



Information Memorandum



A limited opportunity
to reserve highly attractive
fixed rate returns

**For Non UK Residents.
Not Approved for use in the UK.**

UK Investors please email reserve@1ststop.co.uk
to receive the UK approved documents





UK Regulatory Risk Warning

The content of this Information Memorandum has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (“FSMA”). Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

Important Notice

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The content of this IM has not been approved by an authorised person within the meaning of FSMA. Such approval is required by section 21 of FSMA unless one or more exemptions apply. This IM is exempt from the general restriction in section 21 of FSMA on the communication of invitations and inducements to engage in investment activity on the grounds that it is made only to persons who are overseas recipients within the meaning of article 12 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the FPO).

UK resident investors should contact reserve@1ststop.co.uk for the UK approved brochure and should not rely upon this document.

Nothing in this IM constitutes investment, tax, legal or other advice by 1st Stop Reserve Limited and your attention is drawn to the section headed “Risk Warnings” on pages 21-22.

The purpose of this IM is to assist prospective investors in deciding whether they wish to apply to subscribe in the 1st Stop Reserve Limited loan note investment (the “Loan Note”). As such this IM does not constitute an offer or invitation in respect of the Loan Note and in addition no information set out, or referred to in this IM shall form the basis of any contract. A prospective investor should not rely on any warranty, assurance or undertaking, save as expressly set out in the loan note instrument.

This IM does not constitute an offering in any state, country or other jurisdiction where, or to any person or entity to which, an offer or sale would be prohibited and in particular should not be distributed in the US or Canada.

All investors situated outside the UK should satisfy themselves about the permissibility and tax consequences of such an investment in light of the applicable laws in their country of residence prior to investing. Any references made to regulation, laws and taxation within this IM relate to the UK only and may be materially different for residents of other jurisdictions.

You should read the whole of this IM and ensure you understand the information within it before making any decision about whether it may be suitable for you to invest into. If you are in any doubt about the content of this IM and/or any action you should take, you are strongly recommended to seek advice from an authorised and regulated independent financial adviser who specialises in advising on investment opportunities of this type.



This IM has been prepared in good faith and 1st Stop Reserve Ltd takes responsibility that the information within is fair, accurate and not misleading based on the information available to 1st Stop Reserve Limited as at the date of publishing.

1st Stop Reserve Limited confirms that it has not deliberately withheld or hidden any adverse information that would affect a prospective investor's decision whether to invest in the Loan Note or not. Although 1st Stop Reserve Limited believes this IM contains sufficient information and is fit for purpose it does not purport to be comprehensive and has not been independently verified.

In relation to any inadvertent errors or omissions, 1st Stop Reserve Limited makes no representation, warranty, assurance or undertaking (express or implied), and no responsibility or liability is or will be accepted by 1st Stop Reserve Limited or by its officers, employees or agents should an error or omission impact on the adequacy, accuracy, completeness or reasonableness of anything contained within this IM. All and any such responsibility and liability is expressly disclaimed. However this shall not exclude any liability for, or remedy in respect of fraudulent misrepresentation.

Should a material inaccuracy in this IM or any other document come to our attention then 1st Stop Reserve Limited will make reasonable efforts to amend the IM in a timely manner and to notify previous investors who may have been affected. However 1st Stop Reserve Limited gives no undertaking to provide the recipient with access to any additional information or to update this IM or any additional information, or to correct any non-material inaccuracies in it which may become apparent.

In particular, no representation, warranty, assurance or undertaking is given as to the achievement or reasonableness of any future projections, estimates, prospects or returns contained in this IM. All such forward-looking statements including statements of opinion or financial forecasts represent 1st Stop Reserve Limited's own assessment and interpretation of information available to it as at the date of publication. No assurance can be given that such forward-looking statements or views will prove to be correct as they relate to future events which can be affected by many factors outside of our control.

The financial figures which are contained in this document refer to previous historic performance, please note this is not a reliable indicator of future results. You must determine for yourself what reliance (if any) you should place on such statements, views or forecasts.

No person has, nor is held out as having, any authority to give any statement, warranty, representation, assurance or undertaking on behalf of 1st Stop Reserve Limited in connection with the Loan Note, except an authorised officer of the company.

1st Stop Reserve Limited reserves the right, without giving reasons, at any time and in any respect, to amend or terminate negotiations with any prospective investor. The issue of this IM shall not be deemed to be any form of commitment on the part of 1st Stop Reserve Limited (or any other person) to proceed with negotiations.

'We do not
act rightly because
we have virtue or
excellence, but rather
have those because we
have acted rightly'

- Aristotle



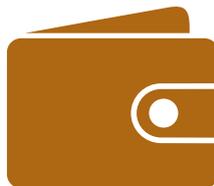
The 1st Stop Reserve Limited Loan Note on offer will not be suitable for all investors. 1st Stop Reserve Limited will only accept direct applications from investors who can prove they are suitably experienced and sufficiently knowledgeable to be able to accurately assess the risks of the Loan Note as well as the opportunity.

1st Stop Reserve Limited is not regulated by the Financial Conduct Authority (“FCA”). As such any investment that you may make in the 1st Stop Reserve Limited Loan Note will not be covered by either the Financial Services Compensation Scheme (“FSCS”) or Financial Ombudsman Service (“FOS”).

Any person who is in any doubt about the appropriateness of the Loan Note for their own personal circumstances should consult a financial adviser who is regulated in their country of residence and who specialises in advising on investments of this type.

Within our business all members of staff, from the top to the bottom of the organisation are part of the 1st Stop group and there is a seamless integration of the various entities within the group. We have a culture of co-operation and of sharing ideas and best practice. This level of inter-dependence and co-operation is reflected throughout this document. Consequently there are times in this document when the use of the word ‘we’ does not specify which company or companies is directly referred to. To avoid confusion, prospective investors should be aware that:

- The holding company that owns all of the other entities within the group is called 1st Stop Holdings Limited and it is not regulated or authorised by the FCA. Beneath this sits 1st Stop Group Limited which is the company that manages the operations of the group and oversees the operations of the subsidiary companies.
- Where this document refers to The 1st Stop Group Limited it is referring to that particular company alone as the holding company and where the document says 1st Stop group (lower case) it is referring generally to the activities of any company or part of the group and does not specifically refer to the holding company.
- The three regulated operating companies are 1st Stop Home Loans Ltd, 1st Stop Personal Loans Limited and 1st Stop Car Finance Limited.
- 1st Stop Reserve Limited is the company that will be issuing the Loan Notes. It is not regulated.



