

Company Registration No 04049983 (England and Wales)

**REGENCY FACTORS INVOICE FINANCE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2012**

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# REGENCY FACTORS INVOICE FINANCE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	H S Craft F R S A M H Craft J T Farrell A C I B (Appointed 25 July 2011)
<b>Secretary</b>	J S M Craft
<b>Company number</b>	04049983
<b>Registered office</b>	2 Regency Chambers Jubilee Way Bury Lancashire BL9 0JW
<b>Auditors</b>	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD
<b>Business address</b>	2 Regency Chambers Jubilee Way Bury Lancashire BL9 0JW
<b>Bankers</b>	Yorkshire Bank The Chancery Spring Gardens Manchester M2 1YB

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# REGENCY FACTORS INVOICE FINANCE LIMITED

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# REGENCY FACTORS INVOICE FINANCE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JANUARY 2012

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The directors present their report and financial statements for the year ended 31 January 2012

#### Principal activities and review of the business

The principal activity of the company continued to be that of providing asset based finance by acquiring the relevant assets

The company increased its turnover by 16% over the previous year whilst still maintaining its gross profit margin. Overheads have increased by 16% and as a result there has been a slight increase in the profit before tax. The directors anticipate an increase in both turnover and operating profit in the coming year.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

#### Results and dividends

The results for the year are set out on page 5.

The company has paid dividends on ordinary shares of £24,000 (2011: £20,000). The directors do not recommend the payment of a final dividend (2011: £Nil).

#### Directors

The following directors have held office since 1 February 2011:

H S Craft F R S A

M H Craft

J T Farrell A C I B

(Appointed 25 July 2011)

#### Creditor payment policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 16 (2011: 15) days' purchases.

#### Auditors

The auditors, Jackson Stephen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

# REGENCY FACTORS INVOICE FINANCE LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2012**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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. 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.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



H S Craft F R S A

Director

1 May 2012

# **REGENCY FACTORS INVOICE FINANCE LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF REGENCY FACTORS INVOICE FINANCE LIMITED**

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We have audited the financial statements of Regency Factors Invoice Finance Limited for the year ended 31 January 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement included within the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# REGENCY FACTORS INVOICE FINANCE LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF REGENCY FACTORS INVOICE FINANCE LIMITED

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Jackson Stephen LLP*

Mr Peter Atkinson F.C.A. (Senior Statutory Auditor)  
for and on behalf of Jackson Stephen LLP

*14 May 2012*

Chartered Accountants  
Statutory Auditor

James House  
Stonecross Business Park  
Yew Tree Way  
Warrington  
Cheshire  
WA3 3JD

# REGENCY FACTORS INVOICE FINANCE LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 JANUARY 2012**

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	Notes	2012 £	2011 £
Turnover	2	12,788,720	11,024,646
Cost of sales		(12,336,138)	(10,648,262)
<b>Gross profit</b>		<b>452,582</b>	<b>376,384</b>
Administrative expenses		(348,316)	(301,276)
<b>Operating profit</b>	3	<b>104,266</b>	<b>75,108</b>
Interest payable and similar charges	4	(41,972)	(23,785)
<b>Profit on ordinary activities before taxation</b>		<b>62,294</b>	<b>51,323</b>
Tax on profit on ordinary activities	5	(13,582)	(10,883)
<b>Profit for the year</b>	11	<b>48,712</b>	<b>40,440</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# REGENCY FACTORS INVOICE FINANCE LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2012

	Notes	2012 £	£	2011 £	£
<b>Current assets</b>					
Debtors	7	2,229,230		1,823,553	
Cash at bank and in hand		273,930		266,731	
		<u>2,503,160</u>		<u>2,090,284</u>	
<b>Creditors' amounts falling due within one year</b>	8	(2,127,816)		(1,739,652)	
<b>Total assets less current liabilities</b>			375,344		350,632
<b>Creditors' amounts falling due after more than one year</b>	9		(140,000)		(140,000)
			<u>235,344</u>		<u>210,632</u>
<b>Capital and reserves</b>					
Called up share capital	10	200,000		150,000	
Profit and loss account	11	35,344		60,632	
<b>Shareholders' funds</b>	12	<u>235,344</u>		<u>210,632</u>	

Approved by the Board and authorised for issue on 1 May 2012



H S Craft F R S A  
Director

Company Registration No. 04049983

# REGENCY FACTORS INVOICE FINANCE LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2012

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	£	2012 £	£	2011 £
<b>Net cash outflow from operating activities</b>		(137,926)		(272,023)
<b>Returns on investments and servicing of finance</b>				
Interest paid	(41,972)		(23,785)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(41,972)		(23,785)
<b>Taxation</b>		(10,894)		(9,537)
<b>Equity dividends paid</b>		(24,000)		(20,000)
<b>Net cash outflow before management of liquid resources and financing</b>		(214,792)		(325,345)
<b>Decrease in cash in the year</b>		(214,792)		(325,345)

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# REGENCY FACTORS INVOICE FINANCE LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2012

