ULTIMATE BUSINESS FINANCE LIMITED
(Previously known as Ultimate Business Cash Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

COMPANY NUMBER 08486872

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Corporate information

Country of incorporation

United Kingdom

Legal form

Private limited company

Directors at the date of this report

N McMyn
R Robson

Secretary and registered office

N McMyn, First Floor, Equinox North, Great Park Road, Bradley Stoke, Bristol BS32 4QL

Company number

08486872

Auditor

KPMG LLP, 66 Queen Square, Bristol BS1 4BE

Principal banker

Lloyds Banking Group Plc, PO Box 112, Canons Way, Bristol, BS99 7LB

Company office

First Floor, Equinox North, Great Park Road, Bradley Stoke, Bristol BS32 4QL

Website

www.ultimatefinance.co.uk

Email address

info@ultimatefinance.co.uk

Strategic report
for the year ended 31 December 2016

Principal activities, review of business and future developments

Ultimate Business Finance Limited (the "company") provides loans, cash advances and other funding solutions to SMEs, typically over a three to twelve month period. The company launched the new on-line lending platform in January 2016 to allow clients to apply for and receive funds through the company's website.

The principal activity of the company is the provision of online business lending to SMEs.

On 9 June 2017, the company changed its name from Ultimate Business Cash Limited to Ultimate Business Finance Limited. On 7 August 2017, the company changed its registered office address to First Floor, Equinox North, Great Park Road, Bradley Stoke, Bristol BS32 4QL.

Revenue for the current year was £365,000 (2015 restated: 173,000) and the company made an operating loss of £247,000 (2015 restated: profit of £173,000). At the year end, the company had £1,988,000 of loans and advances to customers (2015: £582,000) and an associated provision of £175,000 (2015: £nil)

The company is a trading subsidiary of Ultimate Finance Group Limited.

Principal risks and uncertainties

A high level summary of the key business risks facing the company and the management actions that currently mitigate them to an acceptable level is provided below:

	Business risk	**Mitigating management actions**
Product risk	The company has capitalised costs relating to the initial development of its lending platform. There is a risk that if the product fails the costs incurred to date will need to be written off.	The company tested the product before its launch to best ensure it is a commercial success. The directors continuously review the viability of the products and the business.
Credit risk	The risk of financial loss to the company if a customer or counterparty fails to meet its contractual obligations, and arises principally from the company's receivables from customers.	The company has strong underwriting processes with constant monitoring of the client's credit situation including review of debtor concentration and validation checks on significant exposures. The company has a well-established policy for credit losses and carries an allowance for impairment that represents its estimate of incurred losses in respect of specific loans and other receivables.
Liquidity risk	The risk of insolvency arising from an inability to meet obligations when they become due. The company is currently dependent upon finance provided by its ultimate parent company in order to provide financing to its clients.	In addition to group funding, the company is investigating alternative sources of finance which are, or might become, available to the company and by keeping its funding and capital management position under review.
Market risk	The risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.	The company operates a conservative risk appetite in relation to market risk and adherence to market risk appetite is monitored by management team.

Strategic report (continued)
for the year ended 31 December 2016

	Business risk	Mitigating management actions
Operational risk	The activities of the company subject it to operational risks relating to its ability to implement and maintain effective systems to process transactions with customers. A significant breakdown of the company's IT systems might adversely impact the company's ability to operate its business effectively.	The company has a business continuity plan which is kept under regular review and is designed to ensure that any breakdown in systems would not cause significant disruption to the business. During its development phase, the company completed system capability testing and further improvement of systems is on-going. The company's control and governance environment is continually being reviewed and improved.
Competitor risk	The company faces competition in the markets in which it operates. There is a danger that its planned growth and profitability may be impaired.	The company maintains relationships with its customers, business introducers, and other significant participants in the markets in which it is active. The company has a small market share at present and, in planning its future business, is taking competitive factors into account.
Management	The success of the company is dependent on recruiting and retaining skilled senior management personnel and failure to do so would put the company's ability to successfully carry out its plans at risk.	The company's employment and remuneration policies are designed to mitigate this exposure and ensure that an appropriately skilled workforce is and remains in place.

