

SPRING FINANCE LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

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SPRING FINANCE LIMITED

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SPRING FINANCE LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		129,310		171,885
Current assets					
Debtors falling due after more than one year	6	31,030,045		26,565,647	
Debtors falling due within one year	6	1,136,171		1,513,587	
Cash at bank and in hand		1,219,597		551,489	
		<u>33,385,813</u>		<u>28,630,723</u>	
Creditors: amounts falling due within one year	7	<u>(417,619)</u>		<u>(6,629,538)</u>	
Net current assets			<u>32,968,194</u>		<u>22,001,185</u>
Total assets less current liabilities			<u>33,097,504</u>		<u>22,173,070</u>
Creditors: amounts falling due after more than one year	8		<u>(32,119,306)</u>		<u>(21,958,355)</u>
Net assets			<u><u>978,198</u></u>		<u><u>214,715</u></u>
Capital and reserves					
Called up share capital	9		364,956		364,956
Share premium account			2,182,446		2,182,446
Profit and loss reserves			<u>(1,569,204)</u>		<u>(2,332,687)</u>
Total equity			<u><u>978,198</u></u>		<u><u>214,715</u></u>

The directors of the group have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 22 December 2020..... and are signed on its behalf by:



M Chesler
Director

SPRING FINANCE LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		129,310		171,885
Investments	4		500,200		500,200
			<u>629,510</u>		<u>672,085</u>
Current assets					
Debtors	6	8,900,531		8,992,533	
Cash at bank and in hand		65,703		24,562	
		<u>8,966,234</u>		<u>9,017,095</u>	
Creditors: amounts falling due within one year	7	<u>(322,575)</u>		<u>(6,438,513)</u>	
Net current assets			<u>8,643,659</u>		<u>2,578,582</u>
Total assets less current liabilities			<u>9,273,169</u>		<u>3,250,667</u>
Creditors: amounts falling due after more than one year	8		<u>(9,005,973)</u>		<u>(3,077,590)</u>
Net assets			<u><u>267,196</u></u>		<u><u>173,077</u></u>
Capital and reserves					
Called up share capital	9		364,956		364,956
Share premium account			2,182,446		2,182,446
Profit and loss reserves			<u>(2,280,206)</u>		<u>(2,374,325)</u>
Total equity			<u><u>267,196</u></u>		<u><u>173,077</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £94,119 (2019 - £864,700 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 22 December 2020 and are signed on its behalf by:



M Chesler
Director

Company Registration No. 03709012

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Spring Finance Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Kinetic Business Centre, Theobald Street, Borehamwood, Herts, WD6 4PJ.

The group consists of Spring Finance Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Spring Finance Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.4 Turnover

Turnover comprises the fair value of interest received and receivable from loans advanced together with other associated fees earned in the ordinary course of the group's activities.

Turnover is shown net of sales/value added tax, returns, rebates and discounts. The company recognises revenue when: The amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the group's activities.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	33.33% straight line
Computers software	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 group will not be able to collect all amounts due according to the original terms of the receivables.

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate 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 Income Statement 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.

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

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 for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

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

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Total	14	14	14	14

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

3 Tangible fixed assets

Group	Fixtures, fittings and equipment £	Computers software £	Total £
Cost			
At 1 July 2019	25,233	370,354	395,587
Additions	3,439	29,700	33,139
At 30 June 2020	28,672	400,054	428,726
Depreciation and impairment			
At 1 July 2019	18,940	204,762	223,702
Depreciation charged in the year	3,784	71,930	75,714
At 30 June 2020	22,724	276,692	299,416
Carrying amount			
At 30 June 2020	5,948	123,362	129,310
At 30 June 2019	6,293	165,592	171,885
Company	Fixtures, fittings and equipment £	Computers software £	Total £
Cost			
At 1 July 2019	25,233	370,354	395,587
Additions	3,439	29,700	33,139
At 30 June 2020	28,672	400,054	428,726
Depreciation and impairment			
At 1 July 2019	18,940	204,762	223,702
Depreciation charged in the year	3,784	71,930	75,714
At 30 June 2020	22,724	276,692	299,416
Carrying amount			
At 30 June 2020	5,948	123,362	129,310
At 30 June 2019	6,293	165,592	171,885

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

4 Fixed asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
	-	-	500,200	500,200

5 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held
SF 11 Limited	UK	operation of term loans	Ordinary shares	100.00 -
SF 13 Limited	UK	dormant	Ordinary shares	100.00 -

The investments in subsidiaries are all stated at cost.

6 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	1,071,348	1,389,795	-	-
Amounts owed by group undertakings	-	-	8,842,022	8,935,064
Other debtors	64,823	123,792	58,509	57,469
	<u>1,136,171</u>	<u>1,513,587</u>	<u>8,900,531</u>	<u>8,992,533</u>
Amounts falling due after more than one year:				
Trade debtors	<u>31,030,045</u>	<u>26,565,647</u>	<u>-</u>	<u>-</u>
Total debtors	<u>32,166,216</u>	<u>28,079,234</u>	<u>8,900,531</u>	<u>8,992,533</u>

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

7 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	30,042	22,249	30,042	22,249
Taxation and social security	14,609	-	14,609	-
Other creditors	372,968	6,607,289	277,924	6,416,264
	<u>417,619</u>	<u>6,629,538</u>	<u>322,575</u>	<u>6,438,513</u>

8 Creditors: amounts falling due after more than one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	23,113,333	18,880,765	-	-
Other creditors	9,005,973	3,077,590	9,005,973	3,077,590
	<u>32,119,306</u>	<u>21,958,355</u>	<u>9,005,973</u>	<u>3,077,590</u>

Other creditors comprise discounted loan notes. The company has given fixed and floating charges over its assets in respect of these loans notes.

Creditors includes bank loans which are secured by fixed and floating charges over the assets of the company.

9 Share capital

	Group and company	
	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
364,956 Ordinary shares of £1 each	<u>364,956</u>	<u>364,956</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Berish Hoffman ACA.

The auditor was Landau Morley LLP.

SPRING FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

11 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

Group 2020 £	2019 £	Company 2020 £	2019 £
69,817	77,480	69,817	77,480