Registered number: 02765920

ASSET ADVANTAGE GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

COMPANY INFORMATION

Directors	J C G Eddy P J Knight A J Ramsay M P M Olive
Registered number	02765920
Registered office	Matrix House Basing View Basingstoke Hampshire RG21 4DZ
Independent auditors	PricewaterhouseCoopers LLP *Chartered Accountants and Statutory Auditors* 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH

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Introduction

The principal activity of the the Group is the trading and leasing of equipment. This was also the principal activity for the Company, however from 1 October 2018 the Company became a holding company for the Group. Throughout the year, the Company and Group continued to have a presence in two separate, but related asset finance markets: the public sector market in which the Group has a historical portfolio of predominantly operating leases, and the SME market, where new business is transacted in the form of finance leases and hire purchase contracts written in the name of Asset Advantage Limited ("AAL"), a wholly owned subsidiary of the Group, and funded through a series of special purpose vehicles - the subsidiary companies.

The historic public sector portfolio is made up of operating leases funded through back-to-back head leases. The Group typically retained an investment in the residual value of the leased asset and as such, the majority of the value to the Group of this portfolio is realised at the end of the lease. Consequently, as this portfolio runs down, the residual value is realised either through a sale of the leased assets or through secondary rentals. In both scenarios, the portfolio historically provided cash to fund the growing SME new business portfolio.

In addition to writing finance leases and hire purchase contracts, AAL provides loans to SME customers where asset finance transactions are not appropriate but where funding is required for the purchase or finance of business critical assets. The SME portfolio, both lease and loan, is funded through borrowings to lend alongside the Group's own equity investment. The borrowings take the form of block discounting facilities, wholesale revolving credit facilities or variable funding notes issued by an SPV under a funding agreement with Commerzbank. AAL writes the finance lease, hire purchase contract or loan with the SME and then borrows funds from a third party, secured against the cash receivables under the agreement.

The Group sources new business from a panel of professional introducers. This provides a scalable new business model at a low overhead which has access to a pool of highly experienced individuals covering a range of SME markets and geographical areas. The introducers are able to offer their customers access to the most appropriate funder for their needs, whilst the funders do not have to disappoint the customers by being unable to fund their business. Our underwriting process for new SME business continues to emphasise the underlying credit quality of our customers over the strength of the underlying asset – resulting in both a low bad debt ratio and a portfolio of leases covering a diverse range of assets and loans into a wide variety of industries.

Business review and key performance indicators

The year ended 30 September 2018 saw the volume of lending to SMEs by AAL decline following increased competition in the market and a resulting fall in the number of acceptable proposals being received. Consolidated revenues fell by £2.3m to £42.4m (from £44.7m in the year ended 30 September 2017). Gross profit in the year was £14.3m (down from £14.9m in 2017), a decrease of £0.6m.

The SME lending portfolio fell to £93.4m (compared to £101.2m at 30 September 2017) with £32.7m of new business being written in the year, a fall of £14.3m on the £47.0m recorded in the year ended 30 September 2017. The continuing decline reflects an increasingly competitive market, and a resulting fall in acceptable proposals, as well as customer worries about the economic climate. New business volumes for the SME loan product were £15.8m, a small increase of £0.2m from the £15.6m written in the year ended 30 September 2017, whilst new business volumes in the more traditional equipment lease product fell by £14.5m from the £31.4m recorded in the year ended 30 September 2017.

The public sector lease portfolio has continued to run down, as reflected in the fall in property, plant and equipment and the investment in residual value. Its contribution to revenues fell to £1.2m in the year ended 30 September 2018 (down £0.5m from the £1.7m recorded in the year ended 30 September 2017), and the portfolio's contribution to gross profit fell by £0.3m to £0.7m (from £1.0m in the previous year) reflecting the smaller number of assets. In addition to the impact of time on the public sector lease portfolio, the Company sold its interest in the assets held on its own balance sheet as at 30 September 2018 to a third party and as such, it ceased to carry out a trade. The Company will continue as a holding company for the Group.

In addition, the year saw the transfer of all Property, Plant & Equipment held by the Company to AAL at cost. AAL also now bears 100% of the operating costs of the Group. This was to recognise that AAL now represents the core business of the Group.

Business review and key performance indicators (continued)

In September 2018, the Group sold its investment in its insurance subsidiary, Advantage Risk Solutions Limited ("ARS"). Whilst ARS' client base had continued to grow and revenues increase, management felt that this was not at a level that would provide either a wider product offering to the Group's core clients or a material addition to the Group's revenues.

The insurance segment was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations. Trading losses incurred in the year totalled £0.3m (FY 2017: £0.3m) and have been consolidated as well as a profit on disposal of £130k.

Whilst the results are disappointing, the directors are satisfied with the Group's performance in the current economic climate and that all KPIs (in particular revenue and net income) have been achieved. The main KPIs for the business include:

Revenue and profit vs. budget
Bad debt as % of NBV
IRR% vs. target
Average IRR% by broker

The directors continue to monitor available funding for new business both in terms of facility sizes and number of lenders, to enable the continued progression and development of the business.

Principal risks and uncertainties
The principal risks facing the Group, and the steps taken for their management, are as follows:

An increase in bad debt:
This could result from both internal and external factors. The principal internal factors would be a change in credit policy (encompassing not only credit underwriting, but also in products offered and markets). However, the credit policy has consistently resulted in low levels of bad debt year on year and therefore there are no plans to change it.

Similarly, the business is providing profitable products in a market that the directors believe is sufficiently large for the Group to continue to grow profits and portfolio size in the future and therefore there are no plans to change these. Although the directors have no influence over external factors such as a weakening economy, they have endeavored to mitigate the risks through financing a broad mix of asset types, industry sectors, business types, demographics and by maintaining an average customer exposure of c. 0.2% of the portfolio. Furthermore, investment in IT systems enables us to produce comprehensive reporting packs facilitating regular and informed analysis of portfolio characteristics and trends.

Liquidity Risk:
The Group funds its operations out of its own cash resources and through third party funding. Whilst it maintains sufficient headroom in its funding facilities to ensure cash is available at all times, there is a small risk that insufficient funds would be available. To mitigate this liquidity risk, the Group forecasts short term cash requirements and long-term cash flows 12 months in advance and monitors its performance against these targets. Furthermore, management actively seek out further funding at all times, to ensure that funding is available in the future.

The UK leaving the European Union:
Brexit negotiations continue following the UK's decision to leave the EU in June 2016 and the triggering of Article 50 in March 2017. The Company and Group have carefully considered a range of scenarios that arise from the risk of a potential no-deal Brexit. Given that the Group does not have direct exposure to non-UK markets, the key risk is a change within the macro-economic environment in which the Group operates. However as not all future events of conditions can be predicted, and the terms on which the United Kingdom may withdraw from the European Union are not clear, it is difficult to evaluate all of the potential implications on the Group's and Company's trade, customers, suppliers and the wider economy.

Further disclosures relating to capital and financial risk management can be found in Note 4.

Other key performance indicators
The Group does not currently make use of non-financial key performance indicators.

This report was approved by the board on 2 May 2019 and signed on its behalf.

J C G Eddy
Director

The directors present their report and the audited consolidated financial statements for the year ended 30 September 2018.

Principal activities

The principal activities of the Company and the Group are stated in the Strategic Report.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company 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 Group and Company and of the profit or loss of the Group and 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 IFRSs as adopted by the European Union have been followed for the Group financial statements and IFRSs as adopted by the European Union have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

Going concern

The consolidated and Company financial statements have been prepared on a going concern basis which assumes that the Group and Company will have sufficient funds available to enable it to continue to trade for the foreseeable future as the directors are of the opinion that the operations will continue into the foreseeable future.