Outlook

The directors remains confident about the outlook for the business (and its part in the group structure) and its ambition to be a major player in the SME finance arena. This will be achieved by strategic expenditure in the areas of technology, marketing and management, in order to achieve significant future growth.

Going concern

The principal risks and uncertainties affecting the company and the steps taken to mitigate these risks are described above. Critical accounting assumptions and key sources of estimation and uncertainty affecting the results and financial position disclosed in this annual report and financial statements are discussed in note 2. The company is reliant on the support of its intermediate parent, Bentley Park (UK) Limited, which provides funding to the group in order to continue as a going concern and to support ongoing development costs. The directors of Bentley Park (UK) Limited have indicated their current intention that this support will continue until the company is able to support itself and that the repayment of balances due to group companies will only be required when funds are available.

After making enquiries, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing this annual report and financial statements.

Approval

This strategic report for the company has been drawn up and presented in accordance with, and in reliance upon applicable English company law, in particular Chapter 4A of the Companies Act 2006, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the board of directors and signed on behalf of the board.

Neil McMyn
Director
29 November 2017

Directors' report
for the year ended 31 December 2016

The directors of the company submit their report together with the financial statements for the year ended 31 December 2016.

Results and dividends

The statement of comprehensive income is set out on page 10 and shows a loss for the. The directors do not recommend payment of a divided (2015: £nil).

Directors and directors' interest

The directors who served during year and subsequently are shown below:

N McMyn
R Robson

No director had any beneficial interest in the share capital of the company.

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, International Accounting Standard 1 requires that directors:
- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Directors' indemnity

The Company has purchased insurance to cover the directors, officers and employees of Bentley Park (UK) Ltd and its subsidiaries against defence costs and civil damages awarded following an action brought against them in their personal capacity whilst carrying out their professional duties for the group.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Under section 489 of the Companies Act 2006, a resolution for the appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming board of directors meeting of the parent of the company.

Approval

This report of the directors for the company has been drawn up and presented in accordance with, and in reliance upon, applicable English company law, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the Board of Directors and signed on behalf of the Board.

Neil McMyn
Director
29 November 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ULTIMATE BUSINESS FINANCE LIMITED

We have audited the financial statements of Ultimate Business Finance Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, statement of cash flow position and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Report of the independent auditor (continued)
for the year ended 31 December 2016

Matters on which we are required to report by exception

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

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

Peter Lomax

Peter Lomax (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
30 November 2017

Statement of comprehensive income
for the year ended 31 December 2016

	Note	2016 £'000	2015 As restated (note 3) £'000
Revenue	4	365	173
Cost of sales	5	(205)	-
Gross profit		160	173
Operating expenses			
Administrative expenses		(407)	-
Operating (loss) / profit	6	(247)	173
Loss before taxation		(247)	-
Taxation	8	-	-
(Loss)/profit of the year and total comprehensive (loss)/income		(247)	173

The total loss for the year and total comprehensive income is attributable to the owner of the parent.

There were no recognised income and expenses other than the result for the year. All results are from continuing operations. The accompanying notes on pages 14 to 27 form an integral part of the financial statements.

Statement of financial position
at 31 December 2016

	Note	2016 £'000	2015 As restated (note 3) £'000
Non-current assets			
Intangible assets	9	533	799
Property, plant and equipment	10	33	21
		566	820
Current assets			
Loans and other receivables	11	1,636	522
Cash and cash equivalents	12	235	128
		1,871	650
Total assets		2,437	1,470
Current liabilities			
Trade and other payables	13	(4)	(11)
Amounts to other group undertakings	14	(2,382)	(1,161)
Total liabilities		(2,386)	(1,172)
Net liabilities		51	298
Capital and Reserves			
Share capital	15	-	-
Retained earnings		51	298
Total equity		51	298

The accompanying notes on pages 14 to 27 form an integral part of these accounts. The financial statements were approved by the board of directors on 29 November 2017 and signed on their behalf by:

