Registered No. 09502421

Victoria Asset Finance Limited

Report and Financial Statements

For the year ended 31 March 2017



Officers and professional advisors

Directors
S L Burdell
A R Cloake
H Shah

Bankers
HSBC
8 Canada Square
London
EC14 5HQ

Registered Office
Camelford House
89 Albert Embankment
London
SE1 7TP

Independent Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Registered Number
09502421

Directors' report for the year ended 31 March 2017

The directors present their report and the audited financial statements of Victoria Asset Finance Limited (the "Company") for the year ended 31 March 2017.

Review of development of the business and key performance indicators

The Company was incorporated on 20 March 2015 as Asset Link Capital (No.6) Limited and changed its name on 2 September 2015 to Victoria Asset Finance Limited. The Company was established with the sole purpose of acquiring a portfolio of lease receivables. The prior period income statement in these financial statements represents the first five months of trading of the Company.

Future Developments

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

The Company continues to manage the portfolios it acquired in the previous period, and will assess other portfolios for acquisition where opportunities arise.

Results and dividends

The audited financial statements for the year ended 31 March 2017 are set out on pages 8 to 22. The loss for the year was £4,446,000 (period to 31 March 2016: profit of £61,000).

The directors do not recommend the payment of a dividend for the year (2016: Nil) and the loss for the year has been transferred to reserves.

Directors and their interests

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

S L Burdell
A R Cloake
H Shah

Principal risks and uncertainties

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

Credit Risk

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

Residual risk

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

Directors' report for the year ended 31 March 2017

Principal risks and uncertainties (continued)

Currency risk

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

Going concern

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

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

Foreign exchange

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

Employees

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

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial accounting period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

Directors' report for the year ended 31 March 2017

- 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

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

position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the auditors

The directors confirm that:

a) so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditors are unaware, and

b) having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

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

Format of report

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

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

On behalf of the Board

H Shah

Director

18 May 2018

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

Report on the financial statements

Our opinion

In our opinion, Victoria Asset Finance Limited 's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2017;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or

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

- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit

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

evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



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

18 May 2018

Income statement

for the year ended 31 March 2017

	Note	Year ended 31 March 2017	Period from incorporation to 31 March 2016
		£'000	£'000
Interest receivable and similar income	6	7,436	7,067
Interest payable and similar charges	7	(9,778)	(2,998)
Gross (loss)/profit		(2,342)	4,069
Administration expenses	5	(8,052)	(7,228)
Operating loss		(10,394)	(3,159)
Other operating income	8	5,942	3,246
(Loss)/profit before taxation	10	(4,452)	87
Tax on loss/profit	11	6	(26)
(Loss)/profit for the financial year/period	19	(4,446)	61

All amounts relate to continuing operations.

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

Statement of comprehensive income

for the year ended 31 March 2017

	Note	Year ended 31 March 2017	Period from incorporation to 31 March 2016
		£'000	£'000
(Loss)/profit for the financial year/period	19	(4,446)	61
Items that cannot be reclassified to profit or loss			
Tax relating to components of other comprehensive income		-	-
Total comprehensive (expense)/income for the year/period		(4,446)	61

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

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

Balance Sheet

at 31 March 2017

	Note	2017 £'000	2016 £'000
Non-current assets			
Tangible fixed assets	12	4,346	7,662
Debtors – amounts falling due after more than one year	13	12,006	33,233
		16,352	40,895
Current assets			
Debtors – amounts falling due within one year	13	189,265	127,426
Cash at bank and in hand		10,592	43,196
		199,857	170,622
Creditors: amounts falling due within one year	16	(114,280)	(105,142)
Net current assets		85,577	65,480
Creditors: amounts falling due after more than one year	17	(106,314)	(106,314)
Net (liabilities)/assets		(4,385)	61
Capital and reserves			
Called up share capital	18	-	-
Accumulated losses/Retained earnings	19	(4,385)	61
Total shareholders' deficit/funds	19	(4,385)	61

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

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

The financial statements on pages 11 to 22 were approved and authorised for issue by the Board of directors on 18 May 2018 and signed on its behalf by:

H Shah
Director
18 May 2018

Statement of changes in equity

For the year to 31 March 2017

	Called up share capital	Profit and loss account	Total shareholders' funds
	£000's	£000's	£000's
Balance as at 20 March 2015	-	-	-
Total Comprehensive income for the year	-	61	61
Balance as at 31 March 2016	-	61	61

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

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

Notes to the financial statements

For the year ended 31 March 2017

1. General information

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

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

These financial statements are separate financial statements.