Group

The Group obtained a waiver against a breach of debt covenants in the year under the terms of one of its external financing arrangements. However, the directors consider the going concern basis of preparation to be appropriate for the following reasons:

- A waiver letter has been received from an external funder in relation to a breach in the group's covenants to that funder. Further, the group has continued to draw down on the facilities since the breach was reported to the funder, hence the directors are confident that there is not intnetion of the debt being recalled on demand as a result of the reported breach.

Based on these considerations, the directors are confident that the Group will continue as a going concern, and have therefore prepared the financial statements on a going concern basis.

Company

The financial statements have been prepared on a going concern basis as the directors are of the opinion that the company will continue as a going concern.

Results and dividends

The Group profit for the year, after taxation, amounted to £695,066 *(2017 - £1,588,038).* The Company loss for the year, after taxation, amounted to £176,897 *(2017 - £1,000,665).*

The directors have approved the dividends as set out in Note 22. Interim dividends totalling £500,000 were paid during the year (2017: £500,000) and there was no final or special dividend paid. There were no dividends outstanding at year-end.

Directors

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

J C G Eddy
P J Knight
A J Ramsay
M P M Olive

Financial risk management

Please refer to the Strategic Report and Note 4 for details of the Company's and Group's risk management policies.

Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 May 2019 and signed on its behalf.

J C G Eddy
Director

ASSET ADVANTAGE GROUP LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASSET ADVANTAGE GROUP LIMITED

Opinion

In our opinion, Asset Advantage Group Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2018 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Company and consolidated statements of financial position as at 30 September 2018; the consolidated statement of comprehensive income, the Company and consolidated statements of cash flows, and the Company and consolidated statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

We have nothing to report in respect of the above matters. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Alex Upton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
Date: 2 May 2019

ASSET ADVANTAGE GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 Continuing £	2018 Discontinued	2018 Total £	*2017 Continuing £*	*2017 Discontinued £*	*2017 Total £*
Revenue	5	**42,172,448**	**189,675**	**42,362,123**	*44,589,709*	*133,222*	*44,722,931*
Cost of sales		**(28,012,944)**	**(14,286)**	**(28,027,230)**	*(29,770,053)*	*(15,016)*	*(29,785,069)*
Gross profit		**14,159,504**	**175,389**	**14,334,893**	*14,819,656*	*118,206*	*14,937,862*
Administrative expenses		**(8,712,814)**	**(452,418)**	**(9,165,232)**	*(7,209,278)*	*(419,380)*	*(7,628,658)*
Operating profit/(loss)	6	**5,446,690**	**(277,029)**	**5,169,661**	*7,610,378*	*(301,174)*	*7,309,204*
Finance costs	9	**(4,940,058)**	**-**	**(4,940,058)**	*(4,936,296)*	*-*	*(4,936,296)*
Profit/(loss) before income tax		**506,632**	**(277,029)**	**229,603**	*2,674,082*	*(301,174)*	*2,372,908*
Income tax	10	**334,995**	**-**	**334,995**	*(784,870)*	*-*	*(784,870)*
Profit/(loss) after income tax		**841,627**	**(277,029)**	**564,598**	*1,889,212*	*(301,174)*	*1,588,038*
Gain recognised on disposal after tax	11	**-**	**130,468**	**130,468**	*-*	*-*	*-*
Profit/(loss) and total comprehensive income for the year		**841,627**	**(146,561)**	**695,066**	*1,889,212*	*(301,174)*	*1,588,038*
Attributable to:							
Equity holders of the parent		**841,627**	**(146,561)**	**695,066**	*1,979,565*	*(301,174)*	*1,678,391*
Non-controlling interest		**-**	**-**	**-**	*(90,353)*	*-*	*(90,353)*
		841,627	**(146,561)**	**695,066**	*1,889,212*	*(301,174)*	*1,588,038*

The Notes on pages 17 to 41 form an integral part of these consolidated financial statements.

All subsidiaries in the current year are 100% owned at the end of the year, and as such there are no amounts to be allocated to non-controlling interests.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the Company statement of comprehensive income.

ASSET ADVANTAGE GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	*2017 £*
ASSETS			
Non-current assets			
Property, plant and equipment	13	**425,425**	*636,487*
Other financial assets	14	**58,097,243**	*67,296,828*
Deferred tax assets	15	**12,993**	*164,865*
		58,535,661	*68,098,180*
Current assets			
Inventories	16	**100,203**	*268,883*
Trade and other receivables	17	**2,064,673**	*3,529,514*
Other financial assets	14	**35,297,778**	*34,067,802*
Current tax receivables		**209,467**	*-*
Cash and cash equivalents	18	**4,136,300**	*4,588,512*
		41,808,421	*42,454,711*
TOTAL ASSETS		**100,344,082**	*110,552,891*
EQUITY AND LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	19	**42,170,702**	*44,635,097*
		42,170,702	*44,635,097*
Current liabilities			
Trade and other payables	20	**3,418,277**	*3,802,370*
Interest-bearing loans and borrowings	19	**35,622,862**	*42,217,717*
Current tax payables		**-**	*960,532*
		39,041,139	*46,980,619*
TOTAL LIABILITIES		**81,211,841**	*91,615,716*
NET ASSETS		**19,132,241**	*18,937,175*
Equity			
Ordinary shares	21	**589,224**	*589,224*
Capital redemption reserve		**(392,756)**	*(392,756)*
Retained earnings		**18,935,773**	*19,005,222*
Equity attributable to the holders of the parent		**19,132,241**	*19,201,690*
Non-controlling interests	23	**-**	*(264,515)*
TOTAL EQUITY		**19,132,241**	*18,937,175*

The Notes on pages 17 to 41 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 10 to 41 were approved by the board of directors on 2 May 2019 and were signed on its behalf by:

J C G Eddy
Director

ASSET ADVANTAGE GROUP LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
ASSETS			
Non-current assets			
Property, plant and equipment	13	-	567,523
Investments	24	5	570,078
Deferred tax assets	15	-	141,336
		5	1,278,937
Current assets			
Inventories	16	-	135,857
Trade and other receivables	17	10,421,416	11,082,305
Other financial assets	14	-	182,153
Cash and cash equivalents	18	38,897	52,514
Current tax receivables		299,855	914,798
		10,760,168	12,367,627
TOTAL ASSETS		10,760,173	13,646,564
EQUITY AND LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	19	500,000	1,730,740
		500,000	1,730,740
Current liabilities			
Trade and other payables	20	3,579,665	4,369,131
Interest-bearing loans and borrowings	19	800,000	989,287
		4,379,665	5,358,418
TOTAL LIABILITIES		4,879,665	7,089,158
NET ASSETS		5,880,508	6,557,406
Equity			
Ordinary shares	21	589,224	589,224
Capital redemption reserve		(392,756)	(392,756)
Retained earnings			
At 1 October		6,360,938	7,861,603
Loss for the year attributable to the owners		(176,898)	(1,000,665)
Other changes in equity		(500,000)	(500,000)
		5,684,040	6,360,938
TOTAL EQUITY		5,880,508	6,557,406

The Notes on pages 17 to 41 form an integral part of these consolidated financial statements.

The financial statements on pages 10 to 41 were approved and authorised for issue by the board of directors on 2 May 2019 and were signed on its behalf by:

J C G Eddy
Director

ASSET ADVANTAGE GROUP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	Ordinary shares	Capital redemption reserve	Retained earnings	Equity attributable to holders of parent	Non-controlling interests	Total equity
		£	£	£	£	£	£
As at 1 October 2016		**589,224**	**(392,756)**	**17,826,831**	**18,023,299**	**(174,162)**	**17,849,137**
Total comprehensive income for the year		-	-	1,678,391	1,678,391	(90,353)	1,588,038
Dividends paid	22	-	-	(500,000)	(500,000)	-	(500,000)
As at 30 September 2017		**589,224**	**(392,756)**	**19,005,222**	**19,201,690**	**(264,515)**	**18,937,175**
Total comprehensive income for the year		-	-	430,551	430,551	264,515	695,066
Dividends paid	22	-	-	(500,000)	(500,000)	-	(500,000)
As at 30 September 2018		**589,224**	**(392,756)**	**18,935,773**	**19,132,241**	**-**	**19,132,241**

The Notes on pages 17 to 41 form an integral part of these consolidated financial statements.

