

Company Registration No. 06657620 (England and Wales)

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017

Faulkner House
Victoria Street
St Albans
Herts
AL1 3SE



Rayner Essex LLP
Chartered Accountants

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

COMPANY INFORMATION

Directors	Mr C M Michie Mr C J Hedge	(Appointed 6 January 2017) (Appointed 13 November 2017)
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Secretary	Mr C J Hedge
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Company number	06657620
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Registered office	1 Finsbury Circus London EC2M 7SH
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Auditors	Rayner Essex LLP Faulkner House Victoria Street St Albans Herts AL1 3SE
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SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

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SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2017

The directors present their annual report and financial statements for the Period ended 30 June 2017.

Principal activities

The principal activity of the company continued to be that of the provision of invoice financing, purchase only financing and combined invoice and purchase financing.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Mr E J Bracey	(Appointed 6 January 2017 and resigned 13 November 2017)
Mr C M Michie	(Appointed 6 January 2017)
Mr S Sarkoob	(Resigned 6 January 2017)
Mr S Pleace	(Resigned 6 January 2017)
Mr V Segal	(Resigned 6 January 2017)
Mr C J Hedge	(Appointed 13 November 2017)

Auditor

Rayner Essex LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



Mr C J Hedge

Secretary

31 January 2018

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

Opinion

We have audited the financial statements of Scottish Pacific Business Finance (UK) Limited (the 'company') for the Period ended 30 June 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial Period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

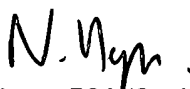
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

Other matters which we are required to address

The financial statements of the Company for the year ended 31 December 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 27 June 2017.

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.



Neil Heyes FCA (Senior Statutory Auditor)
for and on behalf of Rayner Essex LLP

31 January 2018

Chartered Accountants
Statutory Auditor

Faulkner House
Victoria Street
St Albans
Herts
AL1 3SE

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2017

		Period ended 30 June 2017 £	Year ended 31 December 2016 £
	Notes		
Value of Business Financed		2,732,557	7,719,261
Turnover		958,458	2,505,098
Cost of sales		(783,268)	(2,080,752)
Gross profit		175,190	424,346
Administrative expenses		(275,490)	(366,062)
Operating (loss)/profit	2	(100,300)	58,284
Interest receivable and similar income		87	791
Interest payable and similar expenses	4	(30,921)	(706)
(Loss)/profit before taxation		(131,134)	58,369
Taxation		61,862	-
(Loss)/profit for the financial Period		(69,272)	58,369

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2017

	Period ended 30 June 2017 £	Year ended 31 December 2016 £
(Loss)/profit for the Period	(69,272)	58,369
Other comprehensive income	-	-
Total comprehensive income for the Period	<u>(69,272)</u>	<u>58,369</u>

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

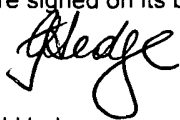
BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	5		4,209		6,684
Current assets					
Debtors	6	1,359,502		1,132,694	
Cash at bank and in hand		597,074		452,371	
		<u>1,956,576</u>		<u>1,585,065</u>	
Creditors: amounts falling due within one year	7	<u>(1,780,806)</u>		<u>(1,342,498)</u>	
Net current assets			175,770		242,567
Total assets less current liabilities			<u>179,979</u>		<u>249,251</u>
Capital and reserves					
Called up share capital	8		200		200
Share premium account			449,900		449,900
Profit and loss reserves			<u>(270,121)</u>		<u>(200,849)</u>
Total equity			<u>179,979</u>		<u>249,251</u>

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

The financial statements were approved by the board of directors and authorised for issue on 31 January 2018 and are signed on its behalf by:



Mr C J Hedge
Director

Company Registration No. 06657620

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies

Company information

Scottish Pacific Business Finance (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Finsbury Circus, London, EC2M 7SH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Reporting period

These financial statements have been prepared for a shorter period of six months. This has been adopted in order for the year end to be coterminous with the new parent company. As a result the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of Services

Revenue from a contract to provided services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies (Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. In these accounts the tax is a deferred tax asset based on utilisation of tax losses in the future.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies (Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Operating (loss)/profit

	2017	2016
	£	£
Operating (loss)/profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	-

3 Employees

The average monthly number of persons (including directors) employed by the company during the Period was 6 (2016 - 4).

4 Interest payable and similar expenses

	2017	2016
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	30,874	-

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2017 and 30 June 2017	42,123
Depreciation and impairment	
At 1 January 2017	35,439
Depreciation charged in the Period	2,475
At 30 June 2017	37,914
Carrying amount	
At 30 June 2017	4,209
At 31 December 2016	6,684

SCOTTISH PACIFIC BUSINESS FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

6 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,278,160	1,125,920
Other debtors	19,480	6,774
	<u>1,297,640</u>	<u>1,132,694</u>
Deferred tax asset	61,862	-
	<u>1,359,502</u>	<u>1,132,694</u>

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	78,271	-
Trade creditors	432,850	518,648
Amounts due to group undertakings	1,182,547	783,037
Other taxation and social security	16,356	24,942
Other creditors	70,782	15,871
	<u>1,780,806</u>	<u>1,342,498</u>

The overdraft is fully secured by a charge over the cash on term deposit with National Westminster bank PLC, who is the overdraft provider.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>

9 Parent company

From 6th January 2017 the company was ultimately controlled by the Scottish Pacific Group Ltd