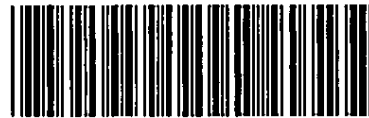


Company Registration No. 04049983 (England and Wales)

REGENCY FACTORS INVOICE FINANCE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2013

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REGENCY FACTORS INVOICE FINANCE LIMITED

COMPANY INFORMATION

Directors

H S Craft B E M
M H Craft
J T Farrell A C I B

Secretary

J S M Craft

Company number

04049983

Registered office

2 Regency Chambers
Jubilee Way
Bury
Lancashire
BL9 0JW

Auditors

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

Business address

2 Regency Chambers
Jubilee Way
Bury
Lancashire
BL9 0JW

Bankers

Bank of London and the Middle East
Sherborne House
119 Cannon Street
London
EC4N 5AT

Yorkshire Bank Plc
The Chancery
Spring Gardens
Manchester
M2 1YB

REGENCY FACTORS INVOICE FINANCE LIMITED

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REGENCY FACTORS INVOICE FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2013

The directors present their report and financial statements for the year ended 31 January 2013

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

Turnover decreased by 34.9% over the previous year but the company has increased its gross profit margin from 3.5% to 4.1%. Administrative expenses have been reduced substantially and thereby even with the fall in turnover the company has maintained its profit on ordinary activities before taxation. The fall in turnover was due to the withdrawal from the market place of the company's finance provider requiring the company to reposition itself whilst negotiating for a replacement finance provider.

The new finance facilities are now in place and the directors anticipate a substantial recovery in the level of profitability and turnover 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 £25,000 (2012: £24,000). The directors do not recommend the payment of a final dividend (2012: £Nil).

Directors

The following directors have held office since 1 February 2012:

H S Craft B E M
M H Craft
J T Farrell A C I B

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 20 (2012: 16) 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 2013

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 B E M

Director

19 June 2013

REGENCY FACTORS INVOICE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF REGENCY FACTORS INVOICE FINANCE LIMITED

We have audited the financial statements of Regency Factors Invoice Finance Limited for the year ended 31 January 2013 set out on pages 5 to 12. 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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

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 Stepler LLP

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

20 June 2013

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 2013

	Notes	2013 £	2012 £
Turnover	2	8,321,419	12,788,720
Cost of sales		(7,978,261)	(12,336,138)
Gross profit		343,158	452,582
Administrative expenses		(224,226)	(348,316)
Operating profit	3	118,932	104,266
Interest payable and similar charges	4	(55,508)	(41,972)
Profit on ordinary activities before taxation		63,424	62,294
Tax on profit on ordinary activities	5	(13,835)	(13,582)
Profit for the year	11	49,589	48,712

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 2013

	Notes	2013 £	£	2012 £	£
Current assets					
Debtors	7	1,723,489		2,229,230	
Cash at bank and in hand		16,821		273,930	
		<u>1,740,310</u>		<u>2,503,160</u>	
Creditors. amounts falling due within one year	8	<u>(1,340,377)</u>		<u>(2,127,816)</u>	
Total assets less current liabilities			399,933		375,344
Creditors: amounts falling due after more than one year	9		<u>(140,000)</u>		<u>(140,000)</u>
			<u>259,933</u>		<u>235,344</u>
Capital and reserves					
Called up share capital	10		200,000		200,000
Profit and loss account	11		59,933		35,344
Shareholders' funds	12		<u>259,933</u>		<u>235,344</u>

Approved by the Board and authorised for issue on 19 June 2013



H S Craft B E M
Director

Company Registration No. 04049983

REGENCY FACTORS INVOICE FINANCE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2013

	£	2013 £	£	2012 £
Net cash inflow/(outflow) from operating activities		361,400		(137,926)
Returns on investments and servicing of finance				
Interest paid	(55,508)		(41,972)	
Net cash outflow for returns on investments and servicing of finance		(55,508)		(41,972)
Taxation		(13,582)		(10,894)
Equity dividends paid		(25,000)		(24,000)
Net cash inflow/(outflow) before management of liquid resources and financing		267,310		(214,792)
Financing				
Other new short term loans	840,762		-	
Net cash inflow from financing		840,762		-
Increase/(decrease) in cash in the year		<u>1,108,072</u>		<u>(214,792)</u>

