade and other payables, bank overdraft and loans. The company funds its business through its own capital but is dependent upon support from its parent company, Inspired Capital plc and also the receipt of dividend income from its own subsidiary undertakings.

The company's approach to managing liquidity using cash flow forecasting is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Existing and forecast group headroom levels are reviewed monthly by the executive management team. There have been no changes to liquidity risk considerations in the year. The maturity of the company's financial liabilities is given in note 11.

Competitor risk

Competitor risk is the risk that changes in existing competitors and new entrants to the SME funding market may affect the company's planned growth and levels of achievable profitability. Management seek to mitigate this risk by investigating alternative products that may be capable of being deployed by its subsidiaries whilst maintaining ongoing investment in its existing operations.

Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are: carrying value of investments and the carrying value of intercompany receivables..

3 Expenses and auditors' remuneration

Included in (loss)/profit are the following:

	18 months to 31 December 2013 £000	Year to 30 June 2012 £000
Auditor's remuneration	5	5
Employee benefit expense	6	12

Ultimate Finance Group plc

Notes to the Financial Statements

4 Staff numbers and costs

The company has no employees (2012: none).

Directors' remuneration

	18 months to 31 December 2013 £000	Year to 30 June 2012 £000
Directors' emoluments	177	98

The emoluments of the executive directors are incurred by Ultimate Invoice Finance Limited.

Two directors exercised share options over the shares in the company during the period (2012: None):

5 Finance income and expense

	18 Months to 31 December 2013 £000	Year to 30 June 2012 £000
Finance income		
Bank interest received	(1)	(66)
Finance expense	£000	£000
Loan interest	51	81

Loan interest relates to the interest charged on the £2m acquisition loan from Lloyds TSB plc.

Ultimate Finance Group plc

Notes to the Financial Statements

6 Dividends paid

	18 Months to 31 December 2013 £000	Year to 30 June 2012 £000
Final dividend of 0.40p (2012: 0.35p) per ordinary share proposed and paid during the period relating to the previous year's results	(231)	(174)
Interim dividend of 0.45p (2012: 0.4p) per ordinary share paid during the period	(336)	(231)
	<u>(567)</u>	<u>(405)</u>

During the period dividends were received from intra group companies totalling £650k (2012: £1,500k).

The directors do not propose a final dividend for the period.

7 Taxation

Recognised in the income statement

	18 Months to 31 December 2013 £000	Year to 30 June 2012 £000
Taxation expense on the (loss)/profit for the period	-	-
Reconciliation of effective tax rate		
(Loss)/profit before tax	(156)	1,015
Tax using the UK corporation tax rate of 23.5% (2012: 25.5%)	(37)	259
Expenses not deductible	20	8
Dividend income not taxable	(153)	(383)
Group relief surrendered without payment	169	116
Short-term timing differences	1	-
Total tax in income statement	-	-

Ultimate Finance Group plc

Notes to the Financial Statements

8 Investment in subsidiaries

	£000
Cost at 1 July 2011	7,052
Share based payments recognised as a capital contribution (note 15)	12
Cost at 30 June 2012	7,064
Share based payments recognised as a capital contribution (note 15)	6
Cost at 31 December 2013	7,070

The capital contribution reflects the increase in the cost of investment in Ultimate Invoice Finance Ltd. equal to the equity settled share-based payment charge recognised in its consolidated financial statements to date.

The undertakings in which the company's interest at the year end is more than 20% are as follows:

Name of company	Principal activity	Class of shares held	Proportion held
Ultimate Invoice Finance Limited	Invoice discounting and debt factoring services	2 ordinary shares of £1 each	100%
Ultimate Trade Finance Limited	Trade Finance	2 ordinary shares of £1 each	100%
Ultimate Factors Limited	Dormant	2 ordinary shares of £1 each	100%
Ultimate Asset Finance Limited	Asset Finance	2 ordinary shares of £1 each	100%
Ultimate Recruitment Finance Limited	Dormant	2 ordinary shares of £1 each	100%
Ultimate Business Cash Limited	Development	2 ordinary shares of £1 each	100%
Ultimate Construction Finance Limited	Trade Finance	2 ordinary shares of £1 each	100%
Ashley Commercial Finance Limited	Debt factoring services	2 ordinary shares of £1 each	100%
Ashley Business Cash Limited	Business funding	100 ordinary shares of £1 each	100%

9 Loans and other receivables

	2013 £000	2012 £000
Prepayments	12	21
Loans to subsidiary undertakings	6,294	2,724
	<u>6,306</u>	<u>2,745</u>

Ultimate Finance Group plc

Notes to the Financial Statements

The directors are of the opinion that the fair value of the loans and receivables approximates to their carrying value.

10 Cash and cash equivalents

	2013 £000	2012 £000
Cash and cash equivalents per statement of financial position	2,014	-

11 Loans and borrowings

The book value and fair value of loans and borrowings are as follows:

	Book value 2013 £000	Fair Value 2013 £000	Book value 2012 £000	Fair Value 2012 £000
Bank loans – due within one year (secured)	(400)	(400)	(400)	(400)
Bank loans – due after one year (secured)	(323)	(323)	(914)	(914)
Total	(723)	(723)	(1,314)	(1,314)

The loan originally for £2m was used to partially finance the acquisition of Ashley Commercial Finance Limited.