ASSET ADVANTAGE GROUP LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	Ordinary shares	Capital redemption reserve	Retained earnings	Total equity
		£	£	£	£
As at 1 October 2016		**589,224**	**(392,756)**	**7,861,603**	**8,058,071**
Total comprehensive loss for the year		-	-	(1,000,665)	(1,000,665)
Dividends paid	22	-	-	(500,000)	(500,000)
As at 30 September 2017		**589,224**	**(392,756)**	**6,360,938**	**6,557,406**
Total comprehensive loss for the year		-	-	(176,898)	(176,898)
Dividends paid	22	-	-	(500,000)	(500,000)
As at 30 September 2018		**589,224**	**(392,756)**	**5,684,040**	**5,880,508**

The Notes on pages 17 to 41 form an integral part of these consolidated financial statements.

ASSET ADVANTAGE GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 £	*2017 £*
Cash flows from operating activities			
Cash generated from operations	25	**6,504,099**	*6,154,391*
Income tax (paid)/received		**(683,127)**	*238,772*
Interest paid		**(4,940,058)**	*(4,936,296)*
Net cash flows generated from operating activities		**880,914**	*1,456,867*
Cash flows from investing activities			
Disposal of investment in subsidiary net of cash disposed	11	**(80,842)**	*-*
Purchase of property, plant and equipment		**(388,298)**	*(101,746)*
Proceeds from the sale of property, plant and equipment		**533,121**	*176,408*
Increase in investments in other financial assets		**(32,716,880)**	*(46,951,176)*
Receipts from other financial assets		**40,879,023**	*37,883,661*
Net cash generated from/(used in) investing activities		**8,226,124**	*(8,992,853)*
Cash flows from financing activities			
Proceeds from loans and borrowings		**32,479,529**	*43,271,921*
Repayment of loans and borrowings		**(41,538,779)**	*(34,591,655)*
Dividends paid to equity holders of the parent		**(500,000)**	*(500,000)*
Net cash flows (used in)/generated from financing activities		**(9,559,250)**	*8,180,266*
Net (decrease)/increase in cash and cash equivalents		**(452,212)**	*644,280*
Cash and cash equivalents at beginning of year		**4,588,512**	*3,944,232*
Cash and cash equivalents at end of year		**4,136,300**	*4,588,512*

The Notes on pages 17 to 41 form an integral part of these consolidated financial statements.

ASSET ADVANTAGE GROUP LIMITED
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018	*2017*
		£	*£*
Cash flows from operating activities			
Cash generated from/(used in) operations	25	**532,287**	*(815,231)*
Income tax received		**764,419**	*238,772*
Interest paid		**(93,891)**	*(222,542)*
Net cash generated from/(used in) operations		**1,202,815**	*(799,001)*
Cash flows from investing activities			
Purchase of property, plant and equipment		-	*(101,746)*
Proceeds from the sale of property, plant and equipment		**83,568**	*176,408*
Receipts from other financial assets		-	*74,265*
Net cash flows generated from investing activities		**83,568**	*148,927*
Cash flows from financing activities			
Net movement in intercompany balances		-	*(366,228)*
Proceeds for new borrowings		-	*2,500,000*
Repayment of loans and borrowings		**(800,000)**	*(1,162,802)*
Dividends paid		**(500,000)**	*(500,000)*
Net cash (used in)/generated from financing activities		**(1,300,000)**	*470,970*
Net decrease in cash and cash equivalents		**(13,617)**	*(179,105)*
Cash and cash equivalents at beginning of year		**52,514**	*231,619*
Cash and cash equivalents at end of year		**38,897**	*52,514*

The Notes on pages 17 to 41 form an integral part of these consolidated financial statements.

1. General information

Asset Advantage Group Limited (the 'Company') is a limited company incorporated and domiciled in the United Kingdom. The Company's registered office is at Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

The Group is principally engaged in the provision of leasing and trading of equipment. Information on the Group's ultimate controlling party is presented in Note 28. Information on other related party relationships of the Group is provided in Note 27.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated and Company financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union and with the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated and Company financial statements have been prepared on a historical cost basis, except for assets and liabilities measured at fair value, and on a going concern basis. The consolidated and Company financial statements are presented in pound Sterling and all values are rounded to the nearest pound, except when otherwise indicated.

Going concern
The consolidated and Company financial statements have been prepared on a going concern basis which assumes that the Group and Company will have sufficient funds available to enable it to continue to trade for the forseeable future as the directors are of the opinion that the operations will continue into the foreseeable future.

Group
The Group obtained a waiver against a breach of debt covenants in the year under the terms of one of its external financing arrangements. However, the directors consider the going concern basis of preparation to be appropriate for the following reasons:

- A waiver letter has been received from an external funder in relation to a breach in the group's covenants to that funder. Further, the group has continued to draw down on the facilities since the breach was reported to the funder, hence the directors are confident that there is not intnetion of the debt being recalled on demand as a result of the reported breach.

Based on these considerations, the directors are confident that the Group will continue as a going concern, and have therefore prepared the financial statements on a going concern basis.

Company

The financial statements have been prepared on a going concern basis as the directors are of the opinion that the company will continue as a going concern.

Exemption from audit by parent guarantee
Under Section 479A of the Companies Act 2006, exemptions from an audit of the financial statements for the financial year ending 30 September 2018 have been taken by the subsidiary companies stated below:

2. Significant accounting policies (continued)

Company name	Registered number	Company name	Registered number
AA RV Limited	07383482	R A (No 9) Limited	07327721
Assetco Rentals (No.2) Limited	03911424	R A (No 10) Limited	07327683
RV Investor (No 1) Limited	06489289	RA (No. 11) Limited	08429945
AAG Holdings (UK) Limited	09236621	RA (No. 12) Limited	08429964
AAL Holdings (UK) Limited	09236618	RA (No. 13) Limited	08725470
AAG Operations Limited	09235397	RA (No. 14) Limited	08725490
R A (No 3) Limited	06476899	RA (No. 15) Limited	08725182
R A (No 4) Limited	06476894	RA (No.17) Limited	10375967
R A (No 6) Limited	07327662	RA (No.18) Limited	10375854
R A (N0 7) Limited	07327677	RA (No.19) Limited	10379735
R A (No 8) Limited	07327764	RA (No.20) Limited	10379643

Under Section 479C of the Companies Act 2006, Asset Advantage Group Limited, being the ultimate parent undertaking of the above companies, has given a statutory guarantee of all the outstanding liabilities to which the companies are subject at 30 September 2018.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Asset Advantage Group Limited and its subsidiaries as at 30 September 2018. Subsidiaries are all entities (including structured entities) over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group adopts uniform accounting policies. No adjustments have been made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding VAT, duties and Insurance premium tax where applicable.

Revenue comprises lease and loan income, provision of related fee based services and end of lease income.

2. Significant accounting policies (continued)

2.3 Revenue (continued)

Lease income

Equipment lease income recognised in the year includes both the capital repayment and interest calculated on an actuarial basis under the term of the equipment lease arrangement with the customer. Amounts are recognised on a gross basis as the Group and Company act as the intermediate party and may recognise an income and expense in respect of the lease receivable.

