

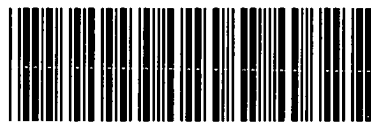
Financial Statements

Annual Report and Financial
Statements for the Year Ended

31st December 2019

**Propel Finance No1
Limited** (formerly Henry
Howard Finance No1 Limited)
10003271

WEDNESDAY



A98D5ZJ7

A10

01/07/2020

#213

COMPANIES HOUSE

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

COMPANY INFORMATION

Directors	R J McDougall E H McNeill A Williams M A Tweed M Catton M B Crook (resigned 11 October 2019)
Registered number	10003271
Registered office	Unit 5 Langstone Business Village Langstone Park Langstone Newport NP18 2LH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3 Callaghan Square Cardiff CF10 5BT
Bankers	NatWest High Street Newport NP20 1GG
Solicitors	Addleshaw Goddard LLP 3 Sovereign Square Sovereign Street Leeds LS1 4ER

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

CONTENTS

	Page
Strategic Report	1 - 5
Directors' Report	6 - 7
Independent Auditor's Report	8 - 11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 - 27

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

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 the provision of tailored lease finance products to UK based small and medium sized enterprises (SMEs). The company has a number of specialisms across industries, asset classes and equipment types, supporting customers and suppliers, operating through both direct customer channels and long-standing vendor partnerships. The company has also developed new partnership channels.

Review of the business and future developments

Business review

We have continued the investment in our platform, following the significant investment through 2018, as reported in last year's Strategic Report. We have sought to leverage that investment through strategic developments in several key areas: acceleration of the technology build, expansion of the funding base and investing in key partnership development, aimed at providing a market leading technology and service led proposition to SME customers and partner relationships. This is driving origination and portfolio growth and sustainable future earnings. The directors are proud to share the progress the company has made against those priorities during the year.

Acceleration of Technology Build

We leverage our technology as a differentiator in the market, enabling us to integrate with our partners and provide agile, responsive and customer-led services and solutions. The strategic aim is to replace and upgrade the technology platform end-to-end with material progress made through the year. In November, we seamlessly re-platformed the entire portfolio to a new leasing system providing an enhanced control environment, process automation and workflow management, positively impacting touchpoints throughout the customer journey.

HowApp, the company's front end partner portal is undergoing a significant programme of investment and development work, which was reported in last year's Strategic Report. The partnership opportunities developed by us through 2019 allowed us to be more ambitious with our plans and we've added to our development roadmap. We are significantly progressed in the development and deployment of the new technology, which we expect to continue through 2020 and beyond as we identify different opportunities and new market segments where SMEs and vendors need access to finance. The new origination, credit decisioning and on-boarding engine will be deployed internally and with our partners through the second half of this year, and will bring full automation and integration into the SME onboarding process including enhanced credit engine, open API functionality, e-sign/e-docs, and fully bespoke reporting suites. This allows us to attract and support partners with large scale seamless lease origination for their own SME customers.

The launch of the new technology will be complemented with the business migration to a new CRM platform that will facilitate more targeted lead generation, customer management and workflow tools.

Expansion of Funding Base

We have targeted both growth and diversification of the company's funding base in support of our own book origination growth. In 2017 external funding facilities available to the company totalled £65m, as at the end of 2019 this had increased to £160m, and based on advanced discussions with our various funding partners we expect to be able to increase our overall capacity to in excess of £300m through the remainder of this year.

We enjoy strong relationships with our funding partners, notably the British Business Bank where we enjoy accredited delivery partner status.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Key Strategic Partnership Development

We achieved a significant milestone post balance sheet date through the signing of a multi-year commercial partnership agreement with Barclays Bank UK plc, 'Barclays' whereby Propel will provide Asset Finance product solutions into Barclays 1 million SME customers through the Barclays UK Business Banking network. As a dual branded partnership, it represents a major opportunity for us to scale the platform at pace, leveraging the existing and future technology and platform investment and to provide Barclays SMEs with a value-add Asset Finance product suite that complements the current Barclays offering. We are delighted to be working closely with Barclays to be delivering a leading Asset Finance offering for its SME customers.

