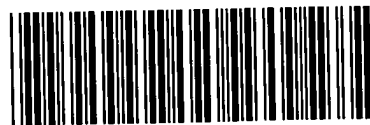


Company Registration No. 04049983 (England and Wales)

REGENCY FACTORS INVOICE FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

WEDNESDAY



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COMPANIES HOUSE

REGENCY FACTORS INVOICE FINANCE LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | H S Craft OBE 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 |
| Auditor | 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 | Royal Bank of Scotland plc Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN 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 2020

The directors present their annual report and financial statements for the year ended 31 January 2020.

Principal activities

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

Fair review of the business

As part of the Group strategic plan the operations of the Company have ceased and all its operations have transferred to other subsidiaries.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H S Craft OBE

M H Craft

J T Farrell A.C.I.B.

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

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

Statement of directors' responsibilities

The directors are responsible 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 then 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. 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 auditor

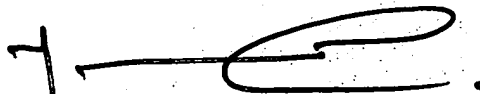
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

REGENCY FACTORS INVOICE FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

On behalf of the board



M H Craft
Director

23 July 2020

REGENCY FACTORS INVOICE FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF REGENCY FACTORS INVOICE FINANCE LIMITED

Opinion

We have audited the financial statements of Regency Factors Invoice Finance Limited (the 'company') for the year ended 31 January 2020 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

REGENCY FACTORS INVOICE FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF REGENCY FACTORS INVOICE FINANCE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's 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.

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

Jackson Stephen LLP
30 July 2020

Chartered Accountants
Statutory Auditor

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

REGENCY FACTORS INVOICE FINANCE LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 JANUARY 2020

| | Notes | 2020 £ | 2019 £ |
|--|-------|---------------|---------------|
| Turnover | 3 | 76,736 | 926,386 |
| Cost of sales | | - | (883,911) |
| Gross profit | | 76,736 | 42,475 |
| Administrative expenses | | (76,211) | (29,075) |
| Operating profit | 4 | 525 | 13,400 |
| Interest payable and similar expenses | 7 | - | (6,999) |
| Profit before taxation | | 525 | 6,401 |
| Tax on profit | 8 | - | (1,216) |
| Profit for the financial year | | 525 | 5,185 |
| Retained earnings brought forward | | 2,532 | 97,347 |
| Dividends | 9 | - | (100,000) |
| Retained earnings carried forward | | 3,057 | 2,532 |

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are discontinued.

REGENCY FACTORS INVOICE FINANCE LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|----------------|----------------|----------------|----------------|
| Current assets | | | | | |
| Debtors | 10 | 539,192 | | 564,708 | |
| Cash at bank and in hand | | 7,739 | | 22,028 | |
| | | <u>546,931</u> | | <u>586,736</u> | |
| Creditors: amounts falling due within one year | 11 | (203,874) | | (244,204) | |
| Net current assets | | | 343,057 | | 342,532 |
| Creditors: amounts falling due after more than one year | 12 | | (140,000) | | (140,000) |
| Net assets | | | <u>203,057</u> | | <u>202,532</u> |
| Capital and reserves | | | | | |
| Called up share capital | 14 | 200,000 | | 200,000 | |
| Profit and loss reserves | 15 | 3,057 | | 2,532 | |
| Total equity | | | <u>203,057</u> | | <u>202,532</u> |

The financial statements were approved by the board of directors and authorised for issue on 23 July 2020 and are signed on its behalf by:



M H Craft
Director

Company Registration No. 04049983

REGENCY FACTORS INVOICE FINANCE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 17 | | (11,873) | | 141,985 |
| Other finance charges | | | - | | (6,999) |
| Income taxes paid | | | (1,216) | | (16,019) |
| Net cash (outflow)/inflow from operating activities | | | (13,089) | | 118,967 |
| Net cash used in investing activities | | | - | | - |
| Financing activities | | | | | |
| Dividends paid | | - | | (100,000) | |
| Net cash used in financing activities | | | - | | (100,000) |
| Net (decrease)/increase in cash and cash equivalents | | | (13,089) | | 18,967 |
| Cash and cash equivalents at beginning of year | | | 20,828 | | 1,861 |
| Cash and cash equivalents at end of year | | | 7,739 | | 20,828 |
| Relating to: | | | | | |
| Cash at bank and in hand | | | 7,739 | | 22,028 |
| Bank funding included in creditors payable within one year | | | - | | (1,200) |

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Company information

Regency Factors Invoice Finance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 Regency Chambers, Jubilee Way, Bury, Lancashire, BL9 0JW.

