

# **CCUK Finance Limited**

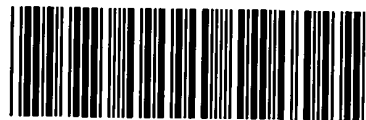
Report and Financial Statements

Year Ended

31 December 2022

Company Number 6032187

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**CCUK Finance Limited**  
**Report and financial statements**  
**for the year ended 31 December 2022**

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**Director**

W R McCamey

**Secretary and registered office**

Shoosmiths Secretaries Limited, 100 Avebury Boulevard Milton Keynes MK9 1FH

**Company number**

6032187

**Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU, United Kingdom

**CCUK Finance Limited**  
**Strategic Report**  
**for the year ended 31 December 2022**

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**Business Model**

CCUK Finance Limited ("CCUK") is a servicer of credit card portfolios, servicing both a UK purchased portfolio as well as an originated portfolio.

**Principal activities, review of business, principal risks and future developments**

CCUK Finance Limited ("CCUK") was incorporated on 18 December 2006 to provide debt management services and started trading in the UK under a sub-servicing arrangement with its US affiliate, CCIS, LLC ("CCIS") on 1 June 2007.

CCUK currently receives sub-servicing income from CCIS for servicing a UK purchased debt portfolio. The sub-servicing income is based on a cost-plus methodology for costs associated with servicing activities for the purchased portfolio. The profit and loss account set out on page 7 shows profit for the period after taxation of £3,392 (2021: £4,494 profit) and turnover of £59,924 (2021: £79,391).

Going forward, the servicing operations of CCUK will continue to decline as the associated portfolio is no longer open to new purchases. As such, CCUK has, and will continue to contract its servicing expense footprint in the form expense minimization.

**Going concern**

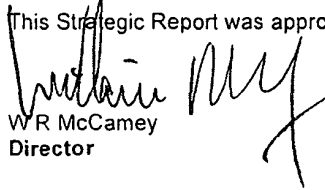
The financial statements have been prepared on the going concern basis, based on the cashflow forecasts of the company, and as the ultimate parent undertaking, Atlanticus Holdings Corporation, has formally indicated its intention to continue to provide such financial support as is necessary to enable it to meet its liabilities as they fall due, for the foreseeable future and at least the next twelve months from the signing of these financial statements.

**Key Performance Indicators**

The company does not have any key performance indicators.

**Approval**

This Strategic Report was approved by order of the Board on 22 September 2023.

  
W R McCamey  
Director

**CCUK Finance Limited**  
**Report of the Director**  
**for the year ended 31 December 2022**

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**Principal activities**

CCUK Finance Limited ("CCUK") was incorporated on 18 December 2006 to provide debt management services and started trading in the UK under a sub-servicing arrangement with its US affiliate, CCIS, LLC ("CCIS") on 1 June 2007.

**Director's responsibilities**

The Director is responsible for preparing the strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to review financial statements for each financial year. Under that law the Director has elected to prepare the company financial statements in accordance FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. Under company law the Director must not approve the financial statements unless he is 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is 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. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Qualifying third party indemnity provisions**

The company has put in place qualifying third party indemnity provisions for all of the Directors.

**Directors**

The Director of the company throughout the year were:

W R McCamey

**CCUK Finance Limited**  
**Report of the Director**  
**for the year ended 31 December 2022 (continued)**

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**Financial instruments**

Working capital requirements are currently met through sub-servicing revenue (with respect to sub-servicing activities) and additional capital could be provided by loans from Atlanticus Holdings Corporation and its affiliates and by equity capital contributions from CCUK Holdings Limited, the company's immediate parent company if needed. In addition, trade creditors arise directly from the company's operations. The company does not enter into any hedging arrangements.

The company has minimal exposure to credit risk with all income derived from intra group sales. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The Director monitors the liquidity and cash flow risk of the company carefully. Cash flow is monitored by the Director on a regular basis and appropriate action is taken where additional funds are required.

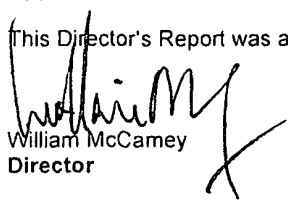
**Auditors**

The Director as at the date of this report has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. The Director is not aware of any relevant audit information of which the company's auditor is unaware.

BDO have expressed their willingness to continue as auditors and a resolution to reappoint them will be proposed at the next annual general meeting.