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Welcome

A message from the CEO

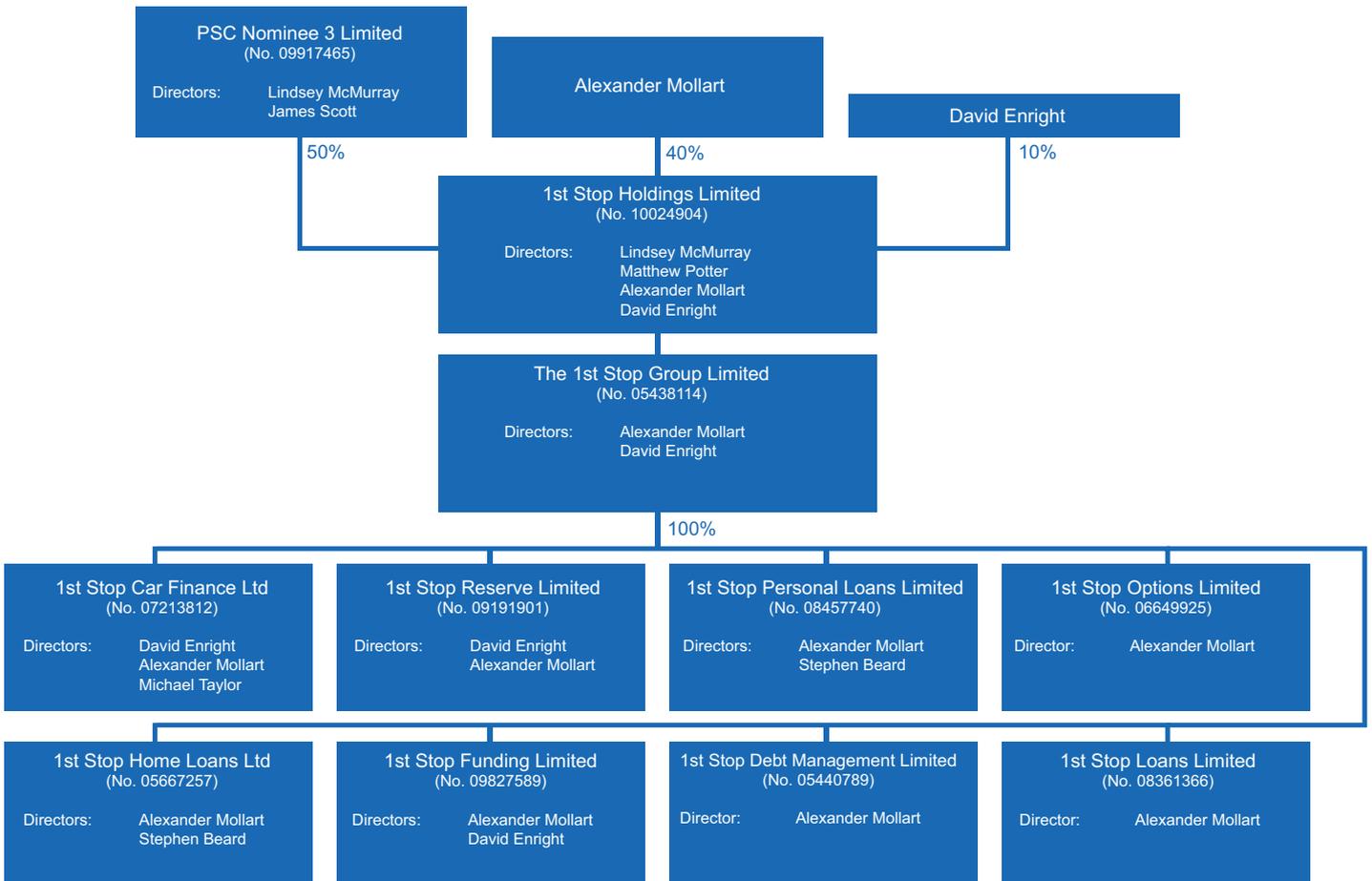
Thank you for taking the time to read this Information Memorandum. The 1st Stop group is a thriving, modern business where we use modern technology alongside the traditional value of getting to know our customers.

We believe that the loan notes we are offering provide a fair way for you as a potential investor to share in our success, whilst providing us with the capital to grow into one of the leading providers of consumer finance in the UK.

I hope you find this document clear and easy to understand. If after reading it you have any questions please feel free to contact me or one of my team.

Alex Mollart, CEO

The 1st Stop Group Limited Group Structure





About The 1st Stop Group

The 1st Stop group is a specialist provider of consumer credit based on the outskirts of Blackpool, in the North West of England. Founded by Alex Mollart in 2009 we have traded successfully since inception growing revenues and profit on a year by year basis. Personal Loans, Home Loans, Collections, IT, Finance, Compliance and Group Operations are all based out of our Blackpool Head Office while Car Finance is based out of our offices near Durham.

We provide a range of credit facilities to people whose historic circumstances have resulted in them having a less than perfect credit history, which in the current market may prevent them from obtaining credit from a 'High Street' lender. We don't lend to just anyone, in fact we lend to less than 1 in 10 of all applicants, and we only lend where we can satisfy ourselves that the customer has both the ability and the intent to repay the borrowing.

We have embedded a culture of treating our customers fairly throughout the organisation and believe that the way we do business is fair and transparent to all parties.

We take pride in the way we treat our staff, creating a working environment which brings out the best in people. We believe in investing in training, developing and motivating our staff. Their skills and expertise enable us to manage both risks and relationships successfully, and to provide excellent customer service.

We know it is possible to have a culture that is sensitive to the needs of both our customers and our own people and yet is performance-oriented and focused on both results and operating compliantly.

