Registered No. 09502421

Victoria Asset Finance Limited

Annual Report and Financial Statements

For the year ended 31 March 2018

Officers and professional advisors

Directors
S L Burdell
A R Cloake
H Shah

Bankers
HSBC
8 Canada Square
London
EC14 5HQ

Registered Office
Camelford House
89 Albert Embankment
London
SE1 7TP

Independent Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Registered Number
09502421

Directors' report for the year ended 31 March 2018

The directors present their annual report and the audited financial statements of Victoria Asset Finance Limited (the "Company") for the year ended 31 March 2018.

Review of development of the business and key performance indicators

The principal activity of the Company is to acquire portfolios of lease receivables.

The Company's key financial performance indicators during the year were as follows;

	2018	2017
	£'000	£'000
Operating loss	(11,466)	(10,394)
Loss before taxation	(4,886)	(4,452)

Future Developments

In December 2017 the company purchased a small portfolio of asset backed performing consumer loans from a third party. This was the first investment made by the company since its original acquisition of loan and lease receivables in October 2015.

The Company continues to manage the portfolios it has acquired, and will continue to assess other portfolios for acquisition where the opportunity arises.

Results and dividends

The audited financial statements for the year ended 31 March 2018 are set out on pages 8 to 22. The loss for the financial year was £5,646,000 (2017: loss of £4,446,000).

The directors do not recommend the payment of a dividend for the year (2017: nil) and the loss for the year has been transferred to reserves.

Directors and their interests

The directors who served during the year and up to the date of signing the financial statements were as follows:

S L Burdell
A R Cloake
H Shah

Brexit

The UK was due to formally leave the EU on 29 March 2019 following the referendum vote in June 2016, however this has been delayed. A certain level of uncertainty exists around what the post-Brexit trading environment will look like. However, the directors believe that the impact on the Company, will not be significant due to the portfolios managed are primarily within the UK, and the Company's operations are closely managed.

The directors will continue to monitor the situation on a regular basis, and will put in place a robust contingency plan, where appropriate.

Directors' report for the year ended 31 March 2018 (continued)

Principal risks and uncertainties

The Company is exposed to a variety of financial risks and has various policies and procedures so as to mitigate or reduce these risks.

Credit Risk

The most significant financial risk inherent in the Company is the timely recovery of outstanding receivables in the portfolio. The Company has credit control procedures in place which deals with those agreements that have fallen into arrears.

Residual risk

Residual values are established following an assessment of the market value of equipment at maturity. Residual values are reviewed on a regular basis and, where applicable, adjusted to reflect expected realisable values of these assets.

Foreign exchange currency risk

The Company is exposed to limited risk with a very small percentage of the portfolio acquired being denominated in Euro and US dollars.

The acquired portfolio contains a small number of receivables which are based in currencies other than GBP, the Company's functional and presentation currency. The directors will monitor this foreign currency exposure to ensure it is minimised as far as possible and that any excess non-functional currency amounts are converted into the base currency when sufficiently sizeable balances have been accumulated.

Going concern

The availability of sufficient credit to finance the portfolio is of paramount importance to the ongoing operation of the Company. The directors will perform an assessment of the funds required over the next twelve months and beyond to ensure that sufficient funds are available to meet all ongoing obligations. On-going financial support is provided through loan arrangements with the Company's immediate parent, LC Asset 1 S.à r.l, based in Luxembourg.

The directors have received confirmation from LC Asset 1 S.à.r.l that it intends to continue to support the Company for at least one year after the date these financial statements are signed.

Employees

All operational activities are outsourced to Link Financial Outsourcing Limited as servicer and third party administrator. The Company has no employees.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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

Directors' report for the year ended 31 March 2018 (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 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.

Statement of disclosure of information to the auditors

The directors confirm that:

a) so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditors are unaware, and
b) having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have expressed a willingness to continue in office. Pursuant to Section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP, subject to any resolution to the contrary, are deemed to have been re-appointed as auditors of the company.

Format of report

This report has been prepared in accordance with the special provisions relating to the small companies under Section 414 of the Companies Act 2006.

The directors have decided to adopt FRS 102 Section 1A and the company has therefore taken advantage of disclosure exemptions under this standard.

