

**Report of the Directors
and the Financial Statements for the Year Ended 31 August 2017
for
Greenfield Capital II Ltd
Registered Number: 08574591**

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Greenfield Capital II Ltd

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Greenfield Capital II Ltd

Company Information

Directors: David Herbert Grant
John James Yates
Steven Kevin Smith
Mark Gerard Smith
Delisser Roy Bernard

Registered Office: Bank House
8 Cherry Street
Birmingham
West Midlands
B2 5AL

Registered Number: 08574591 (England and Wales)

Auditors: Deloitte LLP
Statutory Auditor
Four Brindleyplace
Birmingham
United Kingdom
B1 2HZ

Bankers: Royal Bank of Scotland
2 St Philips Place
Birmingham
B3 2RB

Solicitors: Shakespeare Martineau LLP
No.1 Colmore Square
Birmingham
B4 6AA

Greenfield Capital II Ltd

Report of the Directors

The directors present their annual report on the affairs of the Company, together with the financial statements for the year ended 31 August 2017. This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal Activity

The principal activity of the Company in the year under review was that of procurement of finance to fund niche property lending opportunities in the form of bridging finance for business purposes and chain break facilities for personal residential properties in the United Kingdom. The Company acts as either agent or principal lender depending on the terms of the loan. The entity is an authorised provider of regulated mortgages and authorised by the Financial Conduct Authority (FCA).

Directors

The following persons served as directors during this year and subsequently up to the date of this report:

David Herbert Grant
John James Yates
Steven Kevin Smith
Mark Gerard Smith
Delisser Roy Bernard (appointed 25 October 2016)

Going Concern

The balance sheet shows a net asset position of £303,424 (2016: £120,320) at 31 August 2017. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing this report. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Directors Indemnities

The Company has made qualifying third-party indemnity provision for the benefit of its directors which were made in the year and remain in force at the date of this report.

Results and Dividends

The entity's financial results for the year ended 31 August 2017, resulted in a profit after tax of £183,104. (2016: £117,668) which was transferred to reserves.

The Directors will not be proposing to issue a dividend this year (2016: £nil).

Directors' Responsibilities Statement

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with the applicable law 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 of the Company and of the profit or loss of the Company for the 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will not 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.

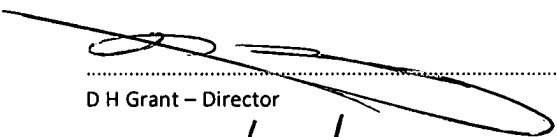
Statement as to Disclosure of Information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of The Board:


D H Grant – Director

Date: 17/04/19

Greenfield Capital II Ltd

Independent auditor's report to the members of Greenfield Capital II Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Greenfield Capital II Ltd (the 'company') which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report of the directors, 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.

Independent auditor's report to the members of Greenfield Capital II Ltd (continued)

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 respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Independent auditor's report to the members of Greenfield Capital II Ltd (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

S. Cumberbatch

Stewart Cumberbatch FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

Date 17/4/18

Greenfield Capital II Ltd

Income Statement

For the year ended 31 August 2017

	Notes	2017 £	2016 £
Turnover	3	1,186,539	328,875
Cost of Sales	4	(599,367)	(71,717)
Gross Profit		587,172	257,158
Administrative Expenses		(393,361)	(110,073)
Operating Profit	7	193,811	147,085
Finance Costs	14	(5,000)	-
Profit before tax		188,811	147,085
Tax charged on ordinary activities	8	(5707)	(29,417)
Profit for the year		183,104	117,668
Profit and total comprehensive income for the year		183,104	117,668

Continuing Operations

None of the Company's activities were acquired or discontinued during the current year or previous year.

The notes on pages 11 to 16 are an integral part of these financial statements.

Greenfield Capital II Ltd

Balance Sheet

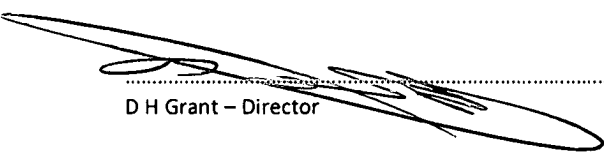
For the year ended 31 August 2017

	Note	2017 £	2016 £
Current Assets			
Trade and Other Receivables	9	11,451,167	134,801
Cash and Bank Balances		80,898	44,680
		<u>11,532,065</u>	<u>179,481</u>
Total Assets		<u>11,532,065</u>	<u>179,481</u>
Current Liabilities			
Trade and Other Payables	10	(11,123,641)	(59,161)
		<u>(11,123,641)</u>	<u>(59,161)</u>
Net Current Assets		<u>408,424</u>	<u>120,320</u>
Non-Current Liabilities			
Borrowings	11	(105,000)	-
		<u>(105,000)</u>	<u>-</u>
Total Liabilities		<u>11,228,641</u>	<u>59,161</u>
Net Assets		<u>303,424</u>	<u>120,320</u>
Equity			
Share Capital	12	100	100
Profit and Loss Account		303,324	120,220
		<u>303,424</u>	<u>120,320</u>

The Financial Statements have been prepared in accordance with the provisions of the Part 15 of the Companies Act 2006 relating to small companies' regime.