**Approval**

This Director's Report was approved by order of the Board on 22 September 2023.

  
William McCamey  
Director

**CCUK Finance Limited**  
**Independent auditor's report**  
**for the year ended 31 December 2022**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCAK FINANCE LIMITED**

**Opinion on the 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of CCAK Finance Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Income and Retained Earnings, Balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**CCUK Finance Limited**  
**Independent auditor's report**  
**for the year ended 31 December 2022 (continued)**

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**Other information**

The Directors is responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Other Companies Act 2006 reporting**

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

**Responsibilities of Director**

As explained more fully in the Report of the Director, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**CCUK Finance Limited**  
**Independent auditor's report**  
**for the year ended 31 December 2022 (continued)**

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

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

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

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice. We also considered the Company's compliance with Financial Conduct Authority (FCA) Regulations and relevant tax legislation.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the areas most susceptible to fraud to be Management Override of Controls and Expenditure.

Our procedures included:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management about whether there is any non-compliance with laws and regulations;
- testing a sample of journal postings made during the year to identify potential management override of controls;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- testing a sample of expenditure items to underlying support and bank payment records to confirm the expense recorded exists and in line with our understanding of the entity.



**CCUK Finance Limited**  
**Independent auditor's report**  
**for the year ended 31 December 2022 (continued)**

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We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

#### Use of our report

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

DocuSigned by:  
  
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Robert Conner (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
22 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CCUK Finance Limited**  
**Statement of Income and Retained Earnings**  
**for the year ended 31 December 2022**

	Note	2022 £	2021 £
<b>Turnover</b>		<b>59,924</b>	79,391
Cost of sales		<b>(46,636)</b>	(69,364)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>13,288</b>	10,027
Administrative expenses		<b>(5,564)</b>	(1,229)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>7,724</b>	8,798
Interest payable and similar charges	5	<b>(4,332)</b>	(4,304)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>3,392</b>	4,494
Taxation charge on profit from ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>3,392</b>	4,494
Retained profits at 1 <sup>st</sup> January		(10,254,653)	(10,259,147)
		<hr/>	<hr/>
<b>Retained profits at 31<sup>st</sup> December</b>		<b>(10,251,261)</b>	(10,254,653)
		<hr/>	<hr/>

There were no gains or losses in the year other than the profit above and therefore no separate statement of comprehensive income has been prepared.

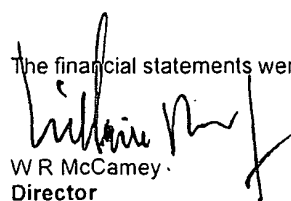
The notes on pages 10 to 15 form part of these financial statements.

# CCUK Finance Limited

Balance sheet  
at 31 December 2022  
Company number 6032187

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets			-		-
<b>Current assets</b>					
Debtors	7	2,537,391		2,509,189	
Cash at bank and in hand		250,920		272,130	
		<u>2,788,311</u>		<u>2,781,319</u>	
<b>Creditors: amounts falling due within one year</b>	8	(19,350)		(15,750)	
<b>Net current assets</b>			<u>2,768,961</u>		<u>2,765,569</u>
<b>Total assets less current liabilities</b>			<u>2,768,961</u>		<u>2,765,569</u>
<b>Provision for liabilities</b>			-		-
<b>Net assets</b>			<u>2,768,961</u>		<u>2,765,569</u>
<b>Capital and reserves</b>					
Called up share capital	9		10,897,545		10,897,545
Capital Contribution			2,122,677		2,122,677
Profit and loss account			(10,251,261)		(10,254,653)
			<u>2,768,961</u>		<u>2,765,569</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 September 2023.

  
W R McCamey  
Director

The notes on pages 10 to 15 form part of these financial statements.

**CCUK Finance Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2022**

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**1 Accounting policies**

CCUK Finance Limited is a private company limited by shares incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company operations and its principal activities are set out in the Director's report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

*Going concern*

The financial statements have been prepared on the going concern basis as the ultimate parent undertaking, Atlanticus Holdings Corporation, has informed the company of its intention to continue to provide such financial support as is necessary to enable it to meet its liabilities as they fall due, for the foreseeable future and at least the next twelve months from the signing of these financial statements.

