



# Financial Statements

Annual Report and Financial  
Statements for the Year Ended

31st December 2019

**Propel Group  
Finance Limited**  
(formerly Henry Howard  
Group Finance Limited)  
08665300

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**COMPANY INFORMATION**

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<b>Directors</b>	R J McDougall E H McNeill A Williams M A Tweed M Catton M B Crook (resigned 11 October 2019)
<b>Registered number</b>	08665300
<b>Registered office</b>	Unit 5 Langstone Business Village Langstone Park Langstone Newport NP18 2LH
<b>Independent auditors</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3 Callaghan Square Cardiff CF10 5BT
<b>Bankers</b>	NatWest High Street Newport NP20 1GG
<b>Solicitors</b>	Addleshaw Goddard LLP Sovereign Street Leeds LS1 4ER

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements of the company for the year ended 31 December 2019.

**Principal activity**

The principal activity of the company is that of an intermediate holding company. The company is not trading with the only expenses being interest accrued on the loan notes and an impairment charge.

**Covid-19**

Since the end of the financial year the company and the wider global economy has been impacted by the Covid-19 pandemic. Covid-19 represents an unprecedented challenge to the SME market; it has been and remains our key priority to support our SME customers and partners in a consistent and sustainable manner. Covid-19 also presents challenges and risks to the company, as a non-bank specialist asset finance provider. We have sought to manage and mitigate these challenges and risks by rapidly pivoting our people, operations, funding, risk management, and customer management to respond to the Covid-19 situation and resulting forbearance requests of our customers.

**Going concern**

Since the end of the financial year Covid-19 has significantly impacted the global and UK economies, with dislocations resulting in most industry sectors and stress being felt within the SME ecosystem. Throughout Covid-19 the group has continued in its ordinary course of business, supporting SMEs whilst taking proactive actions to protect its balance sheet against current and potential future stresses. Forecasting and stress testing analysis has been completed for a number of scenarios, with a number of assumptions used in these scenarios, which are predominantly based on levels of delinquency stemming from the forbearance portfolio. The management actions taken to mitigate the likelihood of these scenarios and deep dive portfolio analysis completed have been used to inform these scenarios. Through this work the directors have identified an additional capital requirement within the next 12 months, which the group's majority investor has confirmed its intention to provide. Notwithstanding this positive financial support, there is a risk that the impact of Covid-19 could be more significant than the directors have currently anticipated and the directors have therefore concluded that these conditions indicate the existence of a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis be inappropriate.

This report was approved by the board on 29 June 2020 and signed on its behalf.

*Mark Catton*

**M Catton**  
Director

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

**Results and dividends**

The loss for the year, after taxation, amounted to £2,841,800 (2018: loss £2,889,357).

No dividends were distributed for the year ending 31 December 2019.

**Directors**

The directors who served during the year were:

R J McDougall  
E H McNeill  
A Williams  
M A Tweed  
M Catton  
M B Crook (resigned 11 October 2019)

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Matters covered in the strategic report**

Where the disclosure requirements of the directors report are of strategic importance they are covered within the strategic report.

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Disclosure of information to auditors**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 June 2020 and signed on its behalf.

*Mark Catton*

**M Catton**  
Director



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROPEL GROUP FINANCE LIMITED  
(FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**Opinion**

We have audited the financial statements of Propel Group Finance Limited (formerly Henry Howard Group Finance Limited) (the 'company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss 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.

**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

**The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROPEL GROUP FINANCE LIMITED  
(FORMERLY HENRY HOWARD GROUP FINANCE LIMITED) (CONTINUED)**

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**Material uncertainty related to going concern**

We draw attention to note 2.3 in the financial statements, which indicates that, there is a risk that the impact of Covid-19 could be more significant than the directors have currently anticipated. As stated in note 2.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The directors are 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.

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 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.

**Matter on which we are required to report under the Companies Act 2006**

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.





**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROPEL GROUP FINANCE LIMITED  
(FORMERLY HENRY HOWARD GROUP FINANCE LIMITED) (CONTINUED)**

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

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.

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROPEL GROUP FINANCE LIMITED  
(FORMERLY HENRY HOWARD GROUP FINANCE LIMITED) (CONTINUED)**

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**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.

A handwritten signature in black ink, appearing to read 'Rhian Owen'.