The signing of the commercial agreement is a tremendous endorsement of the Propel team. Our Asset Finance expertise, passion for supporting SMEs, our technology and service proposition, and our own strategy and ambitions as a business, are at the core of the partnership. The directors are excited by both the direct and indirect positive impacts the partnership has on Propel and the future potential to leverage multiple delivery channels to maximise the opportunities for the company, for Barclays and in delivering an amazing service to its SME customers.

We have made further recruitment in support of the partnership and attracted fabulous talent to the team. The company has opened an office in Manchester which will be our hub for the partnership team, supported by our colleagues in our Langstone Office and around the UK.

Our Team




In December, we launched our re-brand to Propel. Our previous brand had served us well, but the team wanted a bold, contemporary and distinctive brand reflective of the company today and our aspirations for the future.

In conjunction with the re-brand we launched the Propel Promise and the Propel Values to bring to the fore the DNA of the business and what we stand for. Whilst not new, they bring focus on how we operate and the behaviours that we hold ourselves accountable to as an SME funder and employer of choice.

The Propel Promise

We're small enough to care and deliver a brilliant personal service to our customers, and big enough to have the expertise and technology to be a leader in SME finance.

At Propel we live our Values

-  **Progressive**
We are ambitious, forward thinking, always striving to improve.
-  **Personal**
We care, we are positive, we support one another, we are here for our customers
-  **Partnering**
We build and nurture relationships, we invest for the long term.

Our continued success is because of our customer focused and motivated team. We are committed to providing all employees with a quality working environment and have continued to roll out a number of employee centric initiatives throughout the year including enhanced employee benefits, academy programmes, leadership development training, as well as a number of events aimed at recognising and celebrating success.

We are very proud of the community in which we operate and our contribution to that community. Through various initiatives, we have supported local sports and cultural activities, in addition to several employee nominated charities. We are proud to be accredited by Stonewall as an employer actively promoting inclusivity in the workplace. We also continue to actively participate in the Welsh Financial Services & Data Science Graduate Programmes, providing work-based placements as part of a wider consortium.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

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.

Financial and Operational Risk Management Objectives and Policies, Including Principal Risks and Uncertainties

The company's activities expose it to a number of financial risks including credit risk, interest rate risk, pricing risk, liquidity risk and conduct risk. The key financial and operational risks and the company risk management strategies are outlined below, the directors do not believe there have been significant changes in the key risks compared to the prior period.

The directors continue to monitor the impact of Brexit; however, to date there has been no significant impact on the company and the directors do not currently expect any significant change in the performance of the business arising from Brexit.

Credit risk

The company's principal financial assets comprise bank balances and cash, trade and other debtors and finance lease and hire purchase debtors.

Credit risk is one of the principal risks the company faces. The company's credit risk is primarily attributable to its trade and finance lease debtors. Credit risk at inception of new lending is controlled by means of Credit Policy and delegated mandate structure. In addition, arrears and other default-related information is monitored and discussed regularly by the directors, and mitigating actions are taken in a timely manner where appropriate. Additional governance around credit risk is provided by the Credit Committee, a formal sub-committee of the Board.

The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for bad debt is made where there is an identified loss event which, based on previous experience is evidence of a reduction in the recoverability of the future cash flows.

The carrying value of finance receivables best represents our maximum exposure to credit risk without taking into account any collateral or other credit risk mitigations. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Reputational risk

Damage to the company's reputation and competitive pressure are continuing risks. The company mitigates these risks by providing added value services to its customers, having fast response times not only in the supply of services but in handling customer queries and by maintaining strong relationships with customers. The company acknowledges that customers are at the heart of what it achieves and continually assesses that all customers are treated fairly. The directors ensure that information is transparent and the product being offered is relevant to the customers needs, expectations are managed through every stage of the process and all queries or complaints are dealt with efficiently and sensitively.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

Interest rate risk

The company's finance lease debtors are based on fixed interest rates. The price charged on fixed rate lending is dependent on the cost of funds the company faces in funding these loans at the point of inception as well as the risk profile of the customer. The company does not undertake any interest rate hedging activities, noting that the company, through some of its funding structures borrows on forward curve interest rates. As the forward curve interest rate is applied at the portfolio borrowing rate management believes that the risk of significant volatility is low. If economic circumstances shift materially, management would take the appropriate actions in order to reduce volatility and interest rate risk.