The notes on pages 11 to 16 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 17/04/17 and were signed on its behalf by:


D H Grant – Director

Registered Number: 08574591

**Statement of changes in equity
for the year ended 31 August 2017**

	Share capital £	Profit and loss account £	Total equity £
1 September 2015	100	2,552	2,652
Profit for the year	-	117,668	117,668
31 August 2016 and 1 September 2016	100	120,220	120,320
Profit for the year	-	183,104	183,104
31 August 2017	100	303,324	303,424

The notes on pages 11 to 15 are an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 August 2017

1. Statutory Information

Greenfield Capital II Ltd is a private company, limited by shares, registered in England and Wales. The Company registered number and registered address can be found on the Company's information on page 2 of these financial statements.

2. Accounting Policies

Basis of Preparing the Financial Statements

The financial statements have been prepared in accordance with the Financial Reporting Standards for Small Entities including FRS 102 (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities). The following principal accounting policies have been applied consistently throughout the year and the preceding year and are in accordance with applicable accounting standards.

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

The financial statements for the year ended 31 August 2017 are the first financial statements of Greenfield Capital II Ltd to be prepared in accordance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland). The date of transition to FRS 102 was 01 September 2016. The reported financial position and financial performance for the previous year are not affected by the transition to FRS 102.

Cash Flow Statement

The Company took the option not to prepare a Cash Flow Statement in accordance with Section 1a of FRS 102 (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities) on the grounds that it qualifies as a small entity.

Turnover

Turnover comprises the interest received or receivable and fees recognised on loans through principal and agent activities. The Company undertakes lending activities in the role of principal and also as agent as described in FRS 102, Section 23.

As principal in the loan agreements, the Company is exposed to the credit risk associated with lending. As principal revenue is recognised in the income statement on financial assets at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income over a relevant period. The effective interest rate (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. The calculation includes all fees (arrangement and broker fees payable at the time the loan is advanced and exit fees payable when the last payment is made under the loan agreement) charged to customers, and direct and incremental transaction costs.

The Company also acts as agent in certain agreements that the entity is not exposed to the significant risks and rewards associated with lending. For these agreements, the amount earned is predetermined based on a stated percentage of the return.

Notes to the Financial Statements for the Year Ended 31 August 2017

2. Accounting policies (cont'd)

Estimates of bad and doubtful debt provisions

The Company assesses at each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired and impairment loss is incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

If there is objective evidence that an impairment loss on a financial asset classified as loans and receivable has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of the estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Going Concern

Having reviewed forecasts for the entity, the directors believe that the Company is well placed to manage its business risks.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. As such they have adopted the going concern basis in the preparation of the financial statements.

Taxation

Current tax, including corporation tax, is provided at amount expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Financial Assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revisions and future periods if the revision affects both current and future periods.

Notes to the Financial Statements for the Year Ended 31 August 2017

2. Accounting policies (cont'd)

The following are the critical estimates that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Amortised cost – Expected life

Amortised cost accounting requires judgements regarding the expected life of the underlying assets. The expected life of assets is derived using a combination of historical data and management's judgement and is reviewed periodically and reassessed against actual performance. Any changes to the expected life would alter the timing of the recognition of revenue earned as principal and amend the carrying value of loans receivable as stated in the balance sheet.

Impairment losses on loans receivable

The Company reviews its loans receivable continually to assess whether an individual impairment loss should be recorded in the income statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

3. Turnover

An analysis of the Company's revenue is as follows:

	2017	2016
	£	£
Revenue - Agent	345,642	328,875
Revenue - Principal	839,275	-
Other	1,622	-
	<u>1,186,539</u>	<u>328,875</u>

4. Cost of sales

Cost of sales include interest charged for usage of the funding line, arrangement fees and legal cost directly associated with the revolving facility.

5. Staff Costs

The Company has no employees with the exception of directors who did not receive any remuneration for their services to the Company (2016: £nil).

6. Impairment

During the year Greenfield Capital II Ltd made provisions for impairment of £nil (2016: £nil). This is largely as a result of low loan to value bridging profile, which is secured by first legal charges against residential properties. Therefore, the Company's lending offers a very low risk of impairment. The Company also considers wider aspects to lending risk in the form of security location, lending concentration, UK market demand, and global risks which could impact property values.

7. Operating Profit

Audit Fees for the financial statements of £8,500 (2016: £7,000) was borne by a related entity, Greenfield Capital Ltd and not recharged to the Company.