1st Stop Reserve Limited is one of the subsidiary companies within the 1st Stop group. It was established in August 2014 as part of the 1st Stop group's expansion and development. With the successes being enjoyed by the operating companies within 1st Stop group and with the increased lending being undertaken by those operating companies, 1st Stop Reserve Limited was incorporated with the dual purposes of being the vehicle that raises funds from investors and then controls the distribution of those funds between the operating companies within the 1st Stop group.

1st Stop Reserve Limited is effectively the fund raising department for our non bank based borrowings.

What We Do

Put simply, we lend to people whose historic circumstances have resulted in a less than perfect credit history. This "historic" profile denies them mainstream credit facilities as many high street banks seem unwilling to lend to anyone without a 'prime' credit rating.

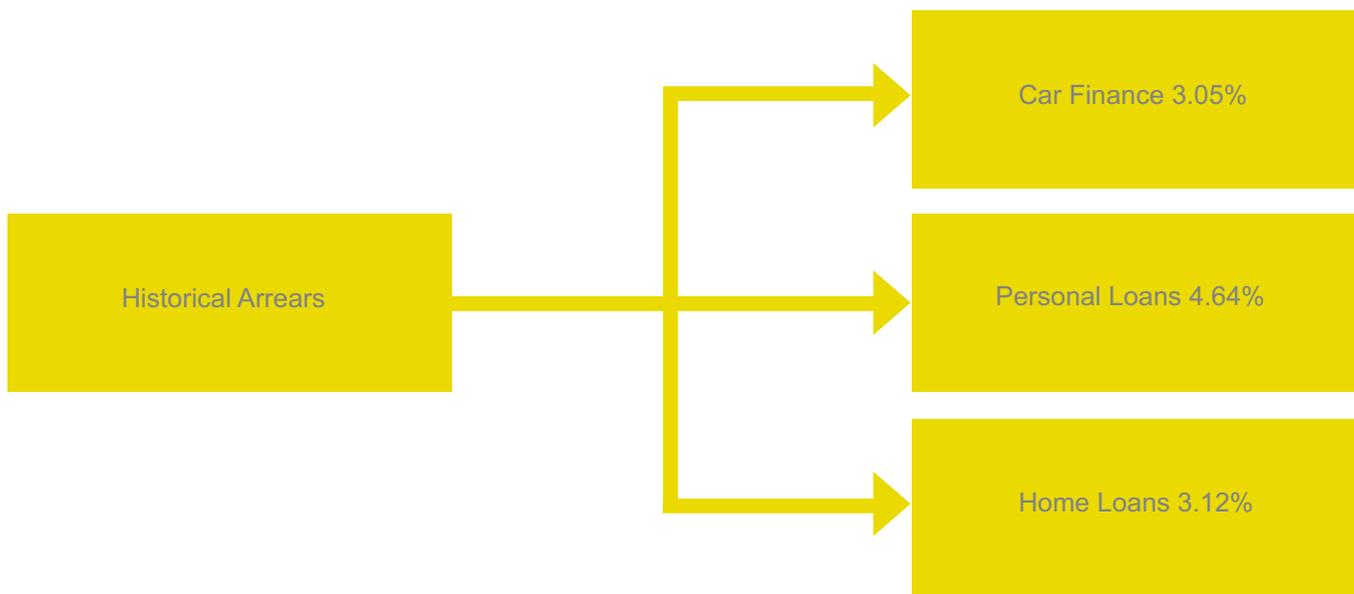
There are a number of high profile providers of credit operating in the adverse-credit market, offering consumer credit to customers with very poor credit ratings, often over short periods of time and often at 'astronomical' rates of interest. We do not operate in this market.

However, for those customers whose credit ratings fall into the 'near prime' bracket there are relatively few lenders offering suitable credit facilities. This leaves a large, growing and under-served segment of the market and we offer a diverse range of products in this market space.

We employ a robust and thorough underwriting process that combines a detailed assessment of a customer's credit history along with a structured interview from one of our UK based underwriting team. If approved the case file is then checked independently before being handed to a collector who will contact the applicant again to carry out a final verification. A collector has the authority at this stage to decline a loan and only if the collector is satisfied is a deal disbursed.

Our collection procedures are efficient and successful and we find that by matching the dates of the loan repayments to a customer's pay dates we significantly reduce the number of late payments. We pro-actively manage late payments when they become overdue but we always take a sympathetic and flexible approach to customers who experience unforeseen financial difficulties.

The benefits of this approach are shown in a remarkably low arrears rates across all three regulated business.



Data correct as of 16/06/2016

Historically around 90% of the loans that we issued were securitised, either through a charge against a property or in the case of car finance, against the vehicle. Going forward this will change as the range of loans that we offer expands, but we still expect a large majority of the loans we issue will continue to be securitised in this way. As a general principle, the more exposure to risk that we take, the greater the level of security that we need to hold.

When factoring in the high levels of securitisation across our loan book along with our robust processes and our emphasis on compliance and oversight, it becomes clear that we have a sustainable and scalable business built around solid fundamentals.

Our financial results reflect this and we have a demonstrable track record of success. We operated profitably through the depths of the recession and are expanding during these more favourable economic conditions. Our high standards as a responsible lender have ensured that our rapid growth has not been at the expense of customers or good business sense.

In summary, the 1st Stop group is an established, successful lender operating with high level expertise in the 'near-prime' sector. Employing experienced, compliant staff and using robust underwriting procedures, we offer appropriate, affordable products which, when coupled with excellent customer service, places us squarely as the best specialist lender to fill the gap in this growing market.

A Rigorous Approach To Regulation

The 1st Stop group recognises and embraces the importance of robust regulatory compliance and monitoring.

The Board of The 1st Stop Group Limited has ultimate responsibility for overseeing risk management, setting a compliant tone and culture across the subsidiary companies within the group and maintaining a strong system of internal controls.

The 1st Stop Group Limited, our holding company, employs a team of compliance professionals and additionally utilises the services of external compliance consultants and specialist financial services lawyers. It is the aim of all companies within the 1st Stop group to ensure that the way we operate is both within the spirit and the letter of the regulations.