Neil McMyn
Director

ULTIMATE BUSINESS FINANCE LIMITED

Statement of changes in equity
for the year ended 31 December 2016

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2015, as previously stated	-	-	-
Prior period adjustment (note 3)	-	125	125
At 1 January 2015, as restated	**-**	**125**	**125**
Total comprehensive income for the year, as restated (note 3)	-	173	173
At 31 December 2015, as restated	**-**	**298**	**298**
Total comprehensive loss for the year	-	(247)	(247)
At 31 December 2016	**-**	**51**	**51**

Statement of cash flows
for the year ended 31 December 2016

	Note	2016 £'000	2015 As restated (note 3) £'000
Cash flow from operating activities			
(Loss) / profit before taxation		**(247)**	173
Adjustments for:			
Amortisation of intangible assets	**9**	**266**	-
Depreciation of property, plant and equipment	**10**	**10**	-
		29	173
(Increase) / decrease in loans and other receivables		**(1,114)**	77
Increase / (decrease) in inter-group indebtedness		**1,221**	(130)
Increase / (decrease) in trade and other payables		**(7)**	75
Net cash provided by operating activities		**129**	195
Cash flow from investing activities			
Acquisition of property, plant & equipment	**10**	**(22)**	(20)
Investment in product development	**9**	**-**	(240)
Net cash used by investing activities		**(22)**	(260)
Net movement in cash and cash equivalents		**107**	(65)
Cash and cash equivalents at beginning of year		**128**	193
Cash and cash equivalents at end of year	**12**	**235**	128

1. Accounting Policies

Basis of preparation and statement of compliance

Ultimate Business Finance Limited (the "company") is a company incorporated in the UK.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("adopted IFRSs"), and its interpretations adopted by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") of their predecessors, which had been approved by the European Commission at 31 December 2016.

The financial statements are prepared on the historical cost basis and are presented in Pounds Sterling, the company's functional and presentational currency.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Information about such judgments and estimates are discussed in note 2.

Adoption of new and revised reporting standards

Standards not yet adopted

At the date of authorisation of these financial statements the following International Financial Reporting Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

- IFRS 9 – 'Financial Instruments';
- IFRS 15 – 'Revenue from Contracts with Customers'; and
- IFRS 16 – 'Leases'.

The adoption of IFRS 9 will require changes to the valuation and income recognition methods relating to the company's receivables, borrowings and liabilities. This standard will come into force with effect from the company's financial statements on 1 January 2018, if it is endorsed by the European Union. The European Union has yet to indicate when it expects the standard to be endorsed. Following the publication of the final version of the standard by the IASB in July 2014, the company has begun to assess its potential impact, and will report further on this in future periods.

IFRS 15 will replace the standards currently governing the recognition of that part of the company's income which does not derive directly from financial assets. If endorsed by the European Union, it will come in to force with effect from the company's financial statements on 1 January 2018, and management will consider its potential impact on the company's financial statements, if any.

IFRS 16 will replace current standard IAS17, providing the guidance of bringing most leases on-balance sheet for lessees under a single account model. If endorsed by European Union, it will be effective for periods beginning of or after 1 January 2019.

Other standards and interpretations in issue but not effective do not address matters relevant to the company's accounting and reporting.

1 Accounting policies *(continued)*

Other standards and interpretations in issue but not effective do not address matters relevant to the company's accounting and reporting. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Going concern

The company is reliant on the support of its intermediate parent, Bentley Park (UK) Limited, which provides funding to the company and the rest of the entities in the Group in order to continue as a going concern. The directors of Bentley Park (UK) Limited have indicated their current intention that this support will continue until the company is able to support itself and that the repayment of balances due to group companies will only be required when funds are available.

Revenue recognition

The determination of whether certain fees and costs form part of the Effective Interest Rate ("EIR") is a critical judgement. Management assesses the nature of fees charged and incurred, the nature of services provided or received, and the extent to which these relate closely to the issue of a financial instrument. Where the costs or income do relate closely to the issue of a financial instrument, they are included within the EIR calculation.