Notes to the Financial Statements for the Year Ended 31 August 2017

8. Taxation

Tax charge comprise:

	2017 £	2016 £
Profit on ordinary activities before tax charged at blended rate of 19.58% (2016:20%)	188,811	147,085
Tax on profit	36,971	29,417
Adjustments in respect of prior years	(31,264)	-
Current tax charged for the year	5,707	29,417

The standard tax rate in the UK is 19% (2016: 20%). The UK government announced a reduction in the CT rate from 20% to 19% for the Financial Years beginning 1 April 2017, 1 April 2018 and 1 April 2019, with a further reduction from 19% to 18% for the Financial Year beginning 1 April 2020. The Company has tax losses of £38,521 (2017: £79,359) available to set-off against future taxable profits.

9. Trade and Other Receivables

	Notes	2017 £	2016 £
Loan receivable		11,210,797	-
Other receivable		240,270	134,701
Amounts due from group undertaking:	14		
Unpaid share capital		100	100
		11,451,167	134,801

10. Trade and Other Payables

	Notes	2017 £	2016 £
Trade Payables		13,076	9,897
Corporation tax payable		36,971	31,264
Amounts due to group undertaking:	14		
Greenfield Capital Ltd		110,318	18,000
Greenfield Capital III Ltd		201,112	-
Greenfield Capital (Holdings) Ltd		35,941	-
Greenfield Capital (Holdings) II Ltd		10,726,223	-
		11,123,641	59,161

11. Non-Current Liabilities

	2017 £	2016 £
Greenfield Capital Ltd	105,000	-
	105,000	-

Loan from Greenfield Capital Ltd is payable at 5% interest per annum until maturity on 19 March 2019.

Greenfield Capital II Ltd

Notes to the Financial Statements for the Year Ended 31 August 2017

12. Called Up Share Capital

			2017	2016
			£	£
Allotted, issued: Number:	Class:	Nominal Value:		
100	Ordinary	1	<u>100</u>	<u>100</u>

13. Ultimate Controlling Party

During the year, ownership of Greenfield Capital II Ltd changed from Greenfield Capital (Holdings) Ltd to its subsidiary, Greenfield Capital (Holdings) II Ltd. The ultimate controlling party is Greenfield (Holdings) Ltd.

14. Related Party transactions

Greenfield Capital Ltd

Greenfield Capital Ltd introduced £100,000 to Greenfield Capital II Ltd on 01 September 2016 as a 5 Year loan charged at 5% per annum and therefore, during the year, Greenfield Capital Ltd charged Greenfield Capital II Ltd £5,000 of interest against this loan. This is shown in the finance cost in the Income Statement.

During the year, Greenfield Capital Ltd charged management charges of £379,487 to Greenfield Capital II Ltd (2016: 110,000). These charges are interest free and payable on demand.

	2017	2016
	£	£
Amount due to Greenfield Capital Ltd	<u>215,318</u>	<u>18,000</u>

Greenfield Capital III Ltd

During the year, Greenfield Capital III Ltd recharged funding line fees of £476,195 to Greenfield Capital II Ltd (2016: Nil).

	2017	2016
	£	£
Amount due to Greenfield Capital III Ltd	<u>201,112</u>	<u>-</u>

Greenfield Capital (Holdings) II Ltd

John Yates, David Grant, Mark Smith, Steve Smith and Delisser Bernard are directors of Greenfield Capital (Holdings) II Ltd, the parent company of Greenfield Capital II Ltd.

Greenfield Capital (Holdings) II Ltd received 100% of shareholding of Greenfield Capital II Ltd on 01 June 2017. The amount of £100 is receivable from Greenfield Capital (Holdings) II Ltd in relation to this shareholding as at the Balance Sheet date.

Greenfield Capital (Holdings) II Ltd was appointed manager of the bank facility which was introduced 02 November 2016 to Greenfield Capital group of companies and therefore, all amounts used from this facility are payable to Greenfield Capital (Holdings) II Ltd as at the Balance Sheet date. This is interest free and payable on demand.

Greenfield Capital II Ltd

Notes to the Financial Statements for the Year Ended 31 August 2017

	2017 £	2016 £
Amount due to Greenfield Capital (Holdings) II Ltd as at the Balance Sheet date	<u>10,726,223</u>	<u>-</u>

Greenfield Capital (Holdings) Ltd

During the year, Greenfield Capital (Holdings) Ltd supported Greenfield Capital II Ltd in the payment of costs towards the acquirement of the bank facility which started 02 November 2016. This is interest free and payable on demand.

	2017 £	2016 £
Amount due (to)/from Greenfield Capital (Holdings) Ltd	<u>(35,941)</u>	<u>100</u>

15. Contingent liabilities

The Company's main banking facility includes a fixed and floating charge over Greenfield Capital II Ltd with a negative pledge. This floating charge expires on 1 November 2019 unless previously agreed by both parties. The total liability to the facility by the group as at 31 August 2017 is £8,555,875. The current maximum liability to the facility is £13,500,000.