The FCA took over the regulation of consumer credit from the Office of Fair Trading in April 2014. 1st Stop Home Loans Limited and 1st Stop Car Finance Limited have both received full authorisation from the FCA whilst 1st Stop Personal Loans Limited has interim permissions while waiting for authorisation.

The 1st Stop group welcomed the introduction of regulation as it has forced weaker providers out of the market whilst raising standards across the industry.

Whether the operating companies have full authorisation or interim permissions, the regulatory requirements in terms of adhering to the regulations; collation of management info; quarterly reporting of detailed information; monitoring of our trading activities and key personnel; training and supervision of staff; systems and controls and the requirement to maintain adequate resources are the same, thus ensuring that the business is managed in a financially responsible manner at all times.

In March 2016 the European Mortgage Credit Directive (“MCD”) came into force. The introduction of the MCD brought second charge lending under the same regulatory framework as first charge mortgages. As a result all secured loans will now fall under the Mortgages Conduct of Business sourcebook (“MCOB”) rules and are no longer being governed under the Consumer Credit Activity rules.

The 1st Stop group operating companies have active training and development programs in place. However in preparation for the MCD we commenced a project to ensure all relevant frontline staff would have the appropriate mortgage advice qualifications, well before the regulator requires us to do so.

1st Stop Reserve Limited is not authorised nor is it regulated by the FCA.

Potential investors should be aware that the Loan Note offered by 1st Stop Reserve Limited is not regulated either. This means that investors will not be covered by the same protections that other “regulated” investments are covered by and will not be able to take advantage of access to FOS or the FSCS.

Nevertheless 1st Stop Reserve Limited maintains the same ethical standards that all other parts of the group maintain.

Apart from making good business sense, we would not risk losing the regulated status of the operating companies through poor practices elsewhere in the group.

A large yellow circle containing the text: ‘The way we operate is within both the spirit and letter of the regulations’

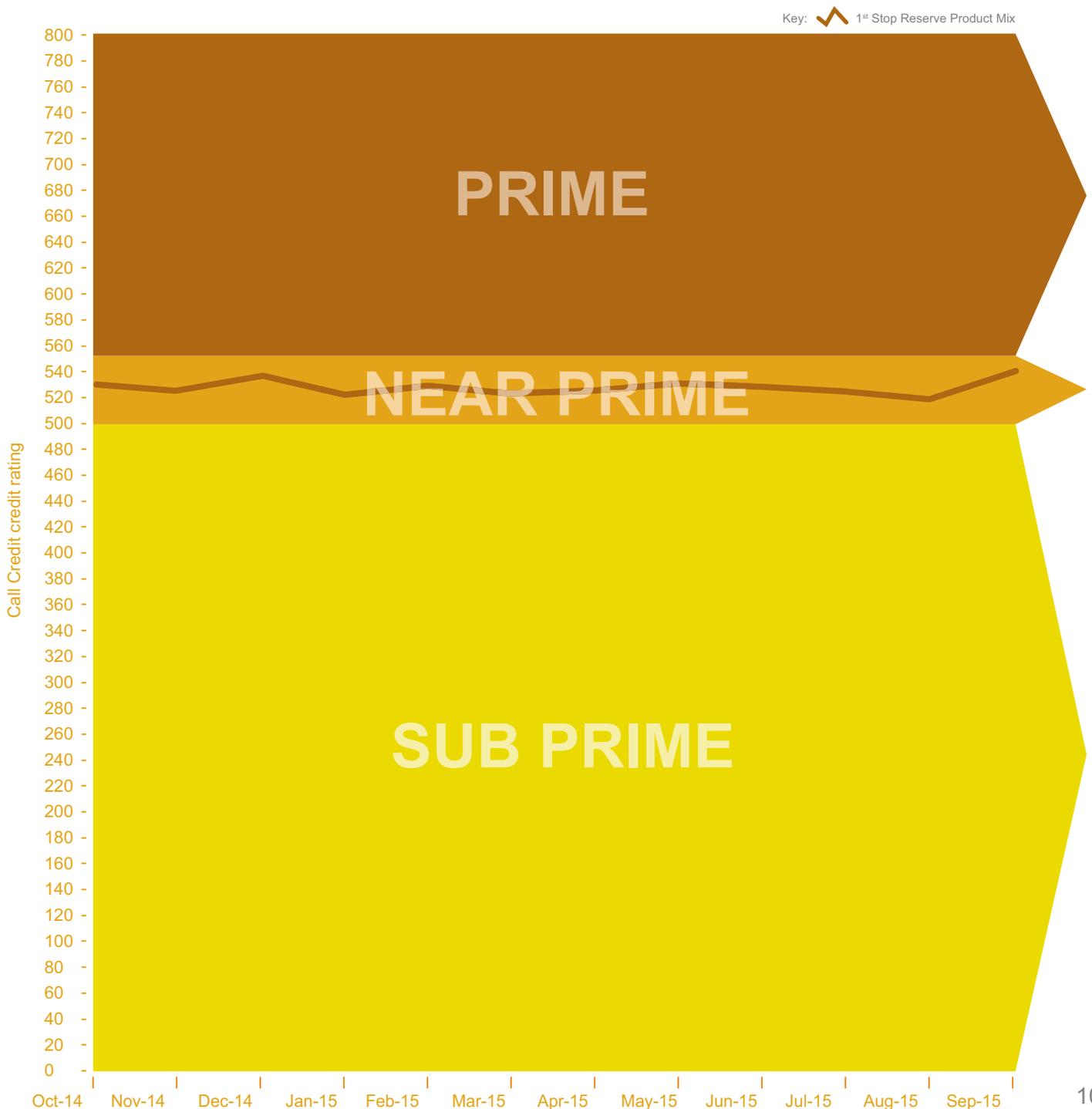
‘The way we operate is within both the spirit and letter of the regulations’



Our Customers

Our analysis shows that our customers mainly fall within the Near-Prime category. Trying to get a definition of Prime, Near-Prime and Sub-Prime is largely objective. We use Callcredit's gauge score in our underwriting process and asked them for a "definition". Their definition was very clear. Prime business had a score over 550, Near-Prime 550 to 500 with Sub-Prime being below 500.