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2013

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2013	2012
		£	£
	Operating profit	118,932	104,266
	Decrease/(increase) in debtors	505,741	(405,677)
	(Decrease)/increase in creditors within one year	(263,273)	163,485
	Net cash inflow/(outflow) from operating activities	361,400	(137,926)

2	Analysis of net debt	1 February 2012	Cash flow	Other non-cash changes	31 January 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	273,930	(257,109)	-	16,821
	Bank overdrafts	(1,365,181)	1,365,181	-	-
		<u>(1,091,251)</u>	<u>1,108,072</u>	<u>-</u>	<u>16,821</u>
	Debt				
	Debts falling due within one year	-	(840,762)	-	(840,762)
	Debts falling due after one year	(140,000)	-	-	(140,000)
		<u>(140,000)</u>	<u>(840,862)</u>	<u>-</u>	<u>(980,762)</u>
	Net debt	<u>(1,231,251)</u>	<u>267,310</u>	<u>-</u>	<u>(963,941)</u>

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	Increase/(decrease) in cash in the year	1,108,072	(214,792)
	Cash inflow from increase in net debt	(840,762)	-
	Movement in net debt in the year	267,310	(214,792)
	Opening net debt	(1,231,251)	(1,016,459)
	Closing net debt	<u>(963,941)</u>	<u>(1,231,251)</u>

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2013

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

	2013	2012
	£	£
Operating profit is stated after charging		
Loss on foreign exchange transactions	-	562
Fees payable to the company's auditor for the audit of the company's annual accounts	3,750	3,750
Fees payable to the company's auditor for non-audit services	600	1,200
and after crediting		
Profit on foreign exchange transactions	740	-

4 Interest payable and similar charges

	2013	2012
	£	£
On bank loans and overdrafts	52,290	41,972
Other finance charges	3,218	-
	55,508	41,972

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

5	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	13,835	13,582
	Total current tax	13,835	13,582
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	63,424	62,294
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2012: 28.00%)	16,490	17,442
	Effects of		
	Non deductible expenses	38	-
	Marginal relief	(1,631)	(2,887)
	Changes in tax rates	(1,062)	(973)
		(2,655)	(3,860)
	Current tax charge for the year	13,835	13,582
6	Dividends	2013	2012
		£	£
	Ordinary interim paid	25,000	24,000
7	Debtors	2013	2012
		£	£
	Trade debtors	1,463,204	2,169,949
	Amounts owed by parent and fellow subsidiary undertakings	212,605	-
	Prepayments and accrued income	47,680	59,281
		1,723,489	2,229,230

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

8 Creditors amounts falling due within one year	2013 £	2012 £
Bank overdrafts	-	1,365,181
Trade creditors	435,198	535,663
Amounts owed to parent and fellow subsidiary undertakings	875,628	83,589
Corporation tax	13,835	13,582
Other taxes and social security costs	5,438	16,045
Other creditors	-	7,504
Accruals and deferred income	10,278	106,252
	<u>1,340,377</u>	<u>2,127,816</u>
Debt due in one year or less	<u>840,762</u>	<u>1,365,181</u>

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

9 Creditors: amounts falling due after more than one year	2013 £	2012 £
Amounts owed to parent undertaking	<u>140,000</u>	<u>140,000</u>

10 Share capital	2013 £	2012 £
Allotted, called up and fully paid 200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

11 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 February 2012	35,344
Profit for the year	49,589
Dividends paid	(25,000)
Balance at 31 January 2013	<u>59,933</u>

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2013

12 Reconciliation of movements in shareholders' funds	2013 £	2012 £
Profit for the financial year	49,589	48,712
Dividends	(25,000)	(24,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	24,589	24,712
Opening shareholders' funds	235,344	210,632
	<hr/>	<hr/>
Closing shareholders' funds	259,933	235,344
	<hr/>	<hr/>

13 Contingent liabilities

Regency Factors Invoice Finance Limited, Regency Factors plc, Quantum Factors Limited, Regency House Finance Limited and Cavendish Investments (Manchester) Limited are subject to a cross-guarantee in favour of the group's bankers. At 31 January 2013 the company had a contingent liability under this agreement amounting to £6,900,000 (2012 £Nil)

14 Employees

Number of employees

There were no employees during the year apart from the directors

The directors received no remuneration during the year

15 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.

16 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.