

# **ET Business Funding Limited**

## **Directors' Report and Financial Statements**

**5 April 2020**

# ET Business Funding Limited

## Company Information

---

**Directors** J A Charteris (resigned 27 November 2019)  
J W Clough  
R D Marr  
S J G McAleavey  
P D White

**Company secretary** UNW Company Secretary Limited

**Registered number** 08026173

**Registered office** Third Floor  
Citygate  
Newcastle upon Tyne  
Tyne and Wear  
NE1 4JE

**Accountants** UNW LLP  
Chartered Accountants  
Citygate  
St James Boulevard  
Newcastle upon Tyne  
NE1 4JE

**Solicitors** Turcan Connell  
Princes Exchange  
1 Earl Grey Street  
Edinburgh  
EH3 9EE

**Bankers** HSBC  
Kingsway North  
Team Valley Trading Estate  
Gateshead  
Tyne and Wear  
NE11 0BE

# ET Business Funding Limited

## Contents

---

	Page
Directors' Report	1
Directors' Responsibilities Statement	2
Accountants' Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5 - 6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 15

# ET Business Funding Limited

## Directors' Report For the Year Ended 5 April 2020

---

The directors present their report and the financial statements for the year ended 5 April 2020.

### Results and dividends

The loss for the year, after taxation, amounted to £2,223 (2019 - profit £1,447).

The directors have not recommended a dividend

### Directors

The directors who served during the year were:

J A Charteris (resigned 27 November 2019)  
J W Clough  
R D Marr  
S J G McAleavey  
P D White

### Review of the business and future developments

In the year ended 5 April 2020 there were no (2019: 48) applications for business start-up loans from beneficiaries of the eaga Trust of which none (2019: 9) were approved.

The company made a loss of £2,223 (2019: profit of £1,477) for the year but the controlling parties of the company have at their disposal sufficient resources for the company to continue in operational existence for the foreseeable future and the directors of the controlling parties have confirmed their willingness to continue with this support.

As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 October 2020 and signed on its behalf.

J W Clough  
Director

Third Floor  
Citygate  
Newcastle upon Tyne  
Tyne and Wear  
NE1 4JE

# ET Business Funding Limited

## Directors' Responsibilities Statement For the Year Ended 5 April 2020

---

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

# ET Business Funding Limited

## Chartered Accountants' Report to the Board of Directors on the preparation of the Unaudited Statutory Financial Statements of ET Business Funding Limited for the Year Ended 5 April 2020

---

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of ET Business Funding Limited for the year ended 5 April 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of ET Business Funding Limited, as a body, in accordance with the terms of our engagement letter dated 5 December 2019. Our work has been undertaken solely to prepare for your approval the financial statements of ET Business Funding Limited and state those matters that we have agreed to state to the Board of Directors of ET Business Funding Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than ET Business Funding Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that ET Business Funding Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of ET Business Funding Limited. You consider that ET Business Funding Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of ET Business Funding Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

### UNW LLP

Chartered Accountants

Citygate  
St James Boulevard  
Newcastle upon Tyne  
NE1 4JE  
20 October 2020

# ET Business Funding Limited

## Statement of Comprehensive Income For the Year Ended 5 April 2020

---

	Note	2020 £	2019 £
Turnover		-	-
Administrative expenses		(17,019)	(18,659)
<b>Operating loss</b>		<b>(17,019)</b>	<b>(18,659)</b>
Interest receivable and similar income	4	14,796	20,106
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(2,223)</b>	<b>1,447</b>
Tax on profit/(loss) on ordinary activities	6	-	-
<b>(Loss)/profit for the financial year</b>		<b>(2,223)</b>	<b>1,447</b>

---

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 9 to 15 form part of these financial statements.