2. Statement of compliance

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

3. Summary of significant Accounting Policies

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

a. Basis of preparation

These financial statements are prepared for the year to 31 March 2017. The comparative period is from 20 March 2015 to 31 March 2016. The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

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

b. Going Concern

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

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

Notes to the financial statements

For the year ended 31 March 2017

c. Exemptions under Financial Reporting Standard 102

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

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

d. Functional and presentation currency

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

Tangible Fixed Assets

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

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

Residual values

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

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

Leases

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

Impairment of lease receivables

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

Notes to the financial statements

For the year ended 31 March 2017

Taxation

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

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

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

Foreign currencies

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

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

Financial instruments

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

Financial assets

(i) Trade and other receivables

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

(ii) Cash and cash equivalents

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

Impairment of financial assets

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

Notes to the financial statements

For the year ended 31 March 2017

Financial Liabilities

(i) Trade and other payables

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

(ii) Loans and other borrowings

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

Turnover

a. Finance agreements

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

b. Operating leases

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

4. Critical accounting estimates and judgements

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

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

Judgements

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

Provisioning

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

Notes to the financial statements

For the year ended 31 March 2017

5. Administrative Expenses

	Year ended 31 March 2017	Period from incorporation to 31 March 2016
	£'000	£'000
Depreciation of operating assets	2,183	1,855
Provisions	1,173	2,366
Foreign exchange gains	(456)	(331)
Other direct costs	5,152	3,338
	8,052	7,228

6. Interest receivable and similar income

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

By Activity

	Year ended 31 March 2017	Period from incorporation to 31 March 2016
	£'000	£'000
Turnover by origin:		
Finance interest	5,163	5,111
Operating lease rentals	2,273	1,956
	7,436	7,067

7. Interest payable and similar charges

	Year ended 31 March 2017	Period from incorporation to 31 March 2016
	£'000	£'000
Loans and overdrafts	9,778	2,998
	9,778	2,998

The Company entered into a secured loan facility agreement on 29 October 2015 with an interest rate of 4.8% per annum.

Notes to the financial statements

For the year ended 31 March 2017

8. Other operating income

	Year ended 31 March 2017	Period from incorporation to 31 March 2016
	£'000	£'000
Secondary rental income	3,760	2,283
Asset sales taken as income	111	101
Other income	2,071	862
	5,942	3,246

9. Staff costs

The Company has no employees as all services are sub-contracted out to associated group companies. The directors of the Company are also directors or employees of other companies within the LCH European Portfolio Holdings Limited group. These directors did not receive any remuneration for their services to the Company for the year ended 31 March 2017 (2016: £nil).

10. Loss/Profit on ordinary activities before taxation

	Year ended 31 March 2017	Period from incorporation to 31 March 2016
	£'000	£'000
Depreciation, amortisation and amounts written off tangible owned fixed assets	2,184	1,855
Bad debt charge for the year/period	1,249	2,137
Foreign exchange gain	(456)	(331)
Auditors' remuneration:		
Audit of these financial statements	37	42

The directors received no remuneration from the company.

Notes to the financial statements

For the year ended 31 March 2017

11. Tax on loss/profit on ordinary activities

	Year ended 31 March 2017	Period from incorporation to 31 March 2016
	£'000	£'000
Current tax		
UK corporation tax on loss/profit for the year/period	2	26
Adjustment in respect of previous periods	(8)	-
Total tax per income statement	(6)	26

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

	Year ended 31 March 2017	Period from incorporation to 31 March 2016
	£'000	£'000
(Loss)/profit before taxation	(4,452)	87
Tax on (loss)/profit on ordinary activities at statutory rate of 20.0% (2016: 20.0%)	(891)	18
Effects of:		
Expenses not deductible for tax	893	8
Adjustment from previous period	(8)	-
Tax credit/ charge for the year/period	(6)	26

The main rate of corporation tax in the UK for the period to 31 March 2017 was 20.0%.