Below is a graph of where our asset backed business issued in the last 12 months sits in this framework, firmly in the 'near-prime' sector.



Key Product Info - Loans We Provide To Consumers

Home Loans	Car Finance	Personal Loans
<ul style="list-style-type: none"> ✔ Homeowner loans up to £50,000 - Representative 36.3% APRC (variable) ✔ Loan terms from 24-240 months ✔ Enquire about a FREE no-obligation quote ✔ Loans to suit most circumstances ✔ All credit profiles considered 	<ul style="list-style-type: none"> ✔ Hire purchase car loans from £2,000 to £15,000 ✔ 31.9% APR Representative (variable) ✔ Loan terms from 12 to 60 months ✔ Any dealership * ✔ Single monthly repayments to keep outgoings simple 	<ul style="list-style-type: none"> ✔ Personal loans up to £15,000 – 38.7% APR Representative (variable) ✔ Loans to suit most circumstances ✔ Loan terms from 24 to 72 months ✔ Single monthly repayments to keep outgoings simple ✔ Online decision in minutes with soft credit searching

Figures correct as of 09/06/2016

What Our Customers Say

“Excellent service from start to finish, quick, efficient. Explained everything as we went along can't fault anything.”

Personal Loans Customer (23/05/2016)

“Every member of staff that I spoke to was very polite and helpful. They have always been so kind and go out of their way to communicate with me. They are all an asset to the company including the agent that they kindly arranged to come out to me.”

Home Loans Customer (06/05/2016)

“The service was exceptional, and completion of my application was conducted in a very professional manner.”

Car Finance Customer (16/05/2016)



Average rating per product



What Our Distributors Say

“ Over the past 12 months we have substantially increased the volume of applications we send to 1st Stop as a result of the impressive results achieved over this time.

The key reasons are as follows:

The conversion rates have been steadily increasing over the last 12 months where they are now at a level that comfortably exceeds their direct competition in the market. This has been achieved through flexible underwriting policies resulting in reduced turndowns together with an excellent sales process resulting in a low cancellation rate.

The company is a professional organisation with very experienced employees who have a strong desire to achieve results for brokers, this is evidenced by the conversion rates that are achieved from initial lead to completion.

I have known the directors and employees within 1st Stop for several years and I know them to be committed to the secured and unsecured loan markets. They also have the backing of one of the largest challenger banks in the country in the funding facility they currently have.

Paul Stringer (MD) Norton Finance

”

“ 1st Stop have been a great addition to our secured loan panel. They have an easy to use matrix and a great product offering filling a niche that our existing panel was not really covering. What I believe really makes them stand out is that if a case falls outside their standard criteria, but is putting the clients in a better position they are willing to look and see what the best outcome for that client is and try their utmost to help.... Even if it means writing outside the parameters here and there.

Their fresh thinking approach to solve problems rather than the all too familiar “it doesn’t fit” mentality along with a superb IT platform makes us believe that 1st Stop will be a very important part of our business going forward.

Simon Moore, Fluent Money

”

“ Dealing with 1st Stop Car Finance is like a breath of fresh air. The systems are easy to use, the staff are extremely helpful and the process is quick and straightforward. The directors and management of 1st Stop understand and appreciate the pressures that motor dealers like ourselves are under to deliver quick, professional, compliant service to our customers and go out of their way in supporting us to achieve that aim. We also like the fact that 1st Stop staff regularly convey their appreciation for the time and effort our staff put into sourcing and placing customer with them, which is not always the case with some of their competitors. In short, we like dealing with 1st Stop Car Finance and hope they continue to grow and become a long term partner with whom we can place significant volumes of hire purchase business.

Des Porter, Concept Car Finance Ltd

”

Market Opportunity

Following the recession the high street banks reduced their appetite for lending in the near-prime market and are yet to make a return. This left a vacuum waiting to be filled by a dynamic and forward thinking new provider. This sector of the market is fragmented with a handful of smaller providers but without a clear market leader.

We intend for the 1st Stop group to become the leading provider of credit facilities in the 'near prime' market. The market timing seems perfect as consumer credit is a topical issue, with the marketplace going through significant change as a result of regulation. We have all the elements in place to thrive and expand without having to increase the level of risk that we take. We just require sufficient capital to fuel this growth. As we grow and increase our market share we expect the profile of the business to rise considerably.

We know that we are good at what we do, that we operate compliantly and efficiently and already have in place the necessary infrastructure for expansion.

We have three main objectives for the next 12 to 36 months and want to raise sufficient funds for us to be able to achieve those objectives. Our objectives are as follows:

- controlled expansion of our distribution sources;
- launching new products; and
- retain a greater proportion of the business we write (see section on Financing Model).

Taking each of our objectives in turn:

Controlled Expansion

The non-prime market has been growing since 2008 and under-served since the credit crunch. The group has operated successfully before and throughout this period, our only restriction having been the lack of funds to lend.

We have invested in our people, systems and infrastructure and we now have robust platforms and are ready to take a larger market share than we have previously been able to serve. However we are careful to ensure that increasing the volume we lend is brought about by expanding our distribution rather than through relaxing our risk tolerance.

Increased market share will come from:

Volume Introducers

Historically across the group we have had to decline or limit "volume" introducers as we did not have sufficient capacity to handle the level of business they would generate. This was compounded by not having a portal to interact with volume introducers - this being a minimum requirement. We now have a leading electronic platform that allows us to engage with key partners making us easy to deal with and helps us get to the customers we want to serve more efficiently, creating a better service and a virtuous circle.

Engaging with market leading comparison websites such as moneysupermarket.com, and comparethemarket.com would generate additional streams of new enquires. We estimate that if we engaged with all of the 5 leading portals it would generate up to £5million per month of new lending. 1st Stop Personal Loans Limited successfully trialled moneysupermarket.com and is poised to go live once funding is in place to support this.

' Foul
cankering
rust the hidden
treasure frets,
but gold that's
put to use more
gold begets. '

William Shakespeare

Engaging with national car finance brokers and the larger car franchise groups would also generate significant streams of new business. At present 1st Stop Car Finance Limited is restricted to serving only a proportion of this market due to funding restrictions, but we have strong expressions of interest from a number of the larger introducers.