# ET Business Funding Limited

## Statement of Financial Position As at 5 April 2020

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	78,070	132,485
Debtors: amounts falling due within one year	7	34,817	84,102
Bank and cash balances		284,504	171,569
		<u>397,391</u>	<u>388,156</u>
Creditors: amounts falling due within one year	8	(306,678)	(695,220)
<b>Net current assets/(liabilities)</b>		<u>90,713</u>	<u>(307,064)</u>
<b>Total assets less current liabilities</b>		<u>90,713</u>	<u>(307,064)</u>
<b>Net assets/(liabilities)</b>		<u>90,713</u>	<u>(307,064)</u>
<b>Capital and reserves</b>			
Called up share capital	10	400,002	2
Profit and loss account	11	(309,289)	(307,066)
		<u>90,713</u>	<u>(307,064)</u>



# ET Business Funding Limited

## Statement of Financial Position (continued)

As at 5 April 2020

---

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 October 2020.

**J W Clough**

Director

Registered number: 08026173

The notes on pages 9 to 15 form part of these financial statements.

# ET Business Funding Limited

## Statement of Changes in Equity For the Year Ended 5 April 2020

---

	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 April 2018</b>	<b>2</b>	<b>(308,513)</b>	<b>(308,511)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,447	1,447
	<hr/>	<hr/>	<hr/>
<b>At 6 April 2019</b>	<b>2</b>	<b>(307,066)</b>	<b>(307,064)</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,223)	(2,223)
Shares issued during the year	400,000	-	400,000
	<hr/>	<hr/>	<hr/>
<b>At 5 April 2020</b>	<b>400,002</b>	<b>(309,289)</b>	<b>90,713</b>

The notes on pages 9 to 15 form part of these financial statements.

# ET Business Funding Limited

## Statement of Cash Flows For the Year Ended 5 April 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(2,223)	1,447
<b>Adjustments for:</b>		
Interest paid	14,108	19,923
Interest received	(688)	(183)
Decrease in debtors	89,592	82,739
Increase in creditors	450	69
<b>Net cash generated from operating activities</b>	<b>101,239</b>	<b>103,995</b>
<b>Cash flows from investing activities</b>		
Interest received	688	183
<b>Net cash from investing activities</b>	<b>688</b>	<b>183</b>
<b>Cash flows from financing activities</b>		
New loans	11,008	-
Repayment of loans	-	(38,648)
<b>Net cash used in financing activities</b>	<b>11,008</b>	<b>(38,648)</b>
<b>Net increase in cash and cash equivalents</b>	<b>112,935</b>	<b>65,530</b>
Cash and cash equivalents at beginning of year	171,569	106,039
<b>Cash and cash equivalents at the end of year</b>	<b>284,504</b>	<b>171,569</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	284,504	171,569
	<b>284,504</b>	<b>171,569</b>

The notes on pages 9 to 15 form part of these financial statements.

# ET Business Funding Limited

## Notes to the financial statements For the Year Ended 5 April 2020

---

### 1. General information

ET Business Funding Limited ("the company") is a limited company domiciled and incorporated in England.

The address of the company's registered office is Third Floor, Citygate, St James Boulevard, Newcastle upon Tyne, NE1 4JE. The principal place of operations is 25 Main Street, Ponteland, Northumberland, NE20 9NH.

The principal activity of the company during the year was the provision of business start up loans. The loans made are interest free. The company continues with the on-going support of Eaga Partnership Trustee Limited and Eaga Partnership Trustee Two Limited.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies under the small companies regime and under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company, and are rounded to the nearest pound.

#### 2.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

The company continues to enjoy the support of its controlling parties Eaga Partnership Trustee Limited and Eaga Partnership Trustee Two Limited. The controlling parties of the company have at their disposal sufficient resources for the company to continue in operational existence for the foreseeable future and the directors of the controlling parties have confirmed their willingness to continue with this support.

As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They have therefore adopted the going concern basis of accounting in preparing these financial statements.

#### 2.3 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

## Notes to the financial statements For the Year Ended 5 April 2020

---

### 2. Accounting policies (continued)

#### 2.4 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.5 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, in full, to all of its financial instruments.

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Financial assets**

###### *Business start up loans*

Loans that are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Loans over one year are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the loan constitutes a financing transaction, the loan is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A loan is considered to be a financing transaction where repayments are deferred beyond normal business terms or it is financed at a rate of interest that is not a market rate.