Notes to the financial statements

For the year ended 31 March 2017

12. Tangible fixed assets

Operating leases

	£'000
Cost:	
At 1 April 2016	9,517
Additions	-
Disposals during the year	(1,132)
At 31 march 2017	8,385
Accumulated depreciation:	
At 1 April 2016	(1,855)
Depreciation charge	(2,184)
At 31 March 2017	(4,039)
Net book value:	
At 31 March 2016	7,622
At 31 March 2017	4,346

13. Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year		
Finance lease, hire purchase and loan receivables (note 14)	16,847	101,602
Trade and other receivables	-	1,173
Other debtors	172,418	24,651
	189,265	127,426
Amounts falling due after more than one year		
Finance lease, hire purchase and loan receivables (note 14)	12,006	33,233
	201,271	33,233

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

Notes to the financial statements

For the year ended 31 March 2017

14. Finance lease, hire purchase and loan receivables

	2017 £'000	2016 £'000
Minimum finance lease, hire purchase and loan receivables	30,533	141,408
Finance lease, hire purchase and loan income allocated to future periods	(1,680)	(6,573)
Assets at the end of the year/period	28,853	134,835

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

	2017 £'000	2016 £'000
Finance leases	10,632	43,802
Hire purchase contracts and loan receivables	18,221	91,033
Assets at the end of the year/period	28,853	134,835

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

15. *Residual Values*

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

	2017 £'000	2016 £'000
Within one year	2,258	4,315
Between 1 and 5 years	-	2,258
Total exposure	2,258	6,573

The total exposure of £2,258,000 (2016: £6,573,000) is included within the £30,524,000 balance of "Minimum finance lease, hire purchase and loan receivables" within note 14 (2016: £141,408,000).

Notes to the financial statements

For the year ended 31 March 2017

16. Creditors: Amounts falling due within one year

	2017 £'000	2016 £'000
Accrued interest payable	12,776	2,998
Accruals and deferred income	7,986	9,579
Corporation tax payable	2	26
Loan from Parent Company	89,958	89,958
Other creditors	3,558	2,581
	114,280	105,142

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

On 29 October 2015 the company entered into a Loan Agreement providing a secured facility with its Parent Company, LC Asset 1 S.à.r.l. As at the balance sheet date the first repayment date had been extended to May 2017 and therefore under the terms of the agreement a percentage of the outstanding loan is classified as falling due less than one year. The first repayment date was then subsequently extended to June 2018.

	2017 £'000	2016 £'000
Creditors falling due after more than one year	106,314	106,314
	106,314	106,314

18. Called up share capital

	2017 *Shares*	*2016* *Shares*
Authorised shares		
Ordinary shares of £1 each	100	100
	Shares	*£'000*
Ordinary shares of £1 each issued and fully paid		
At 1 April 2016	100	-
Issued during the year	-	-
At 31 March	100	-

Notes to the financial statements

For the year ended 31 March 2017

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

	Called up share capital £'000	*Accumulated losses* £'000	*Total shareholders deficit*
At 1 April 2016	-	61	61
Loss for the financial year		(4,446)	(4,446)
At 31 March 2017	-	(4,385)	(4,385)

20. Related party transactions

The Servicing and Administration of the leasing and Hire Purchase portfolios is delegated to Link Financial Outsourcing Limited through an Asset Management Agreement dated 29 October 2015. The accrued fees due to the Asset Manager as at the year end were £1,201,000 (Period to 31 March 2016: £687,000).

On 29 October 2015 the company entered into a Loan Agreement providing a secured facility with its Parent Company, LC Asset 1 S.à.r.l. At the balance sheet date no repayments have been made as the first repayment date has been extended to June 2018 and therefore the entire outstanding loan and accrued interest is classified as falling due after one year as detailed in Note 17. The Company made a number of payments totalling £147,766,941 (2016: £24,650,817) to LC Asset 1 S.à.r.l during the year which are reflected as an intercompany balance and shown in note 13 under Other Debtors.

21. Ultimate parent undertaking and controlling party

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

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