Operating lease income recognised in the year is the contracted rental amount under the operating lease arrangement with the customer. Amounts are recognised on a monthly basis.

Loan income

Loan revenue recognised in the year is the net interest received on customer repayments. This is on the basis that the loan receivables are not held for trading therefore these may be held at amortised cost.

Fee income

Lease and loan arrangement fees are recognised in full on inception of the related lease or loan. All other lease and loan related fee income is recognised in full in the month in which it arises.

End of lease income

At the end of the lease arrangement with the customer the Company sells the underlying assets to a third party on a mutually agreed date. Sale proceeds are recognised upon the transfer of risks and rewards. Any lease income received after the completion of the minimum lease term received in relation to leases is recognised in full in the month in which it falls due.

2.4 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carryingamount.

2.5 Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Significant accounting policies (continued)

2.6 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are measured at the tax rates that are expected to apply in the year when the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.7 Property, plant and equipment

Property, plant and equipment are stated at original historical cost less accumulated depreciation and/or accumulated impairment losses. Cost includes the original purchase price of the asset and any costs attributable to bringing the asset to working condition for its intended use. Assets are depreciated from the date they are brought into use.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of comprehensive income. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided at rates calculated to write off the full cost of each asset less any residual value on a straight line basis over its expected economic useful life as shown below:

Leasehold improvement	- Life of lease
Fixtures and fittings	- 5 years
Office equipment	- 2 years
Computer software and equipment	- 2 years
Vehicles	- 3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets under leasing arrangements:

Assets held for leasing that are financed under hire purchase (HP) or sale of receivables contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as property, plant and equipment and depreciated over the shorter of the lease term (which typically range between 3 to 7 years) and the economic useful life of the assets. Depreciation on these assets is provided under the annuity method. In all cases assets are depreciated down to their estimated residual value.

2.8 Investment in residual values

Investments in residual values are accounted for upfront at the inception of a primary lease agreement, and held at cost on the balance sheet throughout the duration of the primary lease, less any provision for impairment where circumstances indicate that the carrying amount may not be recoverable.

2.9 Investments

Investments in the Company separate financial statements are initially measured at cost.

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount.

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

2.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group enters into equipment leases with its customers, earning a fixed interest rate over the duration of the financing arrangement. Interest earned on gross lease receivables is credited to the statement of comprehensive income, calculated on an actuarial basis. The net difference between gross lease receivables outstanding and unrecognised interest receivable is included within current assets as finance lease receivables.

2.11 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

(a) Loans and receivables

This category is the most relevant to the Group as it includes receivables from loans and equipment leases made to UK SMEs, the Group's core business. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement at fair value, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in cost of sales in the Statement of Comprehensive Income. The losses arising from impairment in receivables from loan and equipment leases are recognised in the Statement of Comprehensive Income in administrative expenses.

(b) Trade and other receivables

Trade and other receivables are measured at fair value, typically transaction price and subsequently measured at amortised cost, less any impairment.

(c) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

2. Significant accounting policies (continued)

2.11 Financial instruments – initial recognition and subsequent measurement (continued)

i. Financial liabilities

The Group's financial liabilities include trade and other payables, and interest bearing loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(a) Interest bearing loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Comprehensive Income.

(b) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate ("EIR") method.

2.11 Inventories

Inventories are valued at the lower of cost (being the residual value of the asset) and net realisable value.

Inventories comprise assets formerly leased to customers under long term arrangements for which those arrangements have since ended. Cost is determined on an individual asset basis being the residual value of the asset. Net realisable value is based on the estimated selling prices less all relevant marketing, selling and distribution costs.

There are no amounts held in respect of raw materials or work in progress.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options, including those issued on the acquisition of a business, are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Dividends

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of the United Kingdom, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.15 Pension scheme

Payments to defined contribution pension schemes are charged as an expense as they fall due.

2.16 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Company is not affected by the new standards given its principal activity will become that of a holding company.

2. Significant accounting policies (continued)

2.16 Standards issued but not yet effective (continued)

IFRS 9 Financial Instruments

The Group is required to adopt IFRS 9 Financial Instruments from 1 October 2018. The Group has assessed the estimated impact that initial application of IFRS 9 will have on its consolidated financial statements, as described below. The actual impact of adopting the standard on 1 October 2018 may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

IFRS 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities, impairment methodology, and general hedge accounting.

Financial assets

Financial assets held by Asset Advantage Group Limited relate to leases and loans provided to customers as well as cash, prepayments and other receivables. Under IFRS 9 loans continue to be measured at amortised cost as they were previously under IAS 39, therefore there is no impact. Leases (other than for derecognition and impairment), are not within scope of IFRS 9 and continue to be accounted for under IAS 17 Leases.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. The Group's current accounting policy for impairment of its financial asset portfolio is in line with an expected credit loss model. Currently the Group takes into account the risk of non-recovery of the whole portfolio based on current and historic portfolio performance.

Financial liabilities

IFRS 9 only impacts financial liabilities designated as fair value through profit or loss and those held at amortised cost for which modifications have been made. However no such modifications have occurred. All of Asset Advantage Group Limited's financial liabilities are measured at amortised cost using the effective interest method and therefore will continue to be measured at the same bases as is currently adopted under IAS 39.

IFRS 15 Revenue from Contracts from Customers

The new standard requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.

Asset Advantage Group Limited's revenue comprises lease and loan income, provision of related fee based services and end of lease income.

- Lease income is outside of the scope of IFRS 15 and will continue to be accounted for in accordance with IAS 17 Leases.
- Loan income is outside of the scope of IFRS 15 and will be accounted for in accordance with IFRS 9 as outlined above from 1 October 2018.
- Lease arrangement fees are recognised in full on inception of the related lease. These relate to the upfront administrative cost of setting up each lease and therefore the inception of the lease is the point at which the performance obligation has been satisfied. The current accounting policy has been considered to be consistent with IFRS 15.
- Other income consists of sales proceeds from the sale of underlying assets to a third party and lease income received after the completion of the minimum lease term.
    - Sales proceeds are recognised once control of the goods has been transferred, and thus the performance obligation has been satisfied. The current accounting policy has been considered to be consistent with IFRS 15.
    - Lease income received after the minimum lease term are outside of the scope of IFRS 15 and will continue to be accounted for in accordance with IAS 17 Leases.

2. Significant accounting policies (continued)

2.16 Standards issued but not yet effective (continued)

IFRS 16 Leases

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. The standard also contains expanded disclosure requirements for lessees.

It substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

The standard supersedes the following Standards and Interpretations: (a) IAS 17 Leases; (b) IFRIC 4 determining whether an Arrangement contains a Lease; (c) SIC-15 Operating Leases—Incentives; and (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Group and Company are continuing to assess the full impact of IFRS 16.

Adoption

IFRS 9 and IFRS 15 are applicable for accounting periods beginning on or after 1st January 2018, whilst IFRS 16 is applicable for accounting periods beginning on or after 1st January 2019. The Group is not required to adopt the new standards for the year ended 30 September 2018, and will look to adopt IFRS 9 and 15 in the financial year beginning 1st October 2018, and IFRS 16 the following year.

Annual Improvements 2015-2017 Cycle

Annual improvements to IFRSs 2015-2017 Cycle include a number of amendments which are either not applicable or will not have a material effect on the financial statements.

3. Significant accounting judgments and estimates

3.1Judgments

No significant judgements were required to be made.

3.2 Estimates

No significant estimates were identified which are considered to have a significant effect on the financial statements through a material chance in the next 12 months, through the process of applying the Group and Company's accounting policies.

4. Capital and financial risk management

4.1 Financial risk management

The Group and Company activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group and Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group and Company's financial performance. The Group and Company does not use derivative financial instruments to hedge risk exposures.