## Notes to the financial statements For the Year Ended 5 April 2020

---

### 2. Accounting policies (continued)

#### 2.5 Financial instruments (continued)

A provision for impairment of loans receivable is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in net income and expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in net income or expenditure.

Loans outstanding are stratified by reference to their arrears status. A relevant percentage is applied to each stratified balance in order to arrive at a suitable provision for impairment. The percentage rate applied is based on the judgement and experience of the directors and management.

#### **Financial liabilities and equity**

Financial instruments are classified as liabilities and equity instruments 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.

#### *Equity instruments*

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

#### *Borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Commitments to receive a loan are measured at cost less impairment.

#### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

# ET Business Funding Limited

## Notes to the financial statements For the Year Ended 5 April 2020

---

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Loan provisions

Business funding loans are reviewed and reconciled on a regular basis to ensure that they are appropriately stated in the accounts and a provisioning policy is adopted to reflect any potential defaults. The provisioning policy considers recoverability against individual loans with regard to specific circumstances and the net total of the business funding loans are then subject to a fair value adjustment to reflect the discounted future value of the loans.

### 4. Interest receivable and similar income

	2020 £	2019 £
Interest on bank deposits	688	183
Movement in discounting provision	14,108	19,923
	<u>14,796</u>	<u>20,106</u>

### 5. Directors' remuneration

None of the directors received any remuneration from the company.

### 6. Tax on loss on ordinary activities

	2019 £	2018 £
Current tax on profits for the year	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

# ET Business Funding Limited

## Notes to the financial statements For the Year Ended 5 April 2020

### 6. Tax on loss on ordinary activities (continued)

Factors affecting tax charge for the year

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(2,223)</u>	<u>1,447</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(422)	275
<b>Effects of:</b>		
Tax losses not recognised as a deferred tax asset	422	(275)
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

The company has approximately £308,989 of trading losses carried forward at 5 April 2020 (2019: £306,766) available for offset against future profits of the same trade. No deferred tax asset has been recognised in relation to these losses, due to the uncertainty as to the timing of the utilisation.

### 7. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Business start up loans	78,070	132,485
	<u>78,070</u>	<u>132,485</u>
<b>Due within one year</b>		
Business start up loans	34,817	84,102
	<u>34,817</u>	<u>84,102</u>



# ET Business Funding Limited

## Notes to the financial statements For the Year Ended 5 April 2020

### 8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	3,981	3,531
Other loans	302,697	691,689
	<u>306,678</u>	<u>695,220</u>

### 9. Financial instruments

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at undiscounted amount receivable	284,504	171,569
Financial assets that are debt instruments measured at amortised cost	112,887	216,587
	<u>397,391</u>	<u>388,156</u>

#### Financial liabilities

Financial liabilities measured at amortised cost	<u>306,678</u>	<u>695,220</u>
--	----------------	----------------

Financial assets measured at undiscounted amount receivable comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise business start up loans.

Financial liabilities measured at amortised cost comprise loans from related parties and accruals.

### 10. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
400,002 (2019 - 2) Ordinary shares shares of £1.00 each	<u>400,002</u>	<u>2</u>

On 1 April 2020, 400,000 ordinary shares with a nominal value of £1 were issued and fully paid via a reduction in the other loan balance.

### 11. Reserves

Reserves of the company are represented by retained earnings which are the cumulative profit and loss net of distributions.

# ET Business Funding Limited

## Notes to the financial statements For the Year Ended 5 April 2020

---

### 12. Related party transactions

During the year the company capitalised loans of £400,000 and borrowed loans totalling £11,008 (2019: repaid £38,648) jointly from Eaga Partnership Trustee Limited and Eaga Partnership Trustee Two Limited as trustees of their respective trusts. The total outstanding balance at the year end was £302,697 (2019: £691,689). These loans are interest free and repayable on demand although the lenders reserve the right to charge interest.

### 13. Ultimate controlling party

In the opinion of the directors, the ultimate controlling parties are Eaga Partnership Trustee Limited and Eaga Partnership Trustee Two Limited which each hold 50% of the company's issued share capital on behalf of their respective trusts and have directors in common.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.