We already have relationships with many of these dealerships and can quickly commence, increase and control the flow of business that is introduced to us.

Expanding The Product Range

We keep our existing product range under regular review and we are looking to introduce new products to the market in the near future. Some of the innovative consumer finance products we are considering offering or have launched include:

- Home Improvements
- 1st charge secured loans
- 2nd charge secured loans for buy-to-let properties
- Micro-mortgages
- Caravan and motorhome finance
- Finance for 'White Goods' ie. larger electrical appliances
- Finance for motor bikes

The first new product we launched is the financing facilities for caravans and mobile homes, done through 1st Stop Car Finance Limited. This niche market is only served by two lenders both of whom cater only for the 'prime' market. We have seen great demand from both caravan retailers and caravan parks for a product that has a wider remit.

The second new product is a secured loan facility for Buy to Let properties from 1st Stop Home Loans Limited. This is new to the market and as of yet has not been widely promoted. However we expect demand for this product to rise considerably over the next 12 months.

Most recently we have launched our Home Improvement loans and motor bike finance, which are underwritten and issued by 1st Stop Car Finance Limited.





Financing Model

In theory, financing the 1st Stop group's business is a simple process. We borrow money at a lower rate and then lend it out at a higher rate. The difference between the two, after allowing for the costs of writing the business, is the operating company's profit. The more we lend, the lower the costs per loan become, thereby increasing profitability both in real terms and as a percentage of turnover.

In reality, the process is far more complex. Capital is raised across the 1st Stop group from a number of banks and financial institutions in various ways:

- through a revolving credit facility provided by a Challenger Bank;
- traditional block financing provided by a number of banks and institutions; and

This finance model involves blending the cheaper bank finance with funds that are raised through 1st Stop Reserve Limited.

On average the banks provide 70% of the funds the operating companies lend out with the remaining 30% having come from a variety of sources such as company equity, loans from the Directors and their families, and mezzanine finance from a small number of High Net Worth individuals.

By blending the money 1st Stop Reserve Limited raises from private investors with the bank finance the average cost of the funds the operating companies lend is around 9.2% per annum (as of 30/09/2015). The APR the operating companies lend to their customers reflects the annual interest rate and the up-front fees and averages:

- 38.7% for Personal loans;
- 31.9% for Car Finance; and
- 36.3% for Home loans.

Data correct as of 19/05/2016. The APRs include our acceptance fees and any broker fees.

Where we do not have sufficient funding ourselves to blend with bank finance, we have the ability to write loans which are placed with a Challenger bank and which are then funded 100% by that bank.

At The 1st Stop Group Limited's last financial year end the value of the loans 'outsourced' to our partner banks was circa £25m across the group.

One of the reasons that the 1st Stop group is actively seeking additional funding is so that it can retain more of the business that its operating companies write and not have to rely as heavily on this additional facility.

Wherever the loan is placed the experience for the customer is the same and as far as the customer is concerned his or her loan is with one of the companies within the 1st Stop group. This builds the 1st Stop brand image.

As the lending activities of the operating companies have increased and to support the 1st Stop group's expansion plans, we need to look for private finance from other sources. We therefore need to widen the scope of our investor base, hence the reason 1st Stop Reserve Limited has decided to actively market a loan note.



1st Stop group is a cash generative business receiving repayments on a monthly basis. The more the operating companies lend in our controlled and responsible manner, the bigger the cash collection that is generated each month

1st Stop Reserve

1st Stop Reserve Limited was established in August 2014 as part of the 1st Stop group's expansion and development plans. With the successes being enjoyed across the group and with the amount being lent to consumers growing month by month, there was a need to spin-off the fund raising arm of the business into a separate entity.

1st Stop Reserve Limited is effectively the fund raising department for the group as a whole for our unsecured borrowings from Relevant Persons. 1st Stop Reserve Limited is currently looking to raise money from investors via a debt issue, structured as a loan note. A Loan Note is a debt security that is issued by a company and in this case is a fixed interest security.

We are targeting a fund raise of between £20-30 million over the next 12 months from suitable investors.

The loan notes being offered are for a fixed term and pay a highly attractive fixed rate of interest.

Investors should select the term that best meets their individual requirements.

Every £10 million raised through 1st Stop Reserve Limited, when combined with the bank finance, allows us to issue £35 million of new lending.

The first £10 million per annum that we raise will allow us to retain on our balance sheet a greater proportion of the business that we are currently writing and reduce the need to 'outsource' blocks of loans to our partner banks.

We then need to raise a further £10-20 million per annum to fund increased distribution through the online comparison sites, national car dealerships and to support the launch of new product lines.

' Achieving
success through
honest dealing and
strict adherence to the
view that, for you to gain,
those you deal with
should gain as well.'

- Alan Greenspan

Investor Terms

1st Stop Reserve Limited is offering potential investors the chance to provide debt funding to the group operating companies via the offer of a fixed term loan note. The loan note will offer highly attractive fixed rates of interest.

Investors will have a choice whether to elect for capital roll-up or to take income monthly, quarterly or annually.

Investors can choose to loan money to 1st Stop Reserve Limited for a fixed period of 2, 3, 4 or 5 years.

The longer terms are better for the 1st Stop group as the majority of the loans that the operating companies issue are over similar terms. This means that 1st Stop Reserve Limited can closely align the funds it receives from investors with the money the operating companies loan out to consumers and won't need to refinance the loan book mid-term.

As a result of this, 1st Stop Reserve Limited will pay a higher rate of interest for investors choosing the longer terms, which reflects the fact that this money is committed to the 1st Stop group for a longer period and therefore is more profitable to us.

At the end of the term that an investor has selected (be that 2, 3, 4 or 5 years) the capital sum will be returned to the investor.

