

Registration number: 03709012

Spring Finance Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2017

Sterlings Ltd
Chartered Accountants
Lawford House
Albert Place
London
N3 1QA

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Spring Finance Limited

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Spring Finance Limited

Company Information

Directors	M D Chesler
	G L Benninger
	C C Chew
Company secretary	M Moses
Registered office	Kinetic Business Centre
	Theobald Street
	Elstree & Borehamwood
	Herts
Auditors	WD6 4PJ
	Sterlings Ltd
	Chartered Accountants
	Lawford House
	Albert Place
	London
	N3 1QA

Spring Finance Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Spring Finance Limited

Statement of Comprehensive Income for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Loss for the year		<u>(86,666)</u>	<u>(234,710)</u>
Total comprehensive income for the year		<u><u>(86,666)</u></u>	<u><u>(234,710)</u></u>

The notes on pages 6 to 17 form an integral part of these financial statements.

Spring Finance Limited

(Registration number: 03709012)

Balance Sheet as at 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	265,285	236,737
Investments		<u>500,400</u>	<u>500,400</u>
		<u>765,685</u>	<u>737,137</u>
Current assets			
Debtors	6	5,973,580	4,955,067
Cash at bank and in hand		<u>74,439</u>	<u>183,506</u>
		6,048,019	5,138,573
Creditors: Amounts falling due within one year	7	<u>(328,564)</u>	<u>(278,746)</u>
Net current assets		<u>5,719,455</u>	<u>4,859,827</u>
Total assets less current liabilities		6,485,140	5,596,964
Creditors: Amounts falling due after more than one year	7	<u>(6,446,601)</u>	<u>(5,471,759)</u>
Net assets		<u>38,539</u>	<u>125,205</u>
Capital and reserves			
Called up share capital		291,964	291,964
Share premium reserve		1,255,340	1,255,340
Profit and loss account		<u>(1,508,765)</u>	<u>(1,422,099)</u>
Total equity		<u>38,539</u>	<u>125,205</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 11/12/17 and signed on its behalf by:



M D Chesler
Director

The notes on pages 6 to 17 form an integral part of these financial statements.

Spring Finance Limited

Statement of Changes in Equity for the Year Ended 30 June 2017

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2016	291,964	1,255,340	(1,422,099)	125,205
Loss for the year	-	-	(86,666)	(86,666)
Total comprehensive income	-	-	(86,666)	(86,666)
At 30 June 2017	291,964	1,255,340	(1,508,765)	38,539
	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2015	291,964	1,255,340	(1,187,389)	359,915
Loss for the year	-	-	(234,710)	(234,710)
Total comprehensive income	-	-	(234,710)	(234,710)
At 30 June 2016	291,964	1,255,340	(1,422,099)	125,205

The notes on pages 6 to 17 form an integral part of these financial statements.

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Kinetic Business Centre
Theobald Street
Elstree & Borehamwood
Herts
WD6 4PJ

The principal place of business is:

Kinetic Business Centre
Theobald Street
Elstree & Borehamwood
Herts
WD6 4PJ

These financial statements were authorised for issue by the Board on 11.12.2017

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Pounds Sterling, which is also the functional currency of the Company. Rounding of amounts shown in the financial statements is to the nearest Pound.

Going concern

The financial statements have been prepared on a going concern basis.

Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 11.12.2017 was Gary Moss, who signed for and on behalf of Sterlings Ltd.

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Judgements

In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on judgement and experience together with any other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and any underlying assumptions used are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current period and subsequent periods.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	33.3% straight line
Computer software	20% straight line

Depreciation is not charged on a tangible fixed asset until it is brought into use.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Trade debtors

Trade debtors are amounts due from customers for term loans secured by legal charges over land and buildings made in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Recognition and measurement

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument with initial measurement being at the transaction price.

Impairment

Financial assets are assessed for indications of impairment at the end of each accounting period. they are considered to be impaired when there is evidence that the estimated future cash flows of the asset have been affected.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 15 (2016 - 11).

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

4 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 July 2016	45,240	236,171	281,411
Additions	3,350	83,963	87,313
Disposals	(781)	-	(781)
At 30 June 2017	<u>47,809</u>	<u>320,134</u>	<u>367,943</u>
Depreciation			
At 1 July 2016	32,083	12,591	44,674
Charge for the year	9,262	49,463	58,725
Eliminated on disposal	(741)	-	(741)
At 30 June 2017	<u>40,604</u>	<u>62,054</u>	<u>102,658</u>
Carrying amount			
At 30 June 2017	<u>7,205</u>	<u>258,080</u>	<u>265,285</u>
At 30 June 2016	<u>13,157</u>	<u>223,580</u>	<u>236,737</u>

5 Investments

	2017 £	2016 £
Investments in subsidiaries	<u>500,400</u>	<u>500,400</u>
Subsidiaries		£
Cost or valuation		
At 1 July 2016		<u>500,400</u>
Provision		
Carrying amount		
At 30 June 2017		<u>500,400</u>
At 30 June 2016		<u>500,400</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
SF11 Limited	England & Wales	Ordinary	100%	100%
SF12 Limited		Ordinary	100%	100%
	England & Wales			
SF13 Limited	England & Wales	Ordinary	100%	100%
		Ordinary	100%	100%
SF14 Limited	England & Wales			

The principal activity of SF11 Limited is operation of term loans.