Price risk

The company is exposed to some degree of pricing risk which is dependent on market prices. The company diversifies into different asset types and industries, continuing to build out a broad and diversified customer base. Further, the directors believe that the risk is mitigated through a focus on best in class service provision and IT leadership through its HowApp portal.

Liquidity risk

Liquidity risk is the risk of not being able to meet liabilities as they fall due. The company is financed at a level required to meet its liquidity needs, with cash flow proactively monitored by the directors in the normal course of business. The directors have sought to diversify its funding in terms of facility size, provider and structure during the course of the year. In addition, an Asset and Liability Committee has been established to monitor liquidity and associated risks.

Conduct & Regulatory risks

An inherent risk of the business is the creation of detriment to the company, its customers, clients or counterparties as a result of the inappropriate execution of our business activities. To mitigate against these risks materialising, the company has implemented appropriate systems and controls throughout the business.

The company continues to respond to the changing regulatory environment arising from the role of the Financial Conduct Authority (FCA). Regulatory principles are at the heart of every aspect of the business, across both regulated and non-regulated segments and embedded into staff training and development.

Financial key performance indicators

Key performance indicators for the company are:

	31/12/2019	31/12/2018
	£	£
Net investment finance leases	70,853,973	59,284,534
Total amounts receivable	85,130,342	72,779,186
Less interest allocated to future periods	(14,276,369)	(13,494,652)
(Loss)/Profit before tax	(419,940)	54,372

The monthly performance of the company and its forecasts are regularly reviewed in detail. Should there be an unforeseen and material adverse change in any of the key sensitivities impacting on the company's forecasts, the directors would seek to mitigate the impact by adopting different operating strategies. It is likely that these would be focused on market sector mix and credit sanctioning policies.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

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

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

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

Principal activity

The principal activity of the company is the provision of tailored lease finance products to UK based small and medium sized enterprises (SMEs). The company has specialisms in Vendor, Retail and Asset Finance segments, operating through both direct and vendor led routes to market.

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.

Results and dividends

The profit for the year, after taxation, amounted to £66,122 (2018: £315,012).

No dividends were distributed for the year ended 31 December 2019 (2018: £Nil).

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

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.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Mark Catton

M Catton
Director



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPEL FINANCE NO 1 LIMITED
(FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)**

Opinion

We have audited the financial statements of Propel Finance No 1 Limited (formerly Henry Howard Finance No 1 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPEL FINANCE NO 1 LIMITED
(FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED) (CONTINUED)**

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 AUDITOR'S REPORT TO THE MEMBERS OF PROPEL FINANCE NO 1 LIMITED
(FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED) (CONTINUED)**

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 on page 6, 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. This description forms part of our Auditor's Report.



Grant Thornton

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROPEL FINANCE NO 1 LIMITED
(FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED) (CONTINUED)**

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

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

	Note	2019 £	2018 £
Turnover	4	10,064,173	6,981,253
Cost of sales		(2,109,129)	(1,427,950)
Gross profit		7,955,044	5,553,303
Administrative expenses		(6,257,441)	(4,110,084)
Operating profit	5	1,697,603	1,443,219
Interest receivable	8	21,575	5,832
Interest payable and expenses	9	(2,139,118)	(1,394,679)
(Loss)/profit before tax		(419,940)	54,372
Tax on (loss)/profit	10	486,062	260,640
Profit for the financial year		66,122	315,012
Total comprehensive income for the year		66,122	315,012

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 15 to 27 form part of these financial statements.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)
REGISTERED NUMBER:10003271