4.2 Capital management

The Group's objective is to maintain a strong capital base to support its operations in line with relevant forecasts whilst providing a return to its shareholders. The capital base for these purposes comprises total equity at 30 September 2018 amounting to £19.1m (2017: £18.9m) as well as interest-bearing loans and borrowings amounting to £77.8m gross (2017: £91.6m) funding a portfolio of receivables due under equipment.

4. Capital and financial risk management (continued)

4.3 Liquidity and interest rate risks

This year saw the Group borrow at both fixed and floating interest rates in order to access larger liquidity pools and benefit from the lower interest rates that these carry. At 30 September 2018, 30% of the Group's drawn facilities were on a floating rate basis (2017: 70%), with interest rates based on one month GBP LIBOR. In the event of a 0.5% point increase in LIBOR for the whole year, profit before tax would be adversely affected by £88k (2017: £173k).

The Group's policy on funding capacity is to ensure that there is always long-term funding in place. The Group endeavours to have committed borrowing facilities in place in excess of forecast gross borrowing requirements for a minimum of the next 12 months. At 30 September 2018 the Group's principal committed borrowing facilities totalled £160m (2017: £177m).

The contractual maturities of the Group's and Company's facilities are detailed in Note 12 below along with the Group's committed facilities.

5. Revenue

The following is an analysis of the Group's revenue for the year by class of business.

Continuing operations	**2018**	*2017*
	£	*£*
Lease income	**33,337,180**	*36,145,467*
Loan income	**4,396,867**	*3,869,978*
End of lease income	**3,980,912**	*3,999,439*
Fee income	**457,489**	*574,825*
	42,172,448	44,589,709
Discontinued operations		
Insurance commission	**189,675**	*133,222*

There are no contingent rentals in respect of operating lease income.

All revenue arose in the United Kingdom.

6. Operating profit/(loss)

The operating profit is stated after charging:

Continuing operations	2018	2017
	£	£
Depreciation of leased assets (note 13)	170,381	279,990
Depreciation of own use assets (note 13)	87,653	81,532
Depreciation of leasehold property (note 13)	17,791	36,400
Services provided by the Company's auditors:		
- Fees payable for the audit	139,700	129,300
- Fees payable for other services - tax compliance	89,500	34,400
- Fees for other services - tax advisory services	134,250	51,600
Operating leases (rent)	213,949	101,043
Employee expenses (note 7)	3,907,254	2,911,049
Facility fees	944,013	852,895
Marketing expenses	327,978	440,601
Bad debt expense	1,418,946	1,448,581
Other expenses	1,261,399	841,887

Discontinued operations		
Employee expenses (note 7)	329,121	306,505
Depreciation of own use assets	1,591	2,889
Other expenses	121,707	109,986

7. Employee information

All employees are employed by the Company, however all employees are seconded to Asset Advantage Limited and therefore all expenses in relation to employees are recognised in Asset Advantage Limited.

Continuing operations	2018	2017
	£	£
Wages and salaries	3,394,671	2,509,042
Social security costs	440,237	326,900
Other pension costs	72,346	75,107
	3,907,254	2,911,049

Staff Numbers	2018	2017
	Number	Number
Operations	4	6
Administration	35	35
	39	41

Discontinued operations	2018	2017
	£	£
Wages and salaries	292,472	266,753
Social security costs	30,496	34,265
Other pension costs	6,153	5,487
	329,121	306,505

Staff Numbers	2018	2017
	Number	Number
Administration	5	5

7. Employee information (continued)

The above staff numbers are the average number of employees within the Group during the year. The Group operates a defined contribution retirement benefit plan for all qualifying employees. The total expense recognised for the plan in the year was £78,499 (2017: £80,594).

8. Directors' remuneration

Retirement benefits are accruing to three (2017: three) directors under a defined contribution pension scheme. The directors are considered to be the key management. No share option schemes are operated.

Continuing operations	**2018**	*2017*
	£	*£*
Aggregate emoluments	**1,790,710**	*970,486*
Company contributions to a defined contribution pension scheme	**27,518**	*25,059*
	1,818,228	*995,545*

Highest paid director	**2018**	*2017*
	£	*£*
Total emoluments	**763,160**	*458,329*
Company contributions to a defined contribution pension scheme	**12,390**	*11,525*
	775,550	*469,854*

Directors received no remuneration from discontinued operations in the year ended 30 September 2018 (2017: £nil).

9. Finance costs

	2018	*2017*
	£	*£*
Interest bearing loans	**889,348**	*740,340*
Lease financing arrangements	**3,949,097**	*3,970,064*
Hire purchase and sale of receivables contracts	**101,613**	*225,892*
	4,940,058	*4,936,296*

10. Income tax

	2018	*2017*
	£	*£*
Current tax		
UK Corporation tax on profits for the year	**(203,573)**	*398,140*
Adjustment in respect of prior years	**(283,300)**	*21,878*
Total current tax	**(486,873)**	*420,018*
Deferred tax		
Origination and reversal of timing differences	**383,391**	*70,590*
Adjustment in respect of prior years	**(231,513)**	*45,092*
Reduction in deferred tax asset recognised	**-**	*249,170*
Total deferred tax	**151,878**	*364,852*
Income tax	**(334,995)**	*784,870*

10. Income tax (continued)

The total tax credit (2017: charge) is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 19.5%). The differences are explained as follows:

	2018	*2017*
	£	*£*
Factors affecting tax charge for the year		
Profit before taxation – continuing operations	506,632	*2,674,082*
Loss before taxation – discontinued operations	(277,029)	*(301,174)*
	229,603	*2,372,908*
Tax on profits at an average rate of 19% (2017: 19.5%)	43,624	*462,717*
Effects of:		
Impact of change in tax rates	-	*(4,211)*
Expenditure not deductible for tax purposes	927	*10,224*
Unrelieved tax losses carried forward	82,628	-
Impact of unrecognised deferred tax	-	*249,170*
Adjustment in respect of prior years	(514,810)	*66,970*
Unrelieved tax losses on disposal of discontinued operation	52,636	-
Total tax (credit)/charge for the year	(334,995)	*784,870*

Factors that may affect future tax charges

The Finance Act 2016, included legislation to further reduce the main rate of corporation tax in the UK to 17% from 1 April 2020 and was substantively enacted on 6 September 2016.

These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

11. Discontinued operations

In September 2018, the Group sold its investment in Advantage Risk Solutions Limited, its insurance brokerage subsidiary. Whilst the client base had continued to grow and revenues increase, management felt that this was not at a level that would provide either a wider product offering to the Group's core clients or a material addition to the Group's revenues. The insurance segment was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of comprehensive income has been restated to show the discontinued operation separately from continuing operations.

	2018
	£
Non-cash consideration received	192,534
Cash disposed of	(80,842)
Net assets disposed (other than cash)	
Trade and other receivables	(178,239)
Trade and other payables	197,015
	18,776
Net assets disposed (including cash)	(62,066)
Gain on disposal of discontinued operations	130,468

11. Discontinued operations (continued)

	2018	*2017*
	£	*£*
Results of discontinued operations		
Revenue	**189,675**	*133,222*
Expenses other than finance costs	**(466,705)**	*(434,396)*
	(277,030)	*(301,174)*
Gain from selling discontinued operations	**130,468**	*-*
Loss for the year	**(146,562)**	*(301,174)*

12. Financial instruments

The Group's principal financial instruments are financial assets comprising loans and receivables, trade and other receivables and cash and cash equivalents and financial liabilities recorded at amortised cost, comprising of interest bearing loans and borrowings, and trade and other payables.

The table below sets out the gross contractual maturities of the Group's and Company's financial instruments. For the majority of borrowings and receivables, the fair values are not materially different to their carrying amounts since the interest receivable or payable in these agreements is close to current market rates. All other classes of financial instruments do not require fair value assessment as these are short-term financial instruments for which the carrying amount accurately reflects their fair value.