Interest income
Interest income is recognised in the statement of comprehensive income for all financial assets measured at amortised cost using the EIR method. The EIR method is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows through the expected life, or contractual term if shorter, of the financial asset to the net carrying amount of the financial asset. When calculating the EIR, the company estimates cash flows considering all contractual terms of the financial instruments, but does not include an expectation for future credit losses.

Expenses

Commissions
Commission is recognised as part of the Effective Interest Rate calculation. Where commission is not directly attributable to the issue of a financial instrument, it is recognised in the income statement over the life of the relationship.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1 Accounting policies *(continued)*

Intangible assets

Expenditure on research activities is recognised as an expense in the year in which it is incurred.
An internally-generated intangible asset arising from new product development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred..

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

Product development costs are amortised over a three year period. An on-going development costs, internally-generated after the product started trading are expensed rather than capitalised.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Vehicles	-	four years
Computers	-	three years
Equipment and fittings	-	two – five years

Cash and cash equivalents

Cash balances and demand deposits are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Financial assets and financial liabilities

Classification and measurement

Management determine the classification of the company's financial assets at initial recognition into one of the following categories: loans and other receivables, held-to-maturity financial assets, available-for-sale financial assets and financial assets at fair value through profit or loss. The company has not held any held-to-maturity, available-for-sale financial assets or financial assets at fair value through profit or loss at any point during the year.

1 Accounting policies *(continued)*

The company initially recognises advances to clients and related parties, as well as deposits on the date that they are originated. These balances are included in loans and other receivables and are initially recognised at fair value including directly attributable costs, and subsequently measured at amortised cost less impairment losses.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The company initially recognises borrowings from banks and related parties at fair value, and are subsequently measured at amortised cost, using the effective interest method. These balances are included in borrowings and trade and other payables.

Impairment of loans and receivables

The recognition of impairment is a critical accounting judgement. Determining whether or not a financial instrument is impaired at the balance sheet date is complex, and requires management judgement, as an instrument may be impaired without obvious indication, such as arrears. As well as using experience of prior periods, and detailed knowledge of the customers' performance, management is also able to assess the behaviour of financial instruments since the balance sheet date to determine which financial instruments may be impaired as at the balance sheet date. In respect of loans and receivables, the company assesses on an ongoing basis whether there is objective evidence that an individual loan asset is impaired. If any such indication exists, the asset's recoverable amount is estimated. Where it's value is known, this will take account the value of any collateral held. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income in cost of sales.

Impairment losses are reversed through the income statement if there is a change in the estimates used to determine the recoverable amount.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.
The company derecognises a financial liability when, and only when, the obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset 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 Key risks and sources of estimation uncertainty

Critical accounting estimates and judgements

In the preparation of the financial statements, the company is required to make estimates and assumptions, in accordance with IFRS, that affect the amounts reported as assets and liabilities as at the date of reporting the financial statements and the reported amounts of revenues and expenditure during the year.

2 Key risks and sources of estimation uncertainty *(continued)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the company financial statements is included in the following notes:

Note 1 – revenue recognition of interest income, including the period over which the revenue is recognised
Note 1 – provisioning against receivables, determining the appropriate level of provision required

Assumptions and estimations uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2016 is included in the following notes:

Note 13 – determine the value of accruals for purchases committed but invoices not received

3 Prior period restatement

In 2015, the company did not present a statement of cash flows as part of the audited financial statements. The 2016 audited financial statements include a statement of cash flows for both years ended 31 December 2016 and 2015.

The company spent has developed a new on-line platform for short term cash loans. As part of the new product development, the testing portfolio generated interest income which was presented as a deduction from capitalised product development costs within intangible assets. In 2016, the new product was launched and management reviewed the capitalisation of intangible assets related to product development. Management concluded that, the interest income generated should have been credited to income in 2015 and 2016, rather than deducted from the carrying value of the intangible asset.