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due after more than one year	11	46,217,836	40,557,568
Debtors: amounts falling due within one year	11	28,572,058	20,755,219
Cash at bank and in hand	14	3,624,137	855,801
		<u>78,414,031</u>	<u>62,168,588</u>
Creditors: amounts falling due within one year	15	(38,284,527)	(30,628,875)
Net current assets		<u>40,129,504</u>	<u>31,539,713</u>
Total assets less current liabilities		<u>40,129,504</u>	<u>31,539,713</u>
Creditors: amounts falling due after more than one year	16	(42,202,591)	(33,494,569)
Provisions for liabilities			
Deferred tax	19	-	(184,353)
		<u>-</u>	<u>(184,353)</u>
Net liabilities		<u>(2,073,087)</u>	<u>(2,139,209)</u>
Capital and reserves			
Called up share capital	20	1	1
Profit and loss account	21	(2,073,088)	(2,139,210)
		<u>(2,073,087)</u>	<u>(2,139,209)</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 15 to 27 form part of these financial statements.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1	(2,139,210)	(2,139,209)
Comprehensive income for the year			
Profit for the year	-	66,122	66,122
Total comprehensive income for the year	-	66,122	66,122
At 31 December 2019	1	(2,073,088)	(2,073,087)

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	1	(2,454,222)	(2,454,221)
Comprehensive income for the year			
Profit for the year	-	315,012	315,012
Total comprehensive income for the year	-	315,012	315,012
At 31 December 2018	1	(2,139,210)	(2,139,209)

The notes on pages 15 to 27 form part of these financial statements.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

1. General information

Propel Finance No 1 Limited (formerly Henry Howard Finance No 1 Limited) is a private company limited by shares and registered in England and Wales. Registered number 10003271. Its registered head office is located at Unit 5 Langstone Business Village, Langstone Park, Langstone, Newport, NP18 2LH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 (see note 3).

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.

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.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

2. Accounting policies (continued)

2.4 Revenue

Turnover 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. Turnover 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:

Turnover comprises finance lease interest, hire purchase agreement interest, profits arising from arranged leases and fee income from other services, as follows:

Finance leases

Leases are accounted for as finance leases where substantively all the risks and rewards of ownership are transferred to the lessee.

The difference between the total minimum lease payments receivable and any attributed residual value and the fair value of the equipment on lease at inception represents finance income which is recognised over the period of the lease on an actuarial basis..

Hire purchase

Hire purchase contracts are leases where the lessee acquires legal title to the asset at the end of the lease period. These are accounted for in the same way as finance leases.

Arranged leases

Arranged leases are leases where the company sells the rental stream of the primary lease to a third party financial institution. The company retains its interest in the residual benefits of the leased equipment after the end of the primary lease period and income arising from this is accounted for within turnover. The company has accounted for these sales as an agent and only recognised the commission element earned on these sales within turnover.

Costs that are incremental and directly attributable to negotiating and arranging the lease are included in the initial measurement of the finance lease and hire purchase agreement receivable and reduce the amount of income recognised over the lease.

2.5 Net investments in finance leases and hire purchase contracts

The investment in finance leases is stated at the total of the minimum lease payments receivable under such leases plus attributed residual value less finance income allocated to future periods. The company reviews the lease debtors for impairment by reviewing the number of months the agreement has been in default. The provision is generated by applying the percentage applicable to the number of months in default against the principal value outstanding.

The company does not recognise the lease debtor where they determine all the risks and rewards of ownership have been transferred.

2.6 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.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

2. Accounting policies (continued)

2.7 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.

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.9 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.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

2. Accounting policies (continued)

2.10 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.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.14 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

2. Accounting policies (continued)

2.15 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Provisions

Provisions have been made for trade debtors. These provisions are an estimate of the actual costs and the timing of future cash flows is dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The company provisioning policy is applied on individual agreements based on the number of months that the agreement has been in default. The provision is generated by applying the percentage applicable to the number of months in default against the principal value outstanding.

4. Turnover

All turnover arose within the United Kingdom.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	<u>(652)</u>	<u>(38,235)</u>

6. Auditor's remuneration

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

The audit fee is accounted for within the company's sister company Propel Finance Plc. Amounts are recharged between each company within the management fee charged.

7. Employees

The company outsources all operational management to Propel Finance Plc. As a result it has no employees other than the directors, who did not receive any remuneration (2018: £Nil). A management charge of £5,955,875 has been charged from Propel Finance Plc.

8. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>21,575</u>	<u>5,832</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Interest on other loans	<u>2,139,118</u>	<u>1,394,679</u>

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	76,260	-
	<u>76,260</u>	<u>-</u>
Total current tax	<u>76,260</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(511,840)	(260,640)
Adjustments in respect of prior periods	(50,482)	-
	<u>(562,322)</u>	<u>(260,640)</u>
Taxation on profit / (loss) on ordinary activities	<u>(486,062)</u>	<u>(260,640)</u>

Factors affecting tax charge for the year

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

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	(419,940)	54,372
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(79,789)	10,331
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,720	657
Adjustments to tax charge in respects of prior periods: deferred tax	(50,482)	(36,452)
Difference in deferred tax rates	60,217	26,375
Group relief	(418,728)	(17,740)
Brought forward tax losses utilised	-	(243,811)
Total tax charge for the year	<u>(486,062)</u>	<u>(260,640)</u>

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

11. Debtors

	2019 £	2018 £
Due after more than one year		
Net investment in finance leases and hire purchases contracts	<u>46,217,836</u>	<u>40,557,568</u>
	2019 £	2018 £
Due within one year		
Trade debtors	664,585	134,128
Amounts owed by participating interests	800,587	-
Other debtors	1,364,839	1,074,080
Prepayments and accrued income	103,693	61,713
Net investment in finance leases and hire purchases contracts	24,636,138	18,726,966
VAT debtor	624,247	758,332
Deferred taxation (note 19)	377,969	-
	<u>28,572,058</u>	<u>20,755,219</u>

An impairment loss of £Nil (2018: £70k) was recognised against trade debtors.

12. Debtors due after more than one year

	2019 £	2018 £
Net investment in hire purchase contracts		
Total amounts receivable in respect of hire purchase contracts	5,983,373	5,808,304
Less interest allocated to future periods	(525,434)	(634,580)
	<u>5,457,939</u>	<u>5,173,724</u>
Net investment in finance leases		
Total amounts receivable in respect of finance leases	47,572,575	41,910,520
Less interest allocated to future periods	(6,812,677)	(6,526,676)
	<u>40,759,898</u>	<u>35,383,844</u>

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

13. Debtors due within one year

	2019 £	2018 £
Net investment in hire purchase contracts		
Total amounts receivable in respect of hire purchase contracts	4,012,250	3,440,087
Less interest allocated to future periods	(666,632)	(650,251)
	<u>3,345,618</u>	<u>2,789,836</u>
Net investment in finance leases		
Total amounts receivable in respect of finance leases	27,555,842	21,620,275
Less interest allocated to future periods	(6,265,322)	(5,683,145)
	<u>21,290,520</u>	<u>15,937,130</u>

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	3,624,137	855,801
Less: bank overdrafts	-	(53,603)
	<u>3,624,137</u>	<u>802,198</u>

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	-	53,603
Other loans	25,091,140	18,120,658
Trade creditors	145,086	78,596
Amounts owed to group undertakings	12,648,893	12,139,471
Corporation tax	76,260	-
Other creditors	73,792	113,034
Accruals and deferred income	249,356	123,513
	<u>38,284,527</u>	<u>30,628,875</u>

At the balance sheet date, other loans comprise an asset finance facility between the company and the British Business Bank, who have charges over all rights, title and interest in and to the debts and goods purchased together with the full benefit of all contract rights including all guarantees and securities.

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

	2019 £	2018 £
Other loans	<u>42,202,591</u>	<u>33,494,569</u>

At the balance sheet date, other loans comprise an asset finance facility between the company and the British Business Bank, who have charges over all rights, title and interest in and to the debts and goods purchased together with the full benefit of all contract rights including all guarantees and securities.

The loans are administered by Citibank N.A. Fleetbank Funding Limited on behalf of the British Business Bank. The loans are repayable in line with the leases in which they are secured against.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2019 £	2018 £
Repayable by instalments	<u>1,517,324</u>	<u>358,979</u>

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

17. Credit risk, Collateral, Market risk and Capital Management

Credit Risk

The company's principal financial assets comprise of bank balances and cash, trade and other debtors, finance lease and hire purchase lease debtors.

The company's risk is primarily attributable to trade and finance lease debtors.

The risk of financial loss to the company is if a client or counterparty fails to meet their contractual obligations and arises principally from the company's receivables from customers. The directors seek to mitigate this risk through appropriate underwriting criteria and portfolio analysis. Swift follow up action is taken on delinquent payers, arrears and other default information is monitored and discussed regularly by directors and mitigating actions are taken in a timely manner where appropriate. The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of specific loans and other receivables.