The loan is secured against an all assets debenture given by Ultimate Invoice Finance Limited and a deed of guarantee and indemnity has been given by Ultimate Finance Group plc. Interest commitments have not been separated in the analysis below as they are immaterial.

The table below shows the ageing of contractual liabilities:

At 31 December 2013

	0 – 1 year £000	1 – 2 years £000	2 – 5 years £000	Total £000
Bank loans (secured)	(400)	(323)	-	(723)

At 30 June 2012

	0 – 1 year £000	1 – 2 years £000	2 – 5 years £000	Total £000
Bank loans (secured)	(400)	(400)	(514)	(1,314)

Ultimate Finance Group plc

Notes to the Financial Statements

12 Trade and other payables

	31 December 2013 £000	30 June 2012 £000
Amount owing to parent undertaking	(5,000)	-
Other payables and accrued expenses	(24)	(19)
Contingent consideration	-	(1,287)
	<u>(5,024)</u>	<u>(1,306)</u>

All of the trade and other payables for the group and for the company are expected to be settled within 12 months, and are repayable upon demand.

There are no trade or other payables denominated in currencies other than pounds sterling (2012: nil).

Trade and other payables balances due by the company at the current and prior period end relate to accrued expenses payable within one month.

13 Employee benefits

Share based payments

The total charge for the period relating to employee share-based payment schemes was £6k (2012: £12k), all of which related to equity-settled share-based payment transactions made under the Company Share Option Plan.

Company Share Option Plan

All outstanding options under the Company Share Option Plan vested on 10 September 2013 subsequent to the acquisition of the Company by Renovo Group plc. No further options will be granted under this scheme.

Fair value of equity settled share-based payments

The fair value of all share-based payments arising from share awards granted under the Company Share Option Plan has been estimated using a Black-Scholes pricing model. The applicable grant dates and share prices are as follows:

Grant date	Original Vesting date	Share price at grant date, p	Exercise price, p	Exercise period
3 November 2008	3 November 2011	5.50	5.50	4 years
21 September 2009	31 October 2010	13.00	13.00	6 years
29 October 2010	29 October 2013	13.50	13.50	4 years
5 January 2011	5 January 2014	13.25	13.25	4 years

The assumptions used in the valuation of share options are described below.

Expected volatility in share price is based on historic volatility over an appropriate period, consistent with the expected life of the option during the period immediately preceding the date of the grant. The risk free rate of return represents the yield on UK Gilt Strip at the date of the grant of a term consistent with the life of the option.

The forfeiture rate is estimated at 5%, and expected life of each option is 5 years. The dividend yield is assumed to be nil.

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These assumptions are the same as those made for the valuation performed in the previous year.

A reconciliation of the number of shares in respect of which awards have been made is set out below:

Option grant date	Number of options at 1 July 2012	Granted in year	Exercised during year	Lapsed in year	Number of options at 31 December 2013
3 November 2008	50,000	-	(50,000)	-	-
21 September 2009	437,500	-	(422,500)	(15,000)	-
29 October 2010	347,500	-	(312,500)	(35,000)	-
5 January 2011	50,000	-	(50,000)	-	-
Total	885,000	-	(835,000)	(50,000)	-
Weighted average exercise price	12.8p	-	12.8p	13.4p	-

As part of the exercise process certain employees holding a total of 30,000 options elected to roll-over those options into the Inspired Capital plc share option scheme.

No options were granted in the current period or the preceding year.

14 Share capital

The movements of share capital in the year are shown below:

	Allotted, called up and fully paid			
	2013 Number	£000s	2012 Number	£000s
Ordinary shares of £0.05 each				
Beginning of the period	57,727,313	2,886	49,580,352	2,479
Shares issued by further placements	14,095,722	705	7,462,040	372
Shares issued as consideration in acquisition	2,666,665	133	634,921	31
Share options exercised (note 17)	835,000	42	50,000	4
At end of the period	75,324,700	3,766	57,727,313	2,886

Shares issued during the period were issued for cash of £3,232k.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

15 Guarantee and Indemnity

At the date of this report, the group has a facility with Lloyds TSB Commercial Finance for a £50 million back to back financing facility; the minimum period for which expires in November 2017. The facility is used to finance loans provided to clients and is backed by the underlying debts of the clients.

The facility is secured against an all assets debenture given by Ultimate Invoice Finance Limited and a deed of guarantee and indemnity has been given by Ultimate Finance Group plc.

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Notes to the Financial Statements

16 Related party transactions

The company entered into related party transactions with a subsidiary undertaking and other related parties as described below.

The company provided loans to a subsidiary undertaking, for which a financing charge was levied each month, the interest rate charged was 2% above Bank of England base rate. The receivable due from the subsidiary company is disclosed in note 9.

Disclosure of the remuneration paid to directors (who are deemed to compromise key management) is included in note 4.

17 Ultimate parent company

The company's ultimate parent company is Inspired Capital plc (formerly Renovo Group plc). Copies of the group financial statements of Inspired Capital plc are available from the company's office, 1 Westpoint Court, Great Park Road, Bradley Stoke, Bristol, BS32 4PY or from the website www.inspiredcapitalplc.com.