12. Financial instruments (continued)

Group
Year ended 30 September 2018

Fixed rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Loans and receivables - gross	59,462,442	42,740,393	26,046,210	12,061,035	3,182,151	143,492,231
Trade and other receivables	2,024,673	-	-	-	-	2,024,673
Receivables due from related parties (see Note 27)	40,000	-	-	-	-	40,000
Cash and cash equivalents	4,136,300	-	-	-	-	4,136,300
Interest-bearing loans and borrowings	(24,491,935)	(17,424,565)	(10,182,145)	(5,420,657)	(1,443,335)	(58,962,637)
Trade and other payables	(3,418,277)	-	-	-	-	(3,418,277)
	37,753,203	**25,315,828**	**15,864,065**	**6,640,378**	**1,738,816**	**87,312,290**

Floating rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Bank and third party loans	**(11,115,000)**	**(4,450,000)**	**(2,150,000)**	**(900,000)**	**(200,000)**	**(18,815,000)**

Year ended 30 September 2017

Fixed rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Loans and receivables - gross	64,031,874	46,464,022	29,657,546	15,361,024	3,978,354	159,492,820
Trade and other receivables	3,489,514	-	-	-	-	3,489,514
Receivables due from related parties (see Note 27)	40,000	-	-	-	-	40,000
Cash and cash equivalents	4,588,512	-	-	-	-	4,588,512
Interest-bearing loans and borrowings	(17,290,590)	(15,207,460)	(10,007,385)	(6,203,819)	(1,878,225)	(50,587,479)
Trade and other payables	(3,802,370)	-	-	-	-	(3,802,370)
	51,056,940	31,256,562	19,650,161	9,157,205	2,100,129	113,220,997

Floating rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Bank and third party loans	(25,215,000)	(5,750,000)	(3,750,000)	(1,550,000)	(350,000)	(36,615,000)

12. Financial instruments (continued)

Company
Year ended 30 September 2018

Fixed rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	£	£	£	£	£
Trade and other receivables	10,381,416	-	-	-	-	10,381,416
Receivables due from related parties (see Note 27)	40,000	-	-	-	-	40,000
Cash and cash equivalents	38,897	-	-	-	-	38,897
Trade and other payables	(3,587,182)	-	-	-	-	(3,587,182)
	6,873,131	**-**	**-**	**-**	**-**	**6,873,131**

Floating rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	£	£	£	£	£
Bank and third party loans	**(800,000)**	**(500,000)**	**-**	**-**	**-**	**(1,300,000)**

Year ended 30 September 2017

Fixed rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	£	£	£	£	£
Loans and receivables - gross	447,832	282,983	43,876	354,960	-	1,129,651
Trade and other receivables	11,042,306	-	-	-	-	11,042,306
Receivables due from related parties (see Note 27)	40,000	-	-	-	-	40,000
Cash and cash equivalents	52,514	-	-	-	-	52,514
Interest-bearing loans and borrowings	(341,400)	(282,983)	(43,876)	(354,960)	-	(1,023,219)
Trade and other payables	(4,369,131)	-	-	-	-	(4,369,131)
	6,872,121	-	-	-	-	6,872,121

Floating rate	**Within one year**	**1 - 2 years**	**2 -3 years**	**3 - 4 years**	**4 - 5 years**	**Total**
	£	£	£	£	£	£
Bank and third party loans	(800,000)	(800,000)	(500,000)	-	-	(2,100,000)

13. Property, plant and equipment

Group	Leased Assets Other fixed assets	Leased Assets Plant and machinery	Leased Assets Vehicles	Own use Leasehold improvements	Own use Fixtures and Fittings	Own Use Computer software and equipment	Own Use Office equipment	Own Use Vehicles	Total
Cost	£	£	£	£	£	£	£	£	£
At 1 October 2016	60,817	3,425,514	1,097,065	171,836	101,703	391,004	15,372	4,629	5,267,940
Additions	-	-	-	-	-	95,969	5,777	-	101,746
Disposals	-	(1,300,527)	(144,028)	-	-	-	-	-	(1,444,555)
At 30 September 2017	60,817	2,124,987	953,037	171,836	101,703	486,973	21,149	4,629	3,925,131
Additions	-	-	-	325,824	50,063	11,828	583	-	388,298
Disposals	-	(2,124,987)	(322,495)	(171,836)	-	(8,742)	-	-	(2,628,060)
At 30 September 2018	**60,817**	**-**	**630,542**	**325,824**	**151,766**	**490,059**	**21,732**	**4,629**	**1,685,369**
Accumulated depreciation									
At 1 October 2016	33,805	2,623,207	941,165	135,436	54,236	345,523	11,464	4,629	4,149,465
Depreciation charge	6,760	203,875	69,355	36,400	20,376	57,689	6,356	-	400,811
Disposals	-	(1,128,215)	(133,417)	-	-	-	-	-	(1,261,632)
At 30 September 2017	40,565	1,698,867	877,103	171,836	74,612	403,212	17,820	4,629	3,288,644
Depreciation charge	6,760	132,144	31,477	17,791	20,534	65,807	2,903	-	277,416
Disposals	-	(1,831,011)	(295,270)	(171,836)	-	(7,999)	-	-	(2,306,116)
At 30 September 2018	**47,325**	**-**	**613,310**	**17,791**	**95,146**	**461,020**	**20,723**	**4,629**	**1,259,944**
Net book value									
At 1 October 2016	27,012	802,307	155,900	36,400	47,467	45,481	3,908	-	1,118,475
At 30 September 2017	20,252	426,120	75,934	-	27,091	83,761	3,329	-	636,487
At 30 September 2018	**13,492**	**-**	**17,232**	**308,033**	**56,620**	**29,039**	**1,009**	**-**	**425,425**

13. Property, plant and equipment (continued)

Company	Leased Assets Plant and machinery	Leased Assets Vehicles	Own use Leasehold improvements	Own use Fixtures and fittings	Own Use Computer software and equipment	Own Use Office equipment	Own Use Vehicles	Total
Cost	£	£	£	£	£	£	£	£
At 30 October 2016	3,425,514	357,987	171,836	101,703	391,004	15,372	4,629	4,468,045
Additions	-	-	-	-	95,969	5,777	-	101,746
Disposals	(1,300,527)	(35,492)	-	-	-	-	-	(1,336,019)
At 30 September 2017	2,124,987	322,495	171,836	101,703	486,973	21,149	4,629	3,233,772
Additions	-	-	-	-	-	-	-	-
Disposals	(2,124,987)	(322,495)	-	-	(7,192)	-	-	(2,454,674)
Transfers	-	-	(171,836)	(101,703)	(479,781)	(21,149)	(4,629)	(779,098)
At 30 September 2018	-	-	-	-	-	-	-	-
Accumulated depreciation								
At 1 October 2016	2,623,209	296,351	135,436	54,236	345,524	11,464	4,629	3,470,849
Depreciation charge	203,875	30,315	36,400	20,376	57,689	6,356	-	355,011
Disposals	(1,128,215)	(31,396)	-	-	-	-	-	(1,159,611)
At 30 September 2017	1,698,869	295,270	171,836	74,612	403,213	17,820	4,629	2,666,249
Depreciation charge	132,144	-	-	-	-	-	-	132,144
Disposals	(1,831,013)	(295,270)	-	-	-	-	-	(2,126,283)
Transfers	-	-	(171,836)	(74,612)	(403,213)	(17,820)	(4,629)	(672,110)
At 30 September 2018	-	-	-	-	-	-	-	-
Net book value								
At 1 October 2016	802,305	61,636	36,400	47,467	45,480	3,908	-	997,196
At 30 September 2017	426,118	27,225	-	27,091	83,760	3,329	-	567,523
At 30 September 2018	-	-	-	-	-	-	-	-

14. Other financial assets

	Group 2018 £	*Group 2017 £*
Non-current assets		
Loan receivables (see Note 14.1)	**23,174,703**	*22,276,458*
Finance lease receivables (see Note 14.2)	**34,922,540**	*45,020,370*
	58,097,243	*67,296,828*

	Group 2018 £	*Group 2017 £*	Company 2018 £	*Company 2017 £*
Current assets				
Loan receivables (see Note 14.1)	**11,944,571**	*9,257,203*	-	-
Finance lease receivables (see Note 14.2)	**23,338,395**	*24,680,862*	-	*75,721*
Investments in residual values	**14,812**	*129,737*	-	*106,432*
	35,297,778	*34,067,802*	-	*182,153*

14.1 Loan receivables

All loan receivables are denominated in pound Sterling and have an average term of between 3 - 5 years with none granted for more than 5 years. The balances as per Note 12 above are the capital outstanding amounts and therefore represent the maximum risk exposure for these loans.