On behalf of the Board

A R Cloake

Director

21 August 2019

Independent auditors' report to the members of Victoria Asset Finance Limited

Report on the audit of the financial statements

Opinion

In our opinion, Victoria Asset Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of Victoria Asset Finance Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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

Independent auditors' report to the members of Victoria Asset Finance Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Mark Jordan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 August 2019

Income statement

for the year ended 31 March 2018

	Note	2018	2017
		£'000	£'000
Interest receivable and similar income	5	1,756	7,436
Interest payable and similar charges	6	(10,458)	(9,778)
Gross loss		(8,702)	(2,342)
Administrative expenses	7	(2,764)	(8,052)
Operating loss		(11,466)	(10,394)
Other operating income	8	6,580	5,942
Loss before taxation	10	(4,886)	(4,452)
Tax on loss	11	(760)	6
Loss for the financial year	19	(5,646)	(4,446)

All amounts relate to continuing operations.

The notes on pages 12 to 22 form an integral part of these financial statements.

Statement of comprehensive income

for the year ended 31 March 2018

	Note	2018	2017
		£'000	£'000
Loss for the financial year	19	(5,646)	(4,446)
Items that cannot be reclassified to profit or loss			
Tax relating to components of other comprehensive income		-	-
Total comprehensive expense for the year		(5,646)	(4,446)

The notes on pages 12 to 22 form an integral part of these financial statements.

There are no material differences between the loss on ordinary activities after taxation and the loss for the financial year stated above and their historical cost equivalent, except where fair value is used as stated in the accounting policies.

Balance Sheet

As at 31 March 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Tangible fixed assets	12	-	4,346
Debtors – amounts falling due after more than one year	13	5,970	12,006
		5,970	16,352
Current assets			
Debtors – amounts falling due within one year	13	218,481	189,265
Cash at bank and in hand		5,472	10,592
		223,953	199,857
Creditors: amounts falling due within one year	16	(225,521)	(114,280)
Net current assets		(1,568)	85,577
Creditors: amounts falling due after more than one year	17	(14,433)	(106,314)
Net liabilities		(10,031)	(4,385)
Capital and reserves			
Called up share capital	18	-	-
Accumulated losses	19	(10,031)	(4,385)
Total shareholders' deficit	19	(10,031)	(4,385)

The notes on pages 12 to 22 form an integral part of these financial statements.

The Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the Small Companies' regime.

The financial statements on pages 8 to 22 were approved and authorised for issue by the Board of directors on 21 August 2019 and signed on its behalf by:

A R Cloake

Director

21 August 2019

Statement of changes in equity

For the year ended 31 March 2018

	Called up share capital	Accumulated profit/ (losses)	Total shareholders' funds/(deficit)
	£'000	£'000	£'000
Balance as at 1 April 2016	-	61	61
Total Comprehensive expense for the year	-	(4,446)	(4,446)
Balance as at 31 March 2017	-	(4,385)	(4,385)

	Called up share capital	Accumulated losses	Total shareholders' deficit
	£'000	£'000	£'000
Balance as at 1 April 2017	-	(4,385)	(4,385)
Total Comprehensive expense for the year	-	(5,646)	(5,646)
Balance as at 31 March 2018	-	(10,031)	(10,031)

The notes on pages 12 to 22 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2018

1. General information

Victoria Asset Finance Limited (the "Company") is a private company limited by shares incorporated and domiciled in England under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the business review on pages 2.

These financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£'000), because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements.

2. Statement of compliance

These financial statements are prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Statement 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

3. Summary of significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all periods presented in these financial statements.

a. Basis of preparation

These financial statements are prepared for the year to 31 March 2018. The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

b. Going Concern

The Company meets its day-to-day working capital requirements from cash generated through its normal course of business. The availability of sufficient credit to finance the portfolio is of paramount importance to the ongoing operations of the Company. Additional on-going support is provided through loan arrangements with the immediate parent company, LC Asset 1 S.à.r.l based in the Grand Duchy of Luxembourg.