As the change in accounting policies above were made in a reporting period prior to the comparative period, the statement of financial position and statement of comprehensive income as at 1 January 2015 and 31 December 2015 were restated as follows:

1 January 2015	**As previously reported**	**Prior period adjustment**	**As restated**
Statement of Financial Position	**£'000**	**£'000**	**£'000**
Non-current assets			
Intangible assets	435	125	560
Net assets	**-**	**125**	**125**
Equity attributable to owners of the company			
Retained earnings	-	125	125
Total equity	**-**	**125**	**125**

3 Prior period restatement *(continued)*

	As previously reported	Prior adjustment	As restated
31 December 2015			
Statement of Comprehensive Income	**£'000**	**£'000**	**£'000**
Revenue		173	173
Cost of Sales	-	-	-
Gross Profit	-	173	173
Administrative Expenses	-	-	-
Operating profit	-	**173**	**173**
Total comprehensive income	-	**173**	**173**
Statement of Financial Position	**£'000**	**£'000**	**£'000**
Non-current assets			
Intangible assets	501	298	799
Net assets	-	**298**	**298**
Equity attributable to owners of the Company			
Retained earnings	-	298	298
Total equity	-	**298**	**298**

4 Revenue

All revenue is derived in the United Kingdom and relates to interest income generated.

	2016	2015 As restated (note 3)
	£'000	£'000
Interest Income	**365**	173
	365	173

5 Cost of sales

	2016 £'000	2015 £'000
Provision for impairment losses	**197**	-
Cost of sales – others	**8**	-
	205	-

"Cost of sales – others" includes mainly internal sales commissions.

6 Operating (loss) / profit for the year

Operating (loss) / profit for the year has been arrived at after charging:

	2016 £'000	2015 £'000
Staff costs (note 7)	**55**	-
Amortisation (note 10)	**266**	-
Depreciation (note 11)	**10**	-
Audit of these financial statements	**5**	-
Taxation compliance services	**3**	-

The 2015 audit fee of £4,000 was borne by a fellow company in the group, Ultimate Finance Holdings Limited.

7 Staff costs

	2016 £'000	2015 £'000
Staff costs:		
Wages and salaries	**36**	-
Social security	**5**	-
Staff services charges	**14**	-
	55	-

The average number of persons employed by the company during the year was 2 (2015: 2).

Staff service charges of £14,000 (2015: £nil) represent amounts charged for contracting services rendered.

No director received remuneration from this company during the period. Directors of the company are also directors of Bentley Park (UK) Limited, ultimate parent company. Remuneration for those directors is disclosed in the consolidated financial statements of the intermediate parent company.

8 Taxation

The reason for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied for the year are as follow:

	2016 **£'000**	2015 As restated (note 3) £'000
(Loss) / profit before taxation	**(247)**	173
Tax on ordinary activities at standard UK corporation tax rate of 20% (prior year: 20.25%)	**(49)**	35
Effects of:		
Group relief surrendered	**49**	(35)
Current tax for the year	**-**	-

The effective tax rate of the company is 20% (2015: 20.25%).

9 Intangible assets

	Capitalised Development costs £'000	**Total £'000**
Cost		
Balance at 1 January 2015, as restated (note 3)	560	560
Additions	239	239
Balance at 31 December 2015, as restated (note 3)	799	799
Balance at 1 January 2016	799	799
Balance at 31 December 2016	**799**	**799**
Amortisation		
Balance at 1 January 2015	-	-
Balance at 31 December 2015	-	-
Balance at 1 January 2016	-	-
Amortisation charge for the year	266	266
Balance at 31 December 2016	**266**	**266**
Net book value		
Balance at 31 December 2015	799	799
Balance at 31 December 2016	**533**	**533**

