

Company Registration No. 04049983 (England and Wales)

REGENCY FACTORS INVOICE FINANCE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 JANUARY 2015

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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

STRATEGIC REPORT

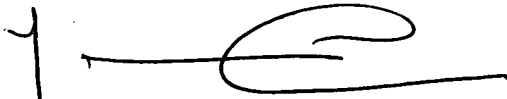
FOR THE YEAR ENDED 31 JANUARY 2015

The directors present the strategic report for the year ended 31 January 2015.

Review of the business

The turnover of the company has reduced by 16% in the year with resulting falls in both gross profit and operating profit. This reduction is planned within the group where alternative finance facilities are being provided by other group companies.

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 the company's operations mean that the company is not subject to price risk or liquidity risk.

A handwritten signature in black ink, consisting of a stylized 'M' followed by a horizontal line and a large, loopy flourish.

M H Craft
Director

24 June 2015

REGENCY FACTORS INVOICE FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2015

The directors present their report and financial statements for the year ended 31 January 2015.

Principal activities

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

Results and dividends

The results for the year are set out on page 6.

The company has paid dividends on ordinary shares of £30,000 (2014: £40,000). The directors do not recommend the payment of a final dividend (2014: £nil).

Directors

The following directors have held office since 1 February 2014:

H S Craft B.E.M.

M H Craft

J T Farrell A.C.I.B.

Auditors

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

REGENCY FACTORS INVOICE FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

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

A handwritten signature in black ink, appearing to be 'M H Craft', written over a horizontal line.

M H Craft
Director

24 June 2015

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 2015 set out on pages 6 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 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 Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 Strategic Report and 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

29 June 2015

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 2015

	Notes	2015 £	2014 £
Turnover	2	14,206,416	16,929,235
Cost of sales		(13,801,617)	(16,404,613)
Gross profit		<u>404,799</u>	<u>524,622</u>
Administrative expenses		(314,848)	(394,309)
Operating profit	3	<u>89,951</u>	<u>130,313</u>
Interest payable and similar charges	4	(49,184)	(76,015)
Profit on ordinary activities before taxation		<u>40,767</u>	<u>54,298</u>
Tax on profit on ordinary activities	5	(8,153)	(11,312)
Profit for the year	11	<u><u>32,614</u></u>	<u><u>42,986</u></u>

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 2015

	Notes	2015 £	£	2014 £	£
Current assets					
Debtors	7	3,014,092		2,784,026	
Cash at bank and in hand		14,303		14,599	
		<u>3,028,395</u>		<u>2,798,625</u>	
Creditors: amounts falling due within one year	8	<u>(2,622,862)</u>		<u>(2,395,706)</u>	
Total assets less current liabilities			405,533		402,919
Creditors: amounts falling due after more than one year	9		<u>(140,000)</u>		<u>(140,000)</u>
			<u>265,533</u>		<u>262,919</u>
Capital and reserves					
Called up share capital	10		200,000		200,000
Profit and loss account	11		65,533		62,919
Shareholders' funds	12		<u>265,533</u>		<u>262,919</u>

Approved by the Board and authorised for issue on 24 June 2015


M H Craft
Director

Company Registration No. 04049983

REGENCY FACTORS INVOICE FINANCE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2015

	£	2015 £	£	2014 £
Net cash (outflow)/inflow from operating activities		(69,018)		256,935
Returns on investments and servicing of finance				
Other finance charges	(49,184)		(76,015)	
Net cash outflow for returns on investments and servicing of finance		(49,184)		(76,015)
Taxation		(11,312)		(13,835)
Equity dividends paid		(30,000)		(40,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(159,514)		127,085
Other new short term loans	159,218		-	
Repayment of other short term loans	-		(129,307)	
Net cash inflow/(outflow) from financing		159,218		(129,307)
Decrease in cash in the year		(296)		(2,222)

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2015

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		2015	2014	
			£	£	
	Operating profit		89,951	130,313	
	Increase in debtors		(230,066)	(1,060,537)	
	Increase in creditors wihtin one year		71,097	1,187,159	
	Net cash inflow/(outflow) from operating activities		(69,018)	256,935	
2	Analysis of net debt	1 February 2014	Cash flow	Other non-cash changes	31 January 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	14,599	(296)	-	14,303
	Debt:				
	Debts falling due within one year	(711,455)	(159,218)	-	(870,673)
	Debts falling due after one year	(140,000)	-	-	(140,000)
		(851,455)	(159,218)	-	(1,010,673)
	Net debt	(836,856)	(159,514)	-	(996,370)
3	Reconciliation of net cash flow to movement in net debt		2015	2014	
			£	£	
	Decrease in cash in the year		(296)	(2,222)	
	Cash (inflow)/outflow from (increase)/decrease in debt		(159,218)	129,307	
	Movement in net debt in the year		(159,514)	127,085	
	Opening net debt		(836,856)	(963,941)	
	Closing net debt		(996,370)	(836,856)	

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2015

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	2015 £	2014 £
	Operating profit is stated after charging:		
	Fees payable to the company's auditor for the audit of the company's annual accounts	4,400	4,400
	Fees payable to the company's auditor for non-audit services	600	600
	and after crediting:		
	Profit on foreign exchange transactions	1,581	362
		<u> </u>	<u> </u>
4	Interest payable and similar charges	2015 £	2014 £
	On bank loans and overdrafts	-	920
	Other finance charges	49,184	75,095
		<u> </u>	<u> </u>
		<u>49,184</u>	<u>76,015</u>

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

5	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	8,153	11,312
	Total current tax	<u>8,153</u>	<u>11,312</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>40,767</u>	<u>54,298</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 23.00%)	<u>8,153</u>	<u>12,489</u>
	Effects of:		
	Marginal relief	-	(1,265)
	Changes in tax rates	-	88
		<u>-</u>	<u>(1,177)</u>
	Current tax charge for the year	<u>8,153</u>	<u>11,312</u>
6	Dividends	2015 £	2014 £
	Ordinary interim paid	<u>30,000</u>	<u>40,000</u>
7	Debtors	2015 £	2014 £
	Trade debtors	2,332,838	2,510,807
	Amounts owed by parent and fellow subsidiary undertakings	585,147	197,647
	Other debtors	1,449	4,169
	Prepayments and accrued income	94,658	71,403
		<u>3,014,092</u>	<u>2,784,026</u>

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

8 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	1,513,577	1,288,191
Amounts owed to parent and fellow subsidiary undertakings	1,069,146	1,025,442
Corporation tax	8,153	11,312
Other creditors	12,613	1,617
Accruals and deferred income	19,373	69,144
	<u>2,622,862</u>	<u>2,395,706</u>
Debt due in one year or less	<u>870,673</u>	<u>711,455</u>
9 Creditors: amounts falling due after more than one year	2015 £	2014 £
Amounts owed to parent undertaking	<u>140,000</u>	<u>140,000</u>
10 Share capital	2015 £	2014 £
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 2014		62,919
Profit for the year		32,614
Dividends paid		(30,000)
Balance at 31 January 2015		<u>65,533</u>

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2015

12 Reconciliation of movements in shareholders' funds	2015 £	2014 £
Profit for the financial year	32,614	42,986
Dividends	(30,000)	(40,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	2,614	2,986
Opening shareholders' funds	262,919	259,933
	<hr/>	<hr/>
Closing shareholders' funds	265,533	262,919
	<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 2015 the company had a contingent liability under this agreement amounting to £8,000,000 (2014: £8,000,000).

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. 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.