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.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Regency Factors Plc. These consolidated financial statements are available from its registered office, 2 Regency Chambers, Jubilee Way, Bury, Lancashire, BL9 0JW.

1.2 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.

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 VAT.

1.4 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.

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.5 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

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 company 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 company after deducting all of its liabilities.

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.6 Equity instruments

Equity instruments issued by the company 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 company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Foreign exchange

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.

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The critical estimates and judgements made by the directors in preparing these financial statements relate to their assessment and recognition of the required level of the bad debt provision against overdue debtor balances not covered by credit insurance or extrinsic security.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Turnover analysed by class of business | | |
| Factoring turnover and charges | 76,736 | 926,386 |

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Turnover analysed by geographical market | | |
| United Kingdom | 76,736 | 926,386 |

4 Operating profit

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Operating profit for the year is stated after (crediting): | | |
| Exchange gains | (8) | (15) |

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £8 (2019 - £15).

5 Auditor's remuneration

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | 4,400 | 4,400 |
| For other services | | |
| Taxation compliance services | 600 | 600 |

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

6 Employees

The company has no employees. Employee services are provided by the parent company.

The directors received no remuneration in the year.

7 Interest payable and similar expenses

| | 2020 | 2019 |
|--------------------------|------|-------|
| | £ | £ |
| Interest on bank funding | - | 6,999 |

8 Taxation

| | 2020 | 2019 |
|--|------|-------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | - | 1,216 |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2020 | 2019 |
|--|-------|-------|
| | £ | £ |
| Profit before taxation | 525 | 6,401 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | 100 | 1,216 |
| Group relief | (100) | - |
| Taxation charge for the year | - | 1,216 |

9 Dividends

| | 2020 | 2019 |
|--------------|------|---------|
| | £ | £ |
| Interim paid | - | 100,000 |

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

10 Debtors

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 321,169 | 327,169 |
| Amounts owed by group undertakings | 217,876 | 237,464 |
| Other debtors | 70 | - |
| Prepayments and accrued income | 77 | 75 |
| | <u>539,192</u> | <u>564,708</u> |

11 Creditors: amounts falling due within one year

| | Notes | 2020 £ | 2019 £ |
|------------------------------------|-------|----------------|----------------|
| Bank funding | 13 | - | 1,200 |
| Trade creditors | | 156,862 | 156,862 |
| Amounts due to group undertakings | | 43,112 | 14,362 |
| Corporation tax | | - | 1,216 |
| Other taxation and social security | | - | 423 |
| Other creditors | | - | 66,290 |
| Accruals and deferred income | | 3,900 | 3,851 |
| | | <u>203,874</u> | <u>244,204</u> |

12 Creditors: amounts falling due after more than one year

| | Notes | 2020 £ | 2019 £ |
|------------------------------------|-------|----------------|----------------|
| Amounts owed to parent undertaking | 13 | <u>140,000</u> | <u>140,000</u> |

13 Loans and overdrafts

| | 2020 £ | 2019 £ |
|-------------------------|----------------|----------------|
| Bank funding | - | 1,200 |
| Other loans | 140,000 | 140,000 |
| | <u>140,000</u> | <u>141,200</u> |
| Payable within one year | - | 1,200 |
| Payable after one year | <u>140,000</u> | <u>140,000</u> |

Bank funding is secured by way of fixed and floating charges over the assets of the company.

REGENCY FACTORS INVOICE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

14 Share capital

| | 2020 £ | 2019 £ |
|------------------------------------|-----------|-----------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 200,000 Ordinary shares of £1 each | 200,000 | 200,000 |

15 Profit and loss reserves

Profit and loss account - includes all the current and prior period retained profits and losses net of distributions to shareholders.

16 Ultimate controlling party

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.

17 Cash (absorbed by)/generated from operations

| | 2020 £ | 2019 £ |
|---|-----------------|----------------|
| Profit for the year after tax | 525 | 5,185 |
| Adjustments for: | | |
| Taxation charged | - | 1,216 |
| Finance costs | - | 6,999 |
| Movements in working capital: | | |
| Decrease in debtors | 25,516 | 723,302 |
| Decrease in creditors | (37,914) | (594,717) |
| Cash (absorbed by)/generated from operations | (11,873) | 141,985 |

18 Analysis of changes in net debt

| | 1 February 2019 £ | Cash flows £ | 31 January 2020 £ |
|---------------------------------|-------------------------|-----------------|-------------------------|
| Cash at bank and in hand | 22,028 | (14,289) | 7,739 |
| Bank overdrafts | (1,200) | 1,200 | - |
| | 20,828 | (13,089) | 7,739 |
| Borrowings excluding overdrafts | (140,000) | - | (140,000) |
| | (119,172) | (13,089) | (132,261) |