The directors have received confirmation from LC Asset 1 S.à.r.l that it intends to support the Company for at least one year after the date these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements (continued)

For the year ended 31 March 2018

3. Summary of significant Accounting Policies (continued)

c. Exemptions under Financial Reporting Standard 102

FRS 102 Section 1A allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions;

(i) from preparing a cashflow on the basis that the entity meets the qualifying small entity criteria under Section 7 Statement of cashflows.

d. Functional and presentation currency

These financial statements are presented in pounds sterling rounded to the nearest thousand.

Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is calculated to write off their cost less any residual value on a straight-line basis over their estimated useful lives which are considered to be the time to the maturity of each contract.

The assets residual value, useful economic life and depreciation method are reviewed and adjusted prospectively if appropriate or if there is an indication of a significant change.

Residual values

A residual value exposure occurs due to the uncertain nature of the value of an asset at the end of an agreement. Throughout the life of an asset its residual value will fluctuate because of the uncertainty of the future market for that asset as well as the general economic conditions.

Residual values have been adopted by the company at the time of acquisition having previously been set based on the expectation of future sale proceeds. During the remaining course of the lease, residual values are monitored so as to identify any impairment required. Any permanent impairment in the residual value of each group of assets is immediately charged to the income statement.

Leases

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases and shown under fixed assets.

Impairment of lease receivables

Analysis has been performed on the historical default and write off rates and a provision made by applying a consistent loss rate across the portfolio at the balance sheet date. Where individual losses are expected or defaulted payments are expected to give rise to a loss an appropriate provision has been provided.

Notes to the financial statements (continued)

For the year ended 31 March 2018

3. Summary of significant Accounting Policies (continued)

Taxation

Current tax payable is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided using the liability method on all timing differences calculated at the rate at which it is anticipated the timing differences will reverse. Deferred taxation assets are only recognised if recovery is reasonably certain.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the rate prevailing at the time of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit and loss.

Financial instruments

The company's financial assets and liabilities include cash and deposits, trade and other receivables, trade and other payables and interest bearing loans and other borrowings. Management determines the classification of the company's financial assets and liabilities at initial recognition.

Financial assets

(i) Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount (or the net asset value at the time of acquisition) and are subsequently carried at the amortised cost, using the effective interest rate method, less provisions made for doubtful receivables. Provisions are made specifically where there is evidence of a risk of non-payment, taking into account aging, previous losses experienced and general economic conditions.

(ii) Cash and cash equivalents

Cash and bank balances comprise cash in hand and current balances with banks which are readily convertible to cash and are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each period end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Notes to the financial statements (continued)

For the year ended 31 March 2018

3. Summary of significant Accounting Policies (continued)

Financial Liabilities

(i) Trade and other payables

Financial liabilities within trade and other payables are initially recognised at the fair value, which is usually the original invoiced amount, and subsequently measured at amortised cost using the effective interest rate method.

(ii) Loans and other borrowings

Loans and other borrowings are initially recognised at the fair value of amounts received net of any transaction costs. Interest is calculated and accrued on the outstanding balance of the loan in accordance with the loan agreements in place.

Turnover

a. Finance agreements

Finance income is recognised in the profit and loss account over the period of the agreement in respect of finance leases and hire purchase agreements. It is stated exclusive of VAT.

b. Operating leases

Rental income is stated exclusive of VAT and is recognised in the income statement on a straight line basis over the life of the lease.

4. Critical accounting estimates and judgements

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements:

Provisioning

Management have performed historical analysis of the default rates, being those loans where the past due exceeds 90 days and the write off rates, being those loans that exceed 180 days and extrapolated this across the portfolio. This analysis has provided the management with the information necessary for a specific provision to be applied to the loan receivable balance which reflects the current position and on-going trend of the portfolio.

Notes to the financial statements (continued)

For the year ended 31 March 2018

5. Interest receivable and similar income

The company's turnover arises substantially within the United Kingdom from its principal activities as defined below:

By Activity

	2018	2017
	£'000	£'000
Turnover by origin:		
Finance interest	814	5,163
Operating lease rentals	942	2,273
	1,756	7,436

6. Interest payable and similar charges

	2018	2017
	£'000	£'000
Loans and overdrafts	10,458	9,778
	10,458	9,778

The Company entered into a secured loan facility agreement on 29 October 2015 with an interest rate of 4.80% per annum.