- Choice of 2 ,3 4 or 5 year terms
- Income or capital roll-up
- Full capital repayment at the end of the fixed term
- Income payable monthly, quarterly or annually
- In the event of the death of investor, redemption at full value
- Non-transferable
- Early encashment possible, subject to penalties, with the proceeds paid within 30 days
- On receipt of cleared funds investors will be provided with a loan note certificate evidencing their investment and be entered into 1st Stop Reserve Limited register of loan notes
- Annual statements sent every year
- Interest payable in arrears on 1st working day of the month at the following rates

Term	Investor rate
2 years	7.75% p.a
3 years	8.75% p.a
4 years	9.75% p.a
5 years	10.75% p.a

- Direct investments- interest fully taxable and paid net of basic rate tax
- Pensions, trusts and overseas residents- interest not taxable and paid gross
- Minimum investment £25,000 & then in multiples of £1000

1st Stop Reserve Limited is offering a fixed term investment and the rates it offers to investors are proportionately higher to reflect that the money is tied up and not readily accessible. However it appreciates that there can be circumstances where investors unexpectedly need to access their funds.

As such, 1st Stop Reserve Limited is able to offer monthly redemption terms to investors, but does so on the basis that the operating companies do not suffer a financial loss in the process.

The operating companies and 1st Stop Reserve Limited incur costs at the outset and additional costs at the time the loan notes are prematurely redeemed and as these costs cannot be recovered elsewhere these costs are passed on to the investor.

Redemption of the loan mid-tem will be subject to 30 days loss of interest and the following early-surrender penalties

Term of Loan Note	Remaining Term 4yrs+	Remaining Term 3-4yrs	Remaining Term 2-3yrs	Remaining Term 1-2yrs	Remaining Term less than 1 year
5	15%	12%	9%	6%	5%
4	-	12%	9%	6%	5%
3	-	-	9%	6%	5%
2	-	-	-	6%	5%

Investment Structure

The investment is structured as a loan note, where investors lend money to 1st Stop Reserve Limited.

The loan note is an unregulated investment product that is targeted at certain categories of investor as defined by regulations. These are High Net Worth Individuals, High Net Worth Companies, Sophisticated Investors, Self-Certified Sophisticated Investors, Investment Professionals, and Restricted Investors.

Investors lend money to 1st Stop Reserve Limited, who then distribute the funds to the operating companies within the group. Certain conditions are attached to the use of these funds so that they can only be used for the stated purpose of providing consumer credit.

Inter-company agreements are in place between 1st Stop Reserve Limited and the three operating companies governing repayment of interest and capital from the operating companies back to 1st Stop Reserve Limited.

1st Stop Reserve Limited is responsible for repaying capital and interest back to the investor.

1st Stop Reserve Limited, has, to date, over £7 million in outstanding loan notes, and the group has been raising money in this way for nearly 7 years. During this time all capital and interest payments have been made on time and in full and indeed many investors have chosen to re-invest with us at the end of the selected term.

Factors For Investors To Consider

Although this is a non-regulated investment where the investor's capital is at risk, we believe that there are a number of factors that mitigate the risks to a potential investor and distinguish this proposition from many other investment opportunities. These are:

A clear-cut and easy to understand business model that is easily scalable and where all the fundamentals for growth are already in place. A business that has been operating successfully and profitably for nearly 7 years. The Receivables book for the group has shown an annual growth rate of 39% for the last 4 years, ending FY15 at £24.9 million.

The turnaround time from 1st Stop Reserve Limited receiving investor funds to loaning out the money to customers is normally less than one month. With many other investment opportunities there is a substantial delay between raising finance and generating profits and returns may be contingent on the success of a project or development. With our business model the funds we receive from investors turn into profitable income streams for the company from month 1, and are cash generative and profitable from the outset.

1st Stop group's business is subject to a higher degree of scrutiny than almost any other business and if we were not conducting our affairs in the correct manner this would be immediately visible. Firstly, the lending activities of the operating companies are regulated, which involves quarterly submissions of highly detailed information to the regulator. We are also required to maintain adequate financial resources and in due course, will fall under the FCA's Prudential requirements.

The banks that fund the operating companies all require regular auditing, mostly on a quarterly basis. As the group is supported by a number of banks, the 1st Stop group is actually audited many times each year. In particular Grant Thornton audit us on a quarterly basis and complete a bi-annual compliance check on behalf of one of the banks.

We use the services of Deloitte LLP as our corporate finance advisors and to provide an internal audit service.



The group has free assets on its balance sheet, significantly in excess of the outstanding borrowings.

As of 31/03/2015 at the date of the last audited accounts, the group had gross receivables on its loan books of £25,591,000, the majority of which is secured against tangible assets. The net debts of the group (excluding Directors' funds) which are secured against the assets are £9,473,000 from Banks and Institutions. In addition 1st Stop Reserve Limited has outstanding £5,123,000 in loan notes from private investors. The surplus that would be realised in the event that the loan book was run off would be £10,995,000. This provides asset cover of 175% which gives investors a significant level of protection.

Illustrations Of Potential Returns

The following illustration shows an investment of £100,000 with a 5 year term and monthly interest.

End of	Opening Balance	Closing Balance	Monthly Income (gross)	Annual Income (gross)	Redemption figures mid-year
Year 1	£100,000	£100,000	£895.84	£10,750	£85,000
Year 2	£100,000	£100,000	£895.84	£10,750	£88,000
Year 3	£100,000	£100,000	£895.84	£10,750	£91,000
Year 4	£100,000	£100,000	£895.84	£10,750	£94,000
Year 5	£100,000	£100,000	£895.84	£10,750	£95,000

The following illustration shows an investment of £100,000 with a 5 year term and capital roll-up

End of	Opening Balance	Closing Balance	Monthly Income (gross)	Annual Income (gross)	Redemption figures mid-year
Year 1	£100,000	£110,750	0	0	£85,000 + unpaid interest pro-rata
Year 2	£110,750	£122,656	0	0	£97,460 + unpaid interest pro-rata
Year 3	£122,656	£135,841	0	0	£111,617 + unpaid interest pro-rata
Year 4	£135,841	£150,444	0	0	£127,690 + unpaid interest pro-rata
Year 5	£150,444	£166,616	0	0	£142,922 + unpaid interest pro-rata

Interest added at a rate of 10.75% per annum and the proportion paid will be calculated based on the number of days elapsed during the year before the early redemption request is received.