Age of receivables that are past due but not impaired:

Loans	Group 2018 £	*Group 2017 £*
Less than 30 days	**60,045**	*62,313*
31 - 60 days	**26,115**	*25,124*
61 - 90 days	**29,830**	*13,242*
91 - 120 days	**21,298**	*9,061*
Greater than 120 days	**5,788**	*42,335*
Total	**143,076**	*152,075*

14.2 Finance lease receivables

The Group enters into equipment lease arrangements for a variety of equipment used by customers in their business. All leases are denominated in pound Sterling. Leases have an average term of between 3 - 5 years with no leases being granted for more than 5 years.

14.2 Finance lease receivables (continued)

Amounts receivable under finance leases:

Minimum lease payments

	Group 2018 £	*Group 2017 £*	Company 2018 £	*Company 2017 £*
Less than 1 year	**29,612,743**	*32,412,694*	-	*78,538*
More than 1 year but less than 5 years	**40,734,767**	*53,483,819*	-	-
	70,347,510	*85,896,513*	-	*78,538*
Less: Unearned finance income	**(12,086,575)**	*(16,712,221)*	-	*(2,817)*
Present value of minimum lease payments receivable	**58,260,935**	*69,184,292*	-	*75,721*

Present value of minimum lease payments

	Group 2018 £	*Group 2017 £*	Company 2018 £	*Company 2017 £*
Less than 1 year	**23,338,395**	*24,163,922*	-	*75,720*
More than 1 year but less than 5 years	**34,922,540**	*45,020,370*	-	-
	58,260,935	*69,184,292*	-	*75,720*
Less: Unearned finance income	-	-	-	-
Present value of minimum lease payments receivable	**58,260,935**	*69,184,292*	-	*75,720*

An allowance amount of £1,150,407 (2017: £1,461,121) has been raised for the potential uncollectable lease and loan payments, which occur as a result of customers' inability to meet their obligations under the agreements. Specific provisions of £3,340,552 (2017: £2,437,156) have been raised against agreements which have gone into default through non-payment and under which the customer is being pursued for repayment in full.

The finance lease receivables at the end of the year include receivables due on impaired agreements (net of impairment charge) but there are no unguaranteed residual values of assets leased under equipment leases.

However the finance lease receivables above include amounts that are past due at the end of the reporting period. An analysis of this aging is as below.

Age of receivables that are past due but not impaired:

Leases	Group 2018 £	*Group 2017 £*	Company 2018 £	*Company 2017 £*
Less than 30 days	**150,629**	*215,515*	**1,806**	*14,222*
31 - 60 days	**107,648**	*82,719*	**8,463**	*163*
61 - 90 days	**49,740**	*32,779*	**7,773**	-
91 - 120 days	**10,129**	*27,925*	**300**	-
Greater than 120 days	**24,376**	*54,562*	**3,223**	*20,740*
Total	**342,522**	*413,500*	**21,565**	*35,125*

14.2 Finance lease receivables (continued)

The credit risk inherent in finance lease receivables is reviewed under impairment policies as detailed in Note 2. Under this review, the credit quality of assets which are neither past due nor impaired were considered good. In the case of assets where there was evidence of non-payment and other objective evidence of impairment, the assets were considered impaired and the carrying value written down to the net realisable amount.

15. Deferred tax assets

	Group 2018 £	*Group 2017 £*	**Company 2018 £**	*Company 2017 £*
At 1 October	**164,865**	*529,717*	**141,336**	*468,561*
Charge for the year	**(383,385)**	*(70,590)*	**(372,849)**	*(100,922)*
Adjustments in respect of prior years	**231,513**	*(45,092)*	**231,513**	*(50,478)*
Impact of unrecognised deferred tax	-	*(249,170)*	-	*(175,825)*
At 30 September	**12,993**	*164,865*	-	*141,336*
Deferred taxation can be analysed as follows:				
Accelerated capital allowances	**12,993**	*164,865*	-	*141,336*
Provision for deferred taxation	**12,993**	*164,865*	-	*141,336*

A deferred tax asset has been recognised in the current financial year on the basis that it is considered more likely than not that there will be sufficient profits from which the future reversal of the underlying timing differences can be deducted.

16. Inventories

	Group 2018 £	*Group 2017 £*	**Company 2018 £**	*Company 2017 £*
Finished goods	**100,203**	*268,883*	-	*135,857*

Included in the cost of sales amount are inventories amounting to £222,241 (2017: £193,420) that have been expensed in the current year.

The inventory balance at year-end is used to determine whether adjustments are required and based on this review the fair value less costs to sell of such inventory items is determined. Based on management's review the carrying amount in the financial statements is the fair value less costs to sell and thus no adjustments are required or made.

There are no inventories held that have been pledged as security.

17. Trade and other receivables

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade receivables	709,932	1,172,487	100,425	36,139
Amounts owed by Group undertakings	-	-	10,259,827	9,991,391
Other receivables	40,000	40,389	40,000	40,389
Prepayments	1,314,741	2,316,638	21,164	1,014,386
	2,064,673	3,529,514	10,421,416	11,082,305

Amounts owed by Group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

18. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	4,136,300	4,588,512	38,897	52,514

19. Interest-bearing loans and borrowings

	Group 2018	Group 2017	Company 2018 £	Company 2017 £
Non-current liabilities				
Amounts due under lease financing arrangements	34,470,702	32,615,070	-	-
Bank and third party loans	7,700,000	11,400,000	500,000	1,300,000
Net obligations under hire purchase and sale of receivable contracts	-	620,027	-	430,740
	42,170,702	44,635,097	500,000	1,730,740

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Current liabilities				
Amounts due under lease financing arrangements	24,491,935	16,949,190	-	-
Bank and third party loans	11,115,000	25,215,000	800,000	800,000
Net obligations under hire purchase and sale of receivable contracts	15,927	53,527	-	189,287
	35,622,862	42,217,717	800,000	989,287

In respect of amounts due under lease financing arrangements, security has been provided to various financial institutions under financing facilities in the form of assignment of lease receivables under the underlying equipment leases.

20. Trade and other payables

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade payables	520,025	780,535	81,199	182,507
Amounts owed to Group undertakings	-	-	2,797,961	2,870,509
Other taxation and social security	84,101	527,609	84,101	527,609
Value added tax payable	616,404	-	616,404	-
Other payables	1,359,722	1,641,608	-	-
Accruals and deferred income	838,025	852,618	-	788,506
	3,418,277	3,802,370	3,579,665	4,369,131

Amounts owed to Group undertakings and related parties are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

21. Ordinary share capital

	2018	2017
Group and Company	£	£
Authorised shares		
Ordinary 'A' shares of £1 each	50,000	50,000
Ordinary 'B' shares of £1 each	50,000	50,000
Bonus Issue 'A' shares of £1 each	450,000	450,000
Ordinary 'C' shares of £1 each	50,000	50,000
	600,000	600,000

Ordinary shares issued and fully paid	No.	£
At 1 October 2017	589,224	589,224
At 30 September 2018	589,224	589,224

The Group only has ordinary shares in issue. These are broken down into categories A, B and C. Class A shares have voting rights whereas B and C do not, however all classes have rights to dividends at differing profit level thresholds.