7. Administrative expenses

	2018	2017
	£'000	£'000
Depreciation of operating assets	597	2,183
(Provisions reversed)/provisions made	(559)	1,173
Foreign exchange losses/(gains)	136	(456)
Other direct costs	2,290	5,152
Asset write downs	300	-
	2,764	8,052

Notes to the financial statements (continued)

For the year ended 31 March 2018

8. Other operating income

	2018	2017
	£'000	£'000
Secondary rental income	3,147	3,760
Asset sales taken as income	119	111
Other income	714	2,071
Deferred income	2,600	-
	6,580	5,942

9. Staff costs

The Company has no employees as all services are contracted to associated group companies. The directors of the Company are also directors or employees of other companies within the LCH European Portfolio Holdings Limited group. These directors did not receive any remuneration for their services to the Company for the year ended 31 March 2018 (2017: nil).

10. Loss before taxation

	2018	2017
	£'000	£'000
Depreciation, amortisation and amounts written off tangible owned fixed assets	597	2,184
Bad debt (release)/charge for the year	(2,844)	1,249
Foreign exchange loss/(gain)	136	(456)
Auditors' remuneration:		
Statutory audit	36	37

The directors received no remuneration from the company for the year ended 31 March 2018 (2017: nil).

Notes to the financial statements (continued)

For the year ended 31 March 2018

11. Tax on loss

	2018	2017
	£'000	£'000
Current tax		
UK corporation tax on loss for the year	760	2
Adjustment in respect of previous periods	-	(8)
Total tax charge/(credit) per income statement	760	(6)

The tax charge/(credit) for the year can be reconciled to the loss per the income statement as follows;

	2018	2017
	£'000	£'000
Loss before taxation	(4,886)	(4,452)
Tax on loss on ordinary activities at statutory rate of 19.00% (2017: 20.00%)	(928)	(891)
Effects of:		
Transfer pricing adjustments	1,688	893
Adjustment from previous period	-	(8)
Tax charge/(credit) for the year	760	(6)

The main rate of corporation tax in the UK for the period to 31 March 2018 was 19.00% (31 March 2017: 20.00%).

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015(on 26 October 2015) and Finance Bill 2016 (in 7 September 2016). These include reductions to the main rate to reduce the rate to 19.00% from 1 April 2017 and to 17% from 1 April 2020.

Notes to the financial statements (continued)

For the year ended 31 March 2018

12. Tangible fixed assets

Operating leases

	£'000
Cost:	
At 1 April 2017	8,385
Additions	-
Disposals during the year	(3,749)
At 31 March 2018	4,636
Accumulated depreciation:	
At 1 April 2017	(4,039)
Depreciation charge	(597)
At 31 March 2018	(4,636)
Net book value:	
At 31 March 2017	4,346
At 31 March 2018	-

13. Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year		
Finance lease, hire purchase and loan receivables (note 14)	14,700	16,847
Other debtors	203,781	172,418
	218,481	189,265
Amounts falling due after more than one year		
Finance lease, hire purchase and loan receivables (note 14)	5,970	12,006
	224,451	201,271

Other debtors represent an intergroup balance with the Company's immediate parent, LC Asset 1 S.à.r.l, which is non-interest bearing.

Notes to the financial statements (continued)

For the year ended 31 March 2018

14. Finance lease, hire purchase and loan receivables

	2018 £'000	2017 £'000
Minimum finance lease, hire purchase and loan receivables	20,923	30,533
Finance lease, hire purchase and loan income allocated to future periods	(253)	(1,680)
Assets at the end of the year	20,670	28,853

The amounts receivable under finance lease and hire purchase contracts comprise:

	2018 £'000	2017 £'000
Finance leases	16,146	10,632
Hire purchase contracts and loan receivables	4,524	18,221
Assets at the end of the year	20,670	28,853

The original cost of assets acquired in 2015 under finance leases and hire purchase contract but excluding operating leases was £206,253,000.

The original cost of assets acquired on 15 December 2017 under finance leases and hire purchase contract but excluding operating leases was £14,432,878.