10 Property, plant and equipment

	Computers	Motor Vehicles	Total
	£'000	£'000	£'000
Cost			
Additions	-	23	23
Balance at 31 December 2015	-	23	23
Balance at 1 January 2016	-	23	23
Additions	22	-	22
Balance at 31 December 2016	**22**	**23**	**45**
Accumulated depreciation			
Depreciation charge for the year	-	2	2
Balance at 31 December 2015	-	2	2
Balance at 1 January 2016	-	2	2
Depreciation charge for the year	4	6	10
Balance at 31 December 2016	**4**	**8**	**12**
Net book value			
At 31 December 2015	-	21	21
At 31 December 2016	**18**	**15**	**33**

11 Loans and other receivables

	2016	2015 As restated (note 3)
	£'000	£'000
Loans and receivables	**1,813**	582
Deferred income	**(180)**	(64)
Prepayments and other receivables	**3**	4
	1,636	522

The table below summarises the company's exposure to credit risk:

	2016	2015
	£'000	£'000
Outstanding client balances	**1,988**	582
Provision for impairment	**(175)**	-
	1,813	582

11 Loans and other receivables *(continued)*

Movements on the company's provision for impairment of loans receivable are as follows:

Provision for impairment	**2016 £'000**	2015 £'000
Balance brought forward	**-**	-
Reversal of provision in the year	**-**	-
Provision for the year	**175**	-
Balance carried forward	**175**	-

Collateral

In addition to the value of the book debt the company will wherever possible obtain additional security before offering funds to a client. These include personal guarantees from major shareholders and/or directors, charges over personal and other business property, cross guarantees from associated companies and unlimited warranties in the case of frauds. These additional forms of security are impracticable to fair value as valuations of the guarantees or warranties are not capable of being accurately determined at any point during the agreement.

The ageing analysis of loans receivables is as follows:

	At 31 December 2016			At 31 December 2015		
	Total £'000	**Impairment £'000**	**Net £'000**	Total £'000	Impairment £'000	Net £'000
Neither past due nor impaired	**1,813**	**(32)**	**1,781**	582	-	582
Individually impaired loans	**175**	**(143)**	**32**	-	-	
	1,988	**(175)**	**1,813**	582	-	582

The directors consider that the carrying amount of loans and other receivables is approximately equal to their fair value.

12 Cash and cash equivalents

	2016 £'000	2015 £'000
Bank balance	**235**	128

All cash is denominated in Pounds Sterling.

13 Trade and other payables

	2016 £'000	2015 £'000
Trade payables	**1**	1
Other payables and accrued expenses	**3**	10
	4	11

The directors consider that the carrying amount trade and other payables is approximately equal to their fair value.

14 Related party transactions

The company entered into related party transactions as described below:

Trading transactions

Amounts outstanding at the statement of financial position date relate primarily to the movement of cash and cash equivalents.

	Balance outstanding	
	2016	2015
	£'000	£'000
Parent		
Ultimate Finance Group Ltd	(110)	(102)
Company within Group		
Ultimate Finance Ltd	**(2,272)**	(1,059)
	(2,382)	(1,161)

The above balances are repayable on demand, unsecured and expected to be settled in cash. The fair value of related party payables approximate its carrying value.

15 Share Capital

	Number	2016 £	2015 £
Ordinary shares of £1 each	2	2	2

16 Capital commitments

There were no capital commitments at the end of the financial period (prior period: £Nil).

17 Financial risk management

The company provides a range of cash loans to its clients and funds these activities by means of intercompany. Lending tends to be bespoke for individual clients and transactions. The company's principal risk is thus credit risk and this is managed via an appropriate credit review process and the margins charged.

Credit risk
Credit risk arises from all exposures to clients on the company's lending activities. The company's Board establishes underwriting limits, reviews concentrations and establishes procedures on credit decisions.
Transactions that exceed the company's own limits are then passed to a parent company for a decision. Major exposures and levels of default together with other credit issues are reviewed regularly. The company has strict policies and procedures in place to monitor this risk. An impairment provision is made where objective evidence exists to doubt recoverability of amounts advanced to clients.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial investments. The company manages market risk and its components on a transaction-by-transaction basis.

Interest rate risk and foreign exchange risks
There are no loans and other receivables denominated in currencies other than Pounds Sterling. The company does not have significant exposure to currency risk or interest rate risk as fluctuations in these are passed onto the company's client base.