22. Dividends proposed and paid

Group and Company	2018 £	2017 £
Ordinary 'A'		
Interim Dividends paid; £0.61 per share (2017: £0.61 per share)	30,000	30,000
Ordinary 'B'		
Interim Dividends paid; £2.03 per share (2017: £2.03 per share)	100,000	100,000
Bonus Issue 'A'		
Interim Dividends paid £0.61 per share (2017: £0.61 per share)	270,000	270,000
Ordinary 'C'		
Interim Dividends paid £2.03 per share (2017: £2.03 per share)	100,000	100,000
Balance of dividends paid on equity capital	500,000	500,000

23. Non-controlling interests

	2018	*2017*
	£	*£*
Balance at 1 October	**(264,515)**	*(174,162)*
Share of loss for the year	-	*(90,353)*
Disposal of subsidiary	**264,515**	-
Balance at 30 September	-	*(264,515)*

24. Investments

Company	**Investments in subsidiary companies**
	£
Cost or valuation	
At 1 October 2016	650,078
Additions	350,000
At 30 September 2017	1,000,078
Additions	300,000
Disposals	(1,300,073)
At 30 September 2018	**5**
Impairment	
At 1 October 2016	(150,000)
Impairment	(280,000)
At 30 September 2017	(430,000)
Disposals	430,000
At 30 September 2018	-
Net book value	
At 30 September 2017	570,078
At 30 September 2018	**5**

These financial statements include the financial statements of the Group and the subsidiaries listed in the table below. All subsidiaries are situated at the Company's registered address which is as per Note 1: General Information.

24. Investments (continued)

Name	Principal activities	Location of registered office	% equity interest 2018 %	2017 %
AAG Holdings (UK) Limited	Holding company	England	**100**	*100*
AAG Operations Limited	Holding company	England	**100**	*100*
AAL Holdings (UK) Limited	Holding company	England	**100**	*100*
AARV Limited	Leasing & trading of equipment	England	**100**	*100*
Advantage Risk Solutions (Holdings) Limited	Holding company	England	-	*70*
Advantage Risk Solutions Limited	Insurance Broker	England	-	*70*
Asset Advantage Limited	Leasing & trading of equipment	England	**100**	*100*
Asset Co Rentals No2 Limited	Leasing & trading of equipment	England	**100**	*100*
R A (No 3) Limited	Leasing & trading of equipment	England	**100**	*100*
R A (No 4) Limited	Leasing & trading of equipment	England	**100**	*100*
R A (No 6) Limited	Leasing & trading of equipment	England	**100**	*100*
R A (NO 7) Limited	Leasing & trading of equipment	England	**100**	*100*
R A (No 8) Limited	Leasing & trading of equipment	England	**100**	*100*
R A (No 9) Limited	Leasing & trading of equipment	England	**100**	*100*
R A (No 10) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No. 11) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No. 12) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No. 13) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No. 14) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No. 15) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No.16) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No.17) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No.18) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No.19) Limited	Leasing & trading of equipment	England	**100**	*100*
RA (No.20) Limited	Leasing & trading of equipment	England	**100**	*100*
RV Investor No 1 Limited	Leasing & trading of equipment	England	**100**	*100*

25. Cash inflows from operations

Group	**2018 £**	*2017 £*
Profit before tax - continuing operations	**506,632**	*2,674,082*
Loss before tax - discontinued operations	**(277,029)**	*(301,174)*
Profit before income tax including discontinued operations	**229,603**	*2,372,908*
Adjusted for:		
Depreciation	**277,416**	*400,811*
Finance costs	**4,940,058**	*4,936,296*
	5,447,077	*7,710,015*
Decrease in inventory	**168,680**	*236,566*
Decrease/(increase) in trade and other receivables	**1,286,602**	*(1,292,159)*
Decrease in trade and other payables	**(187,083)**	*(500,031)*
Net loss on sale of non-current assets	**(211,177)**	*-*
Net cash generated from operations	**6,504,099**	*6,154,391*

25. Cash inflows from operations (continued)

Company	2018	2017
	£	£
Loss before tax	(391,091)	(836,233)
Adjusted for:		
Depreciation	132,144	355,011
Investment Impairment	-	280,000
Disposal of property, plant and equipment	(193,051)	-
Loss on disposal of investment	671,022	-
Finance costs	93,891	222,542
	312,915	21,320
Decrease in inventory	135,857	154,791
Decrease/(increase) in trade and other receivables	359,460	(1,782,758)
Increase/(decrease) in trade and other payables	(275,945)	791,416
Net cash generated from/(used in) operations	532,287	(815,231)

26. Operating lease arrangements

Group as lessee

During the current year the Group has commercial leases for the rental of the building. The commitments on this lease are as below.

Future minimum rentals payable under non-cancellable operating leases are, as follows:

Operating lease commitments — Group as lessee	2018	2017
	£	£
Within one year	145,478	-
After one year but not more than 5 years	847,530	-
More than 5 years	834,478	-
	1,827,486	-

Group as lessor

The Group has operating leases on assets that are leased to customers. Rental income on these assets is treated as lease income and included in revenue. There are no contingent rentals.

Operating lease commitments — Group as lessor	2018	2017
	£	£
Within one year	18,000	245,400
After one year but not more than 5 years	-	437,529
	18,000	682,929

27. Related parties

The Group financial statements include the financial statements of the subsidiaries listed in the table in Note 24. All subsidiaries are situated at the Company's registered address which is as per Note 1: General Information. Additionally, Asset Advantage Funding 1 Limited, a special purpose funding vehicle registered in England, is considered a related party in accordance with IFRS 10.

Balances and transactions within the Group have been eliminated upon consolidation and thus are not disclosed in this note. However for the Company financial statements, disclosure is required for transactions and balances with related parties.

Company

Related party transactions

Advantage Risk Solutions Limited:

Advantage Risk Solutions Limited business expenses are paid through Asset Advantage Group Limited's business account, thus creating the related party transactions incurred between the two companies. During the current year Asset Advantage Group Limited disposed of all its interests in Advantage Risk Solutions Limited with the effects of the disposal shown in note 11 on Discontinued Operations above.

Company	**2018**	*2017*
	£	*£*
Amounts owed by related parties		
- Subsidiaries	**10,259,827**	*9,991,391*
- J. C. G. Eddy	**40,000**	*40,000*
Amounts owed to related parties		
- Subsidiaries	**2,797,961**	*2,870,509*
Expenses incurred by AAG		
- Subsidiaries	**450,828**	*388,769*
- J. C. G. Eddy	**-**	*4,825*

The loan to J. C. G. Eddy is unsecured, interest-free and repayable on demand.

During the year Property, Plant and Equipment with a net book value of £111,625 was transferred to Asset Advantage Limited from Asset Advantage Group Limited. The Property, Plant and Equipment was transferred at net book value.

Key management expenses and transactions

The remuneration of the directors who are the only key management personnel is disclosed in Note 8 Directors' remuneration

28. Ultimate parent and controlling party

The ultimate parent undertaking is Asset Advantage Group Limited, a company incorporated in England. The consolidated financial statements of Asset Advantage Group Limited are available from Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom. The ultimate controlling party of Asset Advantage Group Limited is J C G Eddy, who is also a director of Asset Advantage Group Limited.