Rhian Owen BSC FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cardiff

29 June 2020

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	2018 £
Administrative expenses		(60)	(589,930)
<b>Operating loss</b>		<u>(60)</u>	<u>(589,930)</u>
Interest payable and expenses	4	(2,574,476)	(2,299,427)
<b>Loss before tax</b>		<u>(2,574,536)</u>	<u>(2,889,357)</u>
Tax on loss	5	(267,264)	-
<b>Loss for the financial year</b>		<u><u>(2,841,800)</u></u>	<u><u>(2,889,357)</u></u>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<u><u>(2,841,800)</u></u>	<u><u>(2,889,357)</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

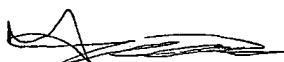
The notes on pages 11 to 18 form part of these financial statements.

**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**  
**REGISTERED NUMBER:08665300**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	6	10,822,274	10,822,274
		<u>10,822,274</u>	<u>10,822,274</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	17,991,447	17,211,239
Cash at bank and in hand	8	2	-
		<u>17,991,449</u>	<u>17,211,239</u>
Creditors: amounts falling due within one year	9	(267,264)	(1,219,730)
<b>Net current assets</b>		<u>17,724,185</u>	<u>15,991,509</u>
<b>Total assets less current liabilities</b>		<u>28,546,459</u>	<u>26,813,783</u>
Creditors: amounts falling due after more than one year	10	(36,599,477)	(32,025,001)
<b>Net liabilities</b>		<u>(8,053,018)</u>	<u>(5,211,218)</u>
<b>Capital and reserves</b>			
Called up share capital	12	3,000,201	3,000,201
Profit and loss account		(11,053,219)	(8,211,419)
		<u>(8,053,018)</u>	<u>(5,211,218)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2020.



**M A Tweed**  
Director

The notes on pages 11 to 18 form part of these financial statements.

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	3,000,201	(8,211,419)	(5,211,218)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,841,800)	(2,841,800)
<b>Total comprehensive income for the year</b>	-	(2,841,800)	(2,841,800)
<b>At 31 December 2019</b>	<u>3,000,201</u>	<u>(11,053,219)</u>	<u>(8,053,018)</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	3,000,201	(5,322,062)	(2,321,861)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,889,357)	(2,889,357)
<b>Total comprehensive income for the year</b>	-	(2,889,357)	(2,889,357)
<b>At 31 December 2018</b>	<u>3,000,201</u>	<u>(8,211,419)</u>	<u>(5,211,218)</u>

The notes on pages 11 to 18 form part of these financial statements.

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

Propel Group Finance Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Unit 5 Langstone Business Village, Langstone Park, Langstone, Newport, NP18 2LH.

The Propel Group Finance Limited is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. The financial statements contain information about Propel Group Finance Limited as an individual company undertaking and not about its group.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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.

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Propel finance Group Holdings Limited as at 31 December 2019 and these financial statements may be obtained from Unit 5 Langstone Business Village, Langstone Park, Langstone, Newport, NP18 2LH.

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)****2.3 Going concern**

Since the end of the financial year Covid-19 has significantly impacted the global and UK economies, with dislocations resulting in most industry sectors and stress being felt within the SME ecosystem. Throughout Covid-19 the group has continued in its ordinary course of business, supporting SMEs whilst taking proactive actions to protect its balance sheet against current and potential future stresses. Forecasting and stress testing analysis has been completed for a number of scenarios, with a number of assumptions used in these scenarios, which are predominantly based on levels of delinquency stemming from the forbearance portfolio. The management actions taken to mitigate the likelihood of these scenarios and deep dive portfolio analysis completed have been used to inform these scenarios. Through this work the directors have identified an additional capital requirement within the next 12 months, which the group's majority investor has confirmed its intention to provide. Notwithstanding this positive financial support, there is a risk that the impact of Covid-19 could be more significant than the directors have currently anticipated and the directors have therefore concluded that these conditions indicate the existence of a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis be inappropriate.

**2.4 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.7 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans with related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)****2.7 Financial instruments (continued)**

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

**3. Employees**

The company has no employees other than the directors, who did not receive any remuneration in respect of their services on behalf of the company (2018: £Nil).



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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**4. Interest payable and similar expenses**

	2019 £	2018 £
Other loan interest payable	<u>2,574,476</u>	<u>2,299,427</u>

Other loan interest payable is solely attributable to loan notes held.