Financial Information – 1st Stop Reserve Limited

The following information has been taken from the audited financial statements for the period ending 31/03/2015. These are the first and so far the only audited accounts for the company.

From Profit and Loss

Turnover	£308,082
Profit Before taxation	£60,268

Assets

Debtors	£7,606,505
Cash in bank	£651,530
Total	£8,258,035

Liabilities

Creditors falling due within 1 year	£2,480,191
Creditors falling due after more than 1 year	£5,777,844

Net Assets

£47,831

Consolidated Information – The 1st Stop Group

The following information has been taken from the group's consolidated financial statements for the year ended 31st March 2015. We have highlighted the most relevant information.

Profit and loss

	2015	2014
Turnover	£8,964,707	£7,854,587
Gross Profit	£6,002,332	£4,870,767
Profit Before taxation	£1,699,056	£1,204,036

Balance Sheet

	2015	2014
Assets		
Fixed Assets	£963,000	£689,962
Debtors	£17,303,519	£13,076,913
Cash in bank	£1,851,230	£1,469,602
Total	£19,154,719	£14,546,515

Liabilities

Creditors falling due within 1 year	£4,900,556	£4,302,826
Creditors falling due after more than 1 year	£13,091,961	£9,482,832
Provisions	£157,726	£124,440
Total	£18,150,243	£13,910,098

Net Assets

£1,940,509

£1,326,379

Loans are disclosed net of finance income due from future periods. This means that none of the interest we expect to receive in the future from any of the loans we have made show on the balance sheet. The interest shown in the accounts is that received during the accounting period.

Future Projections

The following figures show the effects on the group of receiving £20m per annum of funding from 1st Stop Reserve loan note.

Year Ending	31 / 03 / 2016	31 / 03 / 2017	31 / 03 / 2018	31 / 03 / 2018
Value of loans lent to consumers	£44,898,142	£79,585,752	£112,644,005	£132,784,694
Turnover 1st Stop Group	£14,377,450	£24,222,079	£42,759,654	£65,668,361
Net profit before tax	£2,867,175	£4,393,897	£9,692,639	£20,480,002
Gross loan book (including interest)	£44,040,276	£118,777,676	£243,171,328	£389,197,062

Risk Warnings

The following risk warnings are those that we believe are most relevant to this opportunity. It is not a full list of every possible risk that may occur and potential investors and their advisers should make their own assessment of the risks involved.

The success of the 1st Stop group of companies depends on the activities of its Directors and senior management team. If one or more of these were unable or unwilling to continue in their position, 1st Stop group's business may be disrupted and it might not be able to find replacements with the same level of skill and experience in a timely manner. This could adversely impact the financial results of 1st Stop Reserve Limited and its ability to make timely repayments of capital and interest.

If the 1st Stop operating companies do not perform as expected then they may default on the payment of interest or capital back to 1st Stop Reserve Limited. This in turn may result in 1st Stop Reserve Limited delaying the full or partial payment of interest or capital on the due date to investors.

If any one of the operating companies were to cease trading for any reason, investors may not receive back all they have invested. Investors would rank as unsecured creditors and sit behind the banks and institutional investors in the order of repayment. If this happened, the loan book of the operating company would be wound down over a period of years as the loans matured. In such cases it may take an investor a number of years to recover their investment.

Although at present the value that would be realised through running down the loan book provides cover of around 175% against the group's borrowings, there is no guarantee that this would be the case at the time the operating company may cease trading in the future.

The trading activities of the 1st Stop group are subject to changes to the wider UK economy and in particular are sensitive to changes in the rates of inflation and unemployment. High inflation and unemployment may adversely impact on the performance of the loan book especially in the non-prime market place.

1st Stop Reserve Limited does not give financial advice and although we undertake a reasonable assessment of investors prior to making a formal offer to invest we cannot know the individual circumstances of each investor. A prospective investor should only proceed having made their own informed judgement about the suitability of the loan note for their circumstances. If in doubt, we strongly recommend that an investor should take Independent Financial Advice from a regulated financial advisor who specialises in investments of this type.

Neither the loan notes nor 1st Stop Reserve Limited are regulated by the FCA. In the event of default you would not be covered by compensation from the Financial Services Compensation Scheme and the Financial Ombudsman Service would generally not deal with complaints relating to loan notes

Investments in loan notes are illiquid. Although we allow redemptions with 30 days notice, penalties will apply. Investors should only commit funds that they are confident will not be required during the term of the investment.

The loan notes are not transferable. This means that you will not be able to sell your loan note to a 3rd party.

The structure of the investment via a loan note has been designed to work within the current regulatory, legal and taxation framework. Should the applicable legislation be altered this may adversely affect the position of both the 1st Stop group of companies and individual investors.

Every care has been taken to ensure the contents of this IM are accurate, however the information and forecasts within this document will change over time and it is possible that by the time a prospective investor receives this document the information within may no longer be current. Although all reasonable efforts will be made to ensure that this document is updated in a timely manner, the Directors cannot accept any liability for any errors or omissions that may occur.

This IM contains forward looking statements or assumptions which relate to future projections, prospects and developments. Any such statements are based on expectations of 1st Stop Reserve Limited at the time of publication and are subject to risks and uncertainties that could cause actual outcomes to differ materially from those expressed or implied. Such statements should be viewed as illustrative example only and should not be taken as implying any guarantee or assurance. You must make your own assessment of the projections or take advice from a suitably qualified professional adviser prior to placing any reliance on these statements.

The 1st Stop group could fail. It is therefore possible that you will lose some or all of your investment. You should not invest more money with 1st Stop Reserve Limited than you can afford to lose without altering your standard of living.

Investors from outside of the UK should make their own enquiries about the tax position of this investment in their country of residence. If in doubt we recommend that an investor should take professional advice from an accountant, financial advisor or tax advisor.

1st Stop Reserve Loan Note is an investment made in GBP. Investors converting funds to GBP for this investment should be aware that there is a currency risk and fluctuations in the value of exchange rates can have an impact both positively and negatively on the value of the investment.





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