The amounts represented in the balance sheet are net of allowance for doubtful debts. The net charge to the Statement of Comprehensive Income in respect of bad debts was £1,329,507 (2018: £1,428,353) and the year end provision was £1,328,862 (2018: £755,659).

The company mainly accepts proposals from approved vendors. Clients are underwritten using Credit Safe, Experien reports as well as Delphi scores. Credit policies and scorecards are in place which have specific requirements for all types of businesses and are adhered to at the underwriting phase. Risk based pricing techniques are used to determine the rates charged to the client.

The credit quality of the financial assets is strong, due to the management of risk before an agreement is approved. As a result defaults and writes offs are minimal for the size of the portfolio. The historical performance of financial assets remains strong with the majority of financial assets reaching full term.

Analysis of financial assets that are past due as at the end of the reporting period but not impaired:

Due to the groups specific provisioning policy impairments of financial assets that are less than 60 days in default are not provided for. Historical records show that most of these defaults are cured within this period.

< 30 days	£296,366
30 days - 60 days	£715,332

Collateral

The company seeks to obtain personal guarantees, director's guarantees or cross company guarantees, which are enforced once the directors have decided that there is a risk that the client will not repay the outstanding balance on an agreement and all normal routes of recovery have been exhausted.

Market risk

The company does not have significant exposure to currency risk or interest rate risk. The company's finance lease debtors are based on fixed interest rates. The price charged on fixed rate lending is dependent on the cost of funds the company faces in funding these loans at the point of inception as well as the risk profile of the customer. The company does not undertake any interest rate hedging activities, noting that the company, through some of its funding structures borrows on forward curve interest rates.

As the forward curve interest rate is applied at the portfolio borrowing rate management believes that the risk of significant volatility is low. If economic circumstances shift materially, management would take the appropriate actions in order to reduce volatility and interest rate risk.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

17. Credit risk, Collateral, Market risk and Capital Management (continued)

Capital Management

The company's capital management strategy focuses on ensuring that capital is utilised in the most effective and efficient manner in support of the wider strategic aims of the company. Capital management routines take the form of several key processes including business planning/reforecasting, 3 month forward look on cash/capital requirements updated on a daily basis, close monitoring of origination pipeline and tracking of unfunded balances. These and other activities are overseen through an Asset and Liability Committee (ALCO), established as a formal sub-committee of the Board.

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,624,137	855,801
Financial assets measured at amortised cost	73,683,985	60,492,742
	<u>77,308,122</u>	<u>61,348,543</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(80,410,858)</u>	<u>(64,123,444)</u>

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

Financial assets measured at amortised cost comprise of net investment in finance leases and hire purchase contracts, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise debt instruments held with the British Business Bank, amounts owed to group undertakings, trade creditors and other creditors.

PROPEL FINANCE NO 1 LIMITED (FORMERLY HENRY HOWARD FINANCE NO 1 LIMITED)

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

19. Deferred taxation

	2019 £	2018 £
At beginning of year	(184,353)	(444,993)
Charge to profit or loss	562,322	260,640
At end of year	377,969	(184,353)

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	377,969	(184,353)

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018: 1) Ordinary share of £1	1	1

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

21. Reserves

Profit and loss account

Includes all current and prior period retained losses.

22. 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.

23. Controlling party

The company is a 100% owned subsidiary of Propel Group Finance Limited, which itself is a 100% owned subsidiary of Propel Finance Group Holdings Limited. Propel Finance Group Holdings Limited is both the largest and smallest group for which consolidated accounts are prepared. The ultimate controlling related party is C S Capital Partners IV LP.



Boost your
business

Propel Finance Group includes Propel Finance PLC and Propel Finance No.1 Limited. Propel Finance Plc is registered in Wales, Company no 04015132. Propel Finance No. 1 Limited is registered in Wales, Company no. 10003271. Registered offices are at Unit 5, Langstone Business Village, Langstone Park, Newport, NP18 2LH, vat no. 252089996. Propel Finance Plc and Propel Finance No. 1 Limited are authorised and regulated by the Financial Conduct Authority.