**5. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	<u>267,264</u>	-
	<u>267,264</u>	-
<b>Total current tax</b>	<u>267,264</u>	-

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018: *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(2,574,536)</u>	<u>(2,889,357)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	<u>(489,162)</u>	<u>(548,978)</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	112,173
Adjustments in respect of previous period - corporation tax	267,264	-
Difference in deferred tax rates	79,624	-
Deferred tax not recognised	409,538	436,892
Group relief	-	(87)
<b>Total tax charge for the year</b>	<u>267,264</u>	-

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**6. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2019	<b>10,822,274</b>
<b>Net book value</b>	
At 31 December 2019	<b>10,822,274</b>
At 31 December 2018	<b>10,822,274</b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Propel Finance Plc	Unit 5 Langstone Business Village Langstone Park, Langstone, Newport, United Kingdom, NP18 2LH	Ordinary	100%
Propel Finance No 1 Limited	Unit 5 Langstone Business Village Langstone Park, Langstone, Newport, United Kingdom, NP18 2LH	Ordinary	100%
Propel Finance No 2 Limited	Unit 5 Langstone Business Village, Langstone Park, Langstone, Newport, Gwent, United Kingdom, NP18 2LH	Ordinary	100%
Propel Finance No 3 Limited	Unit 5 Langstone Business Village, Langstone Park, Langstone, Newport, Gwent, United Kingdom, NP18 2LH	Ordinary	100%
Henry Howard Finance Limited (Formerly Propel Finance Limited)	Unit 5 Langstone Business Village Langstone Park, Langstone, Newport, United Kingdom, NP18 2LH	Ordinary	100%
Henry Howard Finance No1 Limited (Formerly Propel Finance No1 Limited)	Unit 5 Langstone Business Village Langstone Park, Langstone, Newport, United Kingdom, NP18 2LH	Ordinary	100%
Henry Howard Group Holdings Limited (Formerly Propel Finance Group Holdings Limited)	Unit 5 Langstone Business Village Langstone Park, Langstone, Newport, United Kingdom, NP18 2LH	Ordinary	100%

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**7. Debtors**

	2019 £	2018 £
Amounts owed by group undertakings	<u>17,991,447</u>	<u>17,211,239</u>

**8. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<u>2</u>	<u>-</u>

**9. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Amounts owed to group undertakings	-	1,219,730
Corporation tax	<u>267,264</u>	<u>-</u>

**10. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Other creditors	27,151,704	25,161,532
Accruals and deferred income	9,447,773	6,863,469
	<u>36,599,477</u>	<u>32,025,001</u>

At the balance sheet date the other creditors balance comprise of deep discounted bonds £19,972,060 (2018: £20,061,945) and zero coupon notes £7,179,644 (2018: £5,099,587). The deep discounted bonds have a redemption date of 15 November 2022 and accrue interest at 10% up to redemption.

The zero coupon notes have a redemption date of 15 November 2022.

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**PROPEL GROUP FINANCE LIMITED (FORMERLY HENRY HOWARD GROUP FINANCE LIMITED)**

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**11. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	2	-
Financial assets that are debt instruments measured at amortised cost	17,991,447	17,211,239
	<u>17,991,449</u>	<u>17,211,239</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(36,599,477)	(32,193,790)
	<u>(36,599,477)</u>	<u>(32,193,790)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise amounts owed from group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, other creditors and accrued interest.

**12. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
3,000,201 (2018: 3,000,201) Ordinary shares of £1 each	3,000,201	3,000,201
	<u>3,000,201</u>	<u>3,000,201</u>

Each share is entitled to one vote in any circumstance, shareholders are entitled pari passu to a dividend payment or other distribution, each share is entitled pari passu to participate in a distribution from the winding up of the company. The ordinary shares are not redeemable.

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**13. Related party transactions**

The company has taken advantage of the exemption permitted by Financial Reporting Standard 102 section 31 not to disclose transactions or balances with entities which form part of the Propel Finance Group Holdings Limited group.

**C.S Capital Partners**

As at the year end the group owed £19.88m in deep discounted bonds and £6.97m in zero coupon loan notes to C.S Capital Partners. Total interest charged in the year amounted to £2,604,114 and the total accrued interest as at 31 December 2019 was £9,410,157. During the year £1.6m deep discounted bonds were issued and £0.4m zero coupon loan notes.

Settlement with MB Crook – The Company issued £78,225 worth of zero coupon loan notes in full settlement of amounts owed. The total amount outstanding as at the year end amounted to £100,239.

**14. Controlling party**

The company is a 100% wholly owned subsidiary of Propel Finance Group Holdings Limited, whose consolidated accounts are available to the public and may be obtained from Unit 5 Langstone Business Village, Langstone, Newport, NP18 2LH. The ultimate controlling related party is CS Capital Partners IV LP.



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