The principal activity of SF12 Limited is operation of term loans.

The principal activity of SF13 Limited is operation of term loans.

The principal activity of SF14 Limited is dormant.

The profit for the financial period of SF11 Limited was £1,073,866 and the aggregate amount of capital and reserves at the end of the period was £563,631.

The loss for the financial period of SF12 Limited was £21 and the aggregate amount of capital and reserves at the end of the period was £2,165.

The profit for the financial period of SF13 Limited was £53,581 and the aggregate amount of capital and reserves at the end of the period was £103,975.

The profit for the financial period of SF14 Limited was £- and the aggregate amount of capital and reserves at the end of the period was £100.

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

6 Debtors

	Note	2017 £	2016 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	10	5,919,603	4,928,388
Other debtors		<u>53,977</u>	<u>26,679</u>
Total current trade and other debtors		<u><u>5,973,580</u></u>	<u><u>4,955,067</u></u>

7 Creditors

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Due within one year			
Trade creditors		37,226	22,503
Amounts owed to group undertakings and undertakings in which the company has a participating interest	10	100	100
Taxation and social security		14,908	1,831
Other creditors		<u>276,330</u>	<u>254,312</u>
		<u>328,564</u>	<u>278,746</u>
Due after one year			
Other non-current financial liabilities		<u>6,446,601</u>	<u>5,471,759</u>

The aggregate amount of creditors for which security has been given amounted to £116,104 (2016 - £39,559) within current liabilities and £2,252,801 (2016 - £1,971,256) within non current liabilities.

Other creditors comprise discounted loan notes. There are fixed and floating charges over the assets of the company in favour of ADI Finance Limited (a company incorporated in the British Virgin Islands) ("ADI") to the extent of any amounts owed by the company to ADI.

Other creditors payable within one year includes the annual repayment due on the discounted loan notes issued in favour of ADI and amounted to £218,563 (2016 - £202,190).

Macquarie Bank has been granted a charge over the shares of SF11 Limited held by Spring Finance Limited as security for its debt.

Spring Finance Limited cannot enforce the settlement of the intercompany account owed to it by SF11 Limited amounting to £5,919,603 (2016 - £4,928,388) until such time as monies due to Macquarie Bank are paid in full.

8 Dividends

The directors are proposing no final dividend. No dividend has been accrued in the Balance Sheet.

9 Financial commitments, guarantees and contingencies

As at year end, the company had total commitments under non-cancellable operating leases for the forthcoming year of £41,728 (2015 - £37,049).

On 7th March 2014 the company issued warrants which entitle the holders of those warrants to subscribe for 91,513 new ordinary shares during the seven year period commencing from issue date at at subscription price of £13.66 per share but subject to an adjustment for dividends prior to subscription. The potential subscription period for these warrants is still in progress.

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

10 Related party transactions

Key management personnel

The key management comprises the directors.

Key management compensation

	2017 £	2016 £
Salaries and other short term employee benefits	<u>210,651</u>	<u>203,382</u>
Transactions with directors		

Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	<u>210,651</u>	<u>203,382</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>-</u>

Other related party transactions

During the year the company made the following related party transactions:

SF11 Limited

(Subsidiary company)

Funds were paid to this company of £974,842 (2016 - £630,000) and funds received from this company were £nil (2016 - £665,000).

The cost of funding incurred on loans previously transferred with the consent of creditors of £657,141 (2016 - £629,258) has been recharged by Spring Finance Limited to SF11 Limited.

The audit fees of SF11 Limited are paid for by Spring Finance Limited.

Dividends declared by SF11 Limited to Spring Finance Limited during the year were £1,075,000 (2016 - £760,000). At the balance sheet date the amount due from SF11 Limited was £5,919,603 (2016 - £4,928,388).

SF12 Limited

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

(Subsidiary company)

Funds were paid to this company of £nil (2016 - £nil) and funds received from this company were £nil (2016 - £nil).

The audit fees of SF12 Limited are paid for by Spring Finance Limited.

Dividends declared by SF12 Limited to Spring Finance Limited were £nil (2016 - £nil). At the balance sheet date the amount due to Spring Finance Limited was £nil (2016 - £nil).

SF13 Limited

(Subsidiary company)

Funds were paid to this company of £nil (2016 - £nil) and funds received from this company were £nil (2016 - £nil).

The audit fees of SF13 Limited are paid for by Spring Finance Limited.

Dividends declared by SF13 Limited to Spring Finance Limited were £nil (2016 - £nil). At the balance sheet date the amount due to Spring Finance Limited was £nil (2016 - £nil).