*Cash flow statement*

The company has taken advantage of the exemption conferred by FRS 102 not to prepare a cash flow statement on the grounds that the voting rights in the company are controlled within the group headed by Atlanticus Holdings Corporation and the company is included in Atlanticus Holdings Corporation's consolidated financial statements. The financial statements of Atlanticus Holdings Corporation are available from the address in note 10 of these financials.

*Turnover and cost of sales*

Turnover primarily represents the sub-servicing income from CCIS and US affiliated companies for servicing the UK credit card and debt portfolios. Sub-servicing income is recognised on an accruals basis. Revenue solely arises in the United Kingdom. Direct costs associated with sub-servicing services are included in cost of sales.

*Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

**CCUK Finance Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2022 (continued)**

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**1 Accounting policies (continued)**

*Taxation*

Taxation represents corporation tax payable on the taxable profits for the year or prior periods using tax rates and laws that have been enacted or substantially enacted by the reporting date.

*Reserves*

The company's reserves are as follows:

- Called up share capital reserves represents the nominal value of shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid or other adjustments.

**2 Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimations and judgements are continually evaluated and are based on historical experiences and historical factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

*Impairment of debtors*

The company makes an estimate of the recoverable value of any trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the ageing profile of debtors and historical experience.

**CCUK Finance Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2022 (continued)**

**3 Operating profit**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is arrived at after charging:		
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<b>18,638</b>	16,144
Fees payable to the company auditor and its associates for other services	2,000	
	<u>          </u>	<u>          </u>

**4 Employees**

The average number of employees (including Directors) during the year was as follows:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Operations and collections	-	-
Administration	-	-
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

**CCUK Finance Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2022 (continued)**

**5 Interest payable and similar charges**

	2022 £	2021 £
Bank charges	4,332	4,304
	<u>4,332</u>	<u>4,304</u>

**6 Taxation on profit on ordinary activities**

	2022 £	2022 £	2021 £	2021 £
<i>UK corporation tax</i>				
Current tax on profits of the year		-		-
Adjustment in respect of previous periods		-		-
		<u>-</u>		<u>-</u>
 Total current tax				
 <i>Deferred tax</i>				
Adjustments in respect of previous periods	-		-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Taxation on profit on ordinary activities		<u>-</u>		<u>-</u>

**CCUK Finance Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2022 (continued)**

**6 Taxation on profit on ordinary activities (continued)**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	3,392	4,494
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%)	644	854
Effects of:		
Expenses not deductible for tax purposes	71	71
Capital allowances in excess of depreciation	-	-
Deferred tax unrecognized	(725)	(877)
Adjustments from previous periods	10	(48)
Other timing differences	-	-
Effects of other tax credits	-	-
Total tax charge for period	-	-

The company has an unprovided deferred tax asset of £402,478 (2021: £404,111) which has not been recognised due to uncertainty over future recoverability.

**7 Debtors**

	2022 £	2021 £
Amounts owed by group undertakings	2,531,734	2,505,036
VAT Recoverable	4,323	4,153
Prepayments and accrued income	1,334	-
	2,537,391	2,509,189

All amounts shown under debtors fall due for payment within one year.



**CCUK Finance Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2022 (continued)**

**8 Creditors: amounts falling due within one year**

	2022 £	2021 £
Accruals and deferred income	19,350	15,750
	<u>19,350</u>	<u>15,750</u>

**9 Share capital**

	2022 £	2021 £
<i>Allotted, called up and fully paid</i>		
10,897,545 (2021 : 10,897,545) ordinary shares of £1 each	10,897,545	10,897,545
	<u>10,897,545</u>	<u>10,897,545</u>

**10 Related party disclosures**

The immediate parent company of CCUK Finance LTD is CCUK Holdings LTD. The ultimate controlling party of the company is Atlanticus Holdings Corporation, a company incorporated in the USA.

Atlanticus Holdings Corporation is the largest group of undertakings for which the group accounts are drawn up. Copies of the group accounts may be obtained from Atlanticus Holdings Corporation, Five Concourse Parkway, Suite 300, Atlanta, GA 30328, USA.

During the year CCUK Finance Ltd generated turnover of £59,924 (2021: £79,391) from CCIS LLC, a fellow group company.

The following receivable balances from this entity are included in the balance sheet:

	2022 £	2021 £
Trading balances	2,531,734	2,505,036
	<u>2,531,734</u>	<u>2,505,036</u>

The key management personnel are the UK Directors.