1	Reconciliation of operating profit to net cash outflow from operating activities	2012		2011	
		£		£	
	Operating profit	104,266		75,108	
	Increase in debtors	(405,677)		(354,593)	
	Increase in creditors within one year	163,485		7,462	
	<b>Net cash outflow from operating activities</b>	<b>(137,926)</b>		<b>(272,023)</b>	

  

2	Analysis of net debt	1 February 2011	Cash flow	Other non-cash changes	31 January 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	266,731	7,199	-	273,930
	Bank overdrafts	(1,143,190)	(221,991)	-	(1,365,181)
		<u>(876,459)</u>	<u>(214,792)</u>	<u>-</u>	<u>(1,091,251)</u>
	Debt				
	Debts falling due after one year	(140,000)	-	-	(140,000)
	<b>Net debt</b>	<b>(1,016,459)</b>	<b>(214,792)</b>	<b>-</b>	<b>(1,231,251)</b>

  

3	Reconciliation of net cash flow to movement in net debt	2012		2011	
		£		£	
	Decrease in cash in the year	(214,792)		(325,345)	
	<b>Movement in net debt in the year</b>	<b>(214,792)</b>		<b>(325,345)</b>	
	Opening net debt	(1,016,459)		(691,114)	
	<b>Closing net debt</b>	<b>(1,231,251)</b>		<b>(1,016,459)</b>	

# REGENCY FACTORS INVOICE FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2012

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents income arising on the disposal of assets acquired in the process of providing asset based funding before the balance sheet date. It is stated after trade discounts and net of VAT

#### 1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

### 3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Loss on foreign exchange transactions	562	5,109

#### Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

Remuneration of auditors for non-audit work

3,750	3,750
1,200	1,375
4,950	5,125

### 4 Interest payable

	2012	2011
	£	£
On bank loans and overdrafts	41,972	23,785

# REGENCY FACTORS INVOICE FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2012

5	Taxation	2012	2011
		£	£
	<b>Domestic current year tax</b>		
	U K corporation tax	13,582	10,894
	Adjustment for prior years	-	(11)
	<b>Total current tax</b>	<u>13,582</u>	<u>10,883</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>62,294</u>	<u>51,323</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2011: 28.00%)	<u>17,442</u>	<u>14,370</u>
	Effects of		
	Adjustments to previous periods	-	(11)
	Marginal relief	(2,887)	(3,476)
	Changes in tax rates	(973)	-
		<u>(3,860)</u>	<u>(3,487)</u>
	<b>Current tax charge for the year</b>	<u>13,582</u>	<u>10,883</u>
6	Dividends	2012	2011
		£	£
	Ordinary interim paid	<u>24,000</u>	<u>20,000</u>
7	Debtors	2012	2011
		£	£
	Trade debtors	2,169,949	1,786,247
	Other debtors	-	7,306
	Prepayments and accrued income	59,281	30,000
		<u>2,229,230</u>	<u>1,823,553</u>

# REGENCY FACTORS INVOICE FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2012

8 Creditors amounts falling due within one year	2012 £	2011 £
Bank overdrafts	1,365,181	1,143,190
Trade creditors	535,663	424,846
Amounts owed to parent and fellow subsidiary undertakings	83,589	149,951
Corporation tax	13,582	10,894
Other taxes and social security costs	16,045	-
Other creditors	7,504	-
Accruals and deferred income	106,252	10,771
	<u>2,127,816</u>	<u>1,739,652</u>
Debt due in one year or less	<u>1,365,181</u>	<u>1,143,190</u>

Bank overdrafts are secured by means of a fixed and floating charge over the company's assets

9 Creditors: amounts falling due after more than one year	2012 £	2011 £
Amounts owed to parent undertaking	<u>140,000</u>	<u>140,000</u>
10 Share capital	2012 £	2011 £
Allotted, called up and fully paid		
200,000 (2011 150,000) Ordinary shares of £1 each	<u>200,000</u>	<u>150,000</u>

During the year a bonus issue of 50,000 Ordinary shares of £1 each (being an issue of 1 Ordinary share of £1 each for every 3 Ordinary shares of £1 each held) was paid out of the company's distributable reserves

# REGENCY FACTORS INVOICE FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2012

#### 11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2011	60,632
Profit for the year	48,712
Bonus issue of shares	(50,000)
Dividends paid	(24,000)
Balance at 31 January 2012	<u>35,344</u>

#### 12 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	48,712	40,440
Dividends	(24,000)	(20,000)
Net addition to shareholders' funds	<u>24,712</u>	<u>20,440</u>
Opening shareholders' funds	210,632	190,192
Closing shareholders' funds	<u>235,344</u>	<u>210,632</u>

#### 13 Employees

##### Number of employees

There were no employees during the year apart from the directors

The directors received no remuneration during the year

#### 14 Control

The ultimate parent company is Regency Factors plc, a company registered in England and Wales. Regency Factors plc owns the entire share capital of the company. Consolidated accounts are prepared for Regency Factors plc. Copies are publicly available at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The parent company is controlled by M H and H S Craft by virtue of their "A" ordinary shareholdings and as trustees of the H & M Retirement Benefit Scheme.

# **REGENCY FACTORS INVOICE FINANCE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 JANUARY 2012***

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### **15 Related party relationships and transactions**

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group