15. Residual Values

Unguaranteed residual values under finance leases can be analysed as follows:

	2018 £'000	2017 £'000
Within one year	420	2,258
Between 1 and 5 years	51	-
Total exposure	471	2,258

The total exposure of £471,000 (2017: £2,258,000) is included within the £20,923,000 (2017: £30,533,000) balance of *"Minimum finance lease, hire purchase and loan receivables" in note 14.*

Notes to the financial statements (continued)

For the year ended 31 March 2018

16. Creditors: Amounts falling due within one year

	2018 £'000	2017 £'000
Accrued interest payable	23,234	12,776
Accruals and deferred income	3,959	7,986
Corporation tax payable	760	2
Loan from parent company	196,271	89,958
Other creditors	1,297	3,558
	225,521	114,280

17. Creditors: Amounts falling due after more than one year

On 29 October 2015 the company entered into a Loan Agreement providing a secured facility with its parent company, LC Asset 1 S.à.r.l. As at the balance sheet date the first repayment date had been extended to June 2018 and therefore under the terms of the agreement a percentage of the outstanding loan is classified as falling due less than one year. The first repayment date was then subsequently extended to September 2019.

The company entered into an additional Loan Agreement providing a secured facility relating to Project Learog on 15 December 2017, with LC Asset 1 S.à.r.l. The interest rate payable on the loan is 4.80%. As at the balance sheet date the first repayment data and interest had not been paid, therefore the loan has been classified as falling due after more than one year.

	2018 £'000	2017 £'000
Creditors falling due after more than one year	14,433	106,314
	14,433	106,314

18. Called up share capital

	2018 Shares	*2017 Shares*
Authorised shares		
Ordinary shares of £1 each	100	100
	Shares	*£*
Ordinary shares of £1 each issued and fully paid		
At 1 April 2017	100	100
Issued during the year	-	-
At 31 March 2018	100	100

Notes to the financial statements (continued)

For the year ended 31 March 2018

19. Reconciliation of movements in shareholders' funds and movement on reserves

	Called up share capital	*Accumulated losses*	*Total shareholders deficit*
	£'000	£'000	£'000
At 1 April 2017	-	(4,385)	(4,385)
Loss for the financial year	-	(5,646)	(5,646)
At 31 March 2018	-	(10,031)	(10,031)

20. Related party transactions

The servicing and administration of the leasing and hire purchase portfolios is delegated to Link Financial Outsourcing Limited, through an Asset Management Agreement dated 29 October 2015. The accrued fees due to the Asset Manager as at 31 March 2018 were £440,000 (2017: £1,201,000).

On 29 October 2015 the company entered into a Loan Agreement providing a secured facility with its parent company, LC Asset 1 S.à.r.l At the balance sheet date no repayments have been made as the first repayment date has been extended to July 2019 and therefore the entire outstanding loan and accrued interest is classified as falling due after one year as detailed in note 17. The Company made a number of payments totalling £31,363,653 (2017: £147,766,941) to LC Asset 1 S.à.r.l during the year which are reflected as an intercompany balance and shown in note 13 under Other Debtors.

The company entered into an additional Loan Agreement providing a secured facility with LC Asset 1 S.à.r.l relating to Project Learog on 15 December 2017. The first amount of £14,167,907 was drawn down on 15 December 2017 and a further amount of £264,971 was drawn down on 8 February 2018. The total amount drawn was £14,432,878. At the balance sheet date no repayments have been made. The entire loan and accrued interest is classified as falling due after one year as detailed in note 17.

21. Ultimate parent undertaking and controlling party

The Company's ultimate parent company is LCH European Portfolio Holdings Limited which is a Dublin registered Company.

As a result of the Company's financing arrangements, the directors of LCH European Portfolio Holdings Limited do not consider that the LCH European Portfolio Holdings Limited group has economic benefit in, or is exposed to the risk of, Victoria Asset Finance Limited. The Company does not therefore form part of the consolidated financial statements of LCH European Portfolio Holdings Limited. The Directors consider LC Asset 1 S.à.r.l, a special purpose vehicle registered in the Grand Duchy of Luxembourg, to be the controlling party for accounting purposes.