17 Financial risk management *(continued)*

The following table summarises the company's minimal exposure to interest rate risk. Included in the table are the company's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity date:

2016

	Floating rate	**Fixed rate**	**Non-interest bearing**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Assets				
Loans receivable	**-**	**1,632**	**4**	**1,636**
Cash and cash equivalents	**-**	**-**	**235**	**235**
Liabilities				
Intra-group borrowings	**-**	**-**	**2,382**	**2,382**
Trade and other payables	**-**	**-**	**4**	**4**

2015

	Floating rate	Fixed rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Assets				
Loans receivable	-	518	4	522
Cash and cash equivalents	-	-	128	128
Liabilities				
Intra-group borrowings	-	-	1,161	1,161
Trade and other payables	-	-	11	11

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's principal liquidity risk is in respect of the requirement to maintain sufficient levels of borrowing to fund the portfolio over the period that the loans remain outstanding. The company borrows from other group companies and the directors maintain a regular review of funding requirements to ensure sufficient funds remain available.

Fair value of financial instruments

The following tables present the fair value of the company's all financial assets and liabilities, including those not recognised in the financial statements at fair value.

	2016		2015	
	Carry value	**Fair value**	Carry value	Fair value
	£'000	**£'000**	£'000	£'000
Financial assets				
Loans receivable	**1,636**	**1,636**	522	522
Cash and cash equivalents	**235**	**235**	128	128
Financial liabilities				
Intra-group borrowings	**2,382**	**2,382**	1,161	1,161
Trade and other payables	**4**	**4**	11	11

17 Financial risk management *(continued)*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For financial instruments carried at fair value, market prices or rates are used to determine fair value where an active market exists (such as a recognised exchange), as it is the best evidence of the fair value of a financial Instrument. Market prices are not, however, available for certain financial assets and liabilities that may be held or issued by the company. At the moment there is no financial instrument where no active market exists but if in future the company had financial instrument, where no active market price or rate available, fair values would be estimated using present value or other valuation techniques, using inputs based on market conditions existing at the financial year end date.

Bank balances and cash comprise cash held by the company and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value. The directors consider that the carrying amount of loans and receivables and borrowings due within one year approximates to their fair value, due to the short term nature of their repayments or payable on demand.

The company measures fair values into a fair value hierarchy based on the following valuation technique used to determine fair value:

Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2
Valuation techniques based on observable prices, either directly or indirectly. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. An adjustment to a Level 2 input that is significant to the entire measurement might result in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs.

Level 3
Valuation techniques using significant unobservable inputs. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little if any market activity for the asset or liability at the measurement date.

The tables below analyse financial instruments measured at fair value into the above fair value hierarchy.

2016

	Level 1	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Loans	-	**1,632**	-	**1,632**
Trade and other receivables	-	-	**4**	**4**
Cash and cash equivalents	-	**235**	-	**235**
Financial liabilities				
Intra-group borrowings	-	-	**2,382**	**2,382**
Trade and other payables	-	-	**4**	**4**

17 Financial risk management *(continued)*

2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Loans	-	518	-	518
Trade and other receivables	-	-	4	4
Cash and cash equivalents	-	128	-	128
Financial liabilities				
Intra-group borrowings	-	-	1,161	1,161
Trade and other payables	-	-	11	11

18 Ultimate Parent company

The company's immediate parent undertaking is Ultimate Finance Group Ltd, a company incorporated in England and Wales.

The smallest group in which the results of the parent and subsidiary company are consolidated is that headed by Ultimate Finance Group Ltd. The largest group in which the results of the parent and subsidiary company are consolidated is that headed by the company's intermediate parent undertaking, Bentley Park (UK) Limited, a company incorporated in England and Wales. The consolidated financial statements of these companies are available to the public and may be obtained from the company's office, First Floor, Equinox North, Great Park Road, Bradley Stoke, Bristol, BS32 4QL.

19 Post balance sheet events

There have been no post balance sheet events that require disclosure in these financial statements.