SF14 Limited

(Subsidiary company)

SF14 Limited was dormant throughout the year. At the balance sheet date the amount due to SF14 Limited was £100 (2016 - £100).

Spring Personal Loans Limited

(Company with a director who is a close family member of one of the directors)

Spring Finance Limited has charged Spring Personal Loans Limited a fee for assisting it to manage and collect its loan book amounting to £11,993 (2016 - £13,527). Of these fees, £15,514 (2016 - £3,522) were included in accrued income at year end. At the balance sheet date the amount due to Spring Personal Loans Limited was £nil (2016 - £nil).

Majors for Minors SA (Pty) Ltd t/a Diversicor

(Company with a common director)

Spring Finance Limited has recharged to Majors for Minors SA (Pty) Ltd amounts for director and alternate director fees. This ceased during the previous year. The amount recharged for the previous year was ZAR110,000 translating to £5,949 (£10,000 less currency conversion differences of £4,051). At the balance sheet date the amount due to Majors for Minors SA (Pty) Ltd was £nil (2016 - £nil).

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

11 APB Ethical Standards relevant circumstances

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

12 Transition to FRS 102

The company is presenting its financial statements under Financial Reporting Standard 102 for the first time. The reconciliations to show all adjustments for reclassification and remeasurement on adoption of the new standard are set out below.

Balance Sheet at 1 July 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets					
Tangible assets		25,344	-	-	25,344
Investments		500,400	-	-	500,400
		<u>525,744</u>	<u>-</u>	<u>-</u>	<u>525,744</u>
Current assets					
Debtors		4,996,326	-	-	4,996,326
Cash at bank and in hand		566,331	-	-	566,331
		<u>5,562,657</u>	<u>-</u>	<u>-</u>	<u>5,562,657</u>
Creditors: Amounts falling due within one year		<u>(256,727)</u>	<u>-</u>	<u>-</u>	<u>(256,727)</u>
Net current assets		<u>5,305,930</u>	<u>-</u>	<u>-</u>	<u>5,305,930</u>
Total assets less current liabilities		5,831,674	-	-	5,831,674
Creditors: Amounts falling due after more than one year		<u>(5,471,759)</u>	<u>-</u>	<u>-</u>	<u>(5,471,759)</u>
Net assets		<u>359,915</u>	<u>-</u>	<u>-</u>	<u>359,915</u>
Capital and reserves					
Called up share capital		(291,964)	-	-	(291,964)
Share premium reserve		(1,255,340)	-	-	(1,255,340)
Profit and loss account		<u>1,187,389</u>	<u>-</u>	<u>-</u>	<u>1,187,389</u>
Total equity		<u>(359,915)</u>	<u>-</u>	<u>-</u>	<u>(359,915)</u>

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Balance Sheet at 30 June 2016

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	236,737	-	-	236,737
Investments	500,400	-	-	500,400
	<u>737,137</u>	<u>-</u>	<u>-</u>	<u>737,137</u>
Current assets				
Debtors	4,955,067	-	-	4,955,067
Cash at bank and in hand	183,506	-	-	183,506
	5,138,573	-	-	5,138,573
Creditors: Amounts falling due within one year	<u>(278,746)</u>	<u>-</u>	<u>-</u>	<u>(278,746)</u>
Net current assets	<u>4,859,827</u>	<u>-</u>	<u>-</u>	<u>4,859,827</u>
Total assets less current liabilities	5,596,964	-	-	5,596,964
Creditors: Amounts falling due after more than one year	<u>(5,471,759)</u>	<u>-</u>	<u>-</u>	<u>(5,471,759)</u>
Net assets	<u>125,205</u>	<u>-</u>	<u>-</u>	<u>125,205</u>
Capital and reserves				
Called up share capital	(291,964)	-	-	(291,964)
Share premium reserve	(1,255,340)	-	-	(1,255,340)
Profit and loss account	1,422,099	-	-	1,422,099
Total equity	<u>(125,205)</u>	<u>-</u>	<u>-</u>	<u>(125,205)</u>

Spring Finance Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Profit and Loss Account for the year ended 30 June 2016

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		13,527	-	-	13,527
Cost of sales		<u>(10,800)</u>	<u>-</u>	<u>-</u>	<u>(10,800)</u>
Gross profit		2,727	-	-	2,727
Administrative expenses		<u>(997,437)</u>	<u>4,051</u>	<u>-</u>	<u>(993,386)</u>
Operating (loss)/profit		<u>(994,710)</u>	<u>4,051</u>	<u>-</u>	<u>(990,659)</u>
Income from shares in group undertakings		760,000	-	-	760,000
Interest payable and similar expenses		<u>-</u>	<u>(4,051)</u>	<u>-</u>	<u>(4,051)</u>
		<u>760,000</u>	<u>(4,051)</u>	<u>-</u>	<u>755,949</u>
Loss before tax		<u>(234,710)</u>	<u>-</u>	<u>-</u>	<u>(234,710)</u>
Loss for the financial year		<u><u>(234,710)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(234,710)</u></u>