

# THE ASSET EXCHANGE LTD

## Abridged Accounts

### **Period of accounts**

**Start date:** 01 January 2016

**End date:** 31 December 2016

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**THE ASSET EXCHANGE LTD**  
**Statement of Financial Position**  
**As at 31 December 2016**

	<b>Notes</b>	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
<b>Fixed assets</b>			
Tangible fixed assets	2	539,601	270,671
Investments	3	0	200
		<b>539,601</b>	<b>270,871</b>
<b>Current assets</b>			
Stocks		110,710	0
Debtors: amounts falling due within one year		1,923,015	663,899
Debtors: amounts falling due after one year		3,353,360	912,921
Cash at bank and in hand		100,370	41,019
		<b>5,487,455</b>	<b>1,617,839</b>
<b>Creditors: amount falling due within one year</b>		<b>(5,643,893)</b>	<b>(1,633,917)</b>
<b>Net current liabilities</b>		<b>(156,438)</b>	<b>(16,078)</b>
<b>Total assets less current liabilities</b>		<b>383,163</b>	<b>254,793</b>
<b>Creditors: amount falling due after more than one year</b>		<b>(336,916)</b>	<b>(301,854)</b>
<b>Net Assets/(Liabilities)</b>		<b>46,247</b>	<b>(47,061)</b>
<b>Capital and reserves</b>			
Called up share capital	4	6,200	200
Share premium account		594,000	0
Profit and loss account		(553,953)	(47,261)
<b>Shareholders funds</b>		<b>46,247</b>	<b>(47,061)</b>

For the year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's Responsibilities:

1. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
2. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The members have agreed to the preparation of abridged accounts.

Signed on behalf of the board of directors

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Alan Tomlin  
Director

Date approved by the board: 29 September 2017

**THE ASSET EXCHANGE LTD**  
**Notes to the Abridged Financial Statements**  
**For the year ended 31 December 2016**

**Statutory Information**

The Asset Exchange Ltd is a private limited company, limited by shares, domiciled in England and Wales, registration number 08679485. The registered office is Unit 15, The Alpha Centre, 238 London Road, Wickford, Essex, SS12 0JX.

The presentation currency is £ sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

**1. Accounting Policies**

**Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Financial Reporting Standard for Smaller Entities (effective January 2016).

**Going Concern**

On 28th July 2017 the company successfully negotiated a Loan Agreement with an investment institution, providing the company with sufficient funds to enable it meet its obligations as they fall due for at least the next 12 months from the date of signature of these financial statements.

On this basis, the directors consider it appropriate to continue to adopt the going concern basis for preparing these accounts.

**Turnover**

Turnover comprises income received under hire purchase contracts and for the sale of used motor vehicles.

**Lease classification**

Lease agreements are classified as finance leases if the lease agreements transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has no operating leases.

When assets are leased under a finance lease, the net present value of the lease payments plus any guaranteed residual value payments, where applicable, is recognised as a receivable within Loans to customers. The difference between the gross receivable and the present value of the receivable is disclosed as unearned finance lease income.

**Finance lease income**

Finance lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the Companys net investment in the lease.

When calculating the effective rate of interest, the future cash flows are estimated after considering all the contractual terms of the agreement but not future credit losses. The calculation includes all amounts received or paid by the Company that are an integral part of the overall return such as acceptance fees.

**Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the companys taxable profits and its results as stated in these financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted or where there are deferred tax liabilities against which assets can be recovered.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Purchased Computer Software	33% Straight Line
Fixtures & Fittings, & Equipment	33% Straight Line
Leasehold Improvements	33% Straight Line

**Fixed asset investments**

Long term investments are categorised as fixed assets. Fixed Asset investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

**Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

**Impairment**

Loans to customers

At each balance sheet date, the Company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired. Evidence of impairment may include indications that the borrower or group of borrowers are experiencing significant financial difficulty, default or delinquency in interest or principal payments, with it becoming probable that the debt will need to be restructured or written off.

If there is objective evidence that an impairment loss has been incurred, a provision is established which is calculated as the difference between the balance sheet carrying value of the asset and the present value of estimated future cash flows discounted at the original effective interest rate of that asset. The calculation of the present value of the estimated future cash flows of a collateralised asset or group of assets reflects the cash flows that may result from foreclosure less the costs of obtaining and selling the collateral.

## 2. Tangible fixed assets

<b>Cost or Valuation</b>	<b>Leasehold Improvements</b>	<b>Motor Vehicles</b>	<b>Fixtures &amp; Fittings, &amp; Equipment</b>	<b>Purchased Computer Software</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 01 January 2016	25,902	10,050	8,589	240,000	284,541
Additions	-	-	4,199	360,000	364,199
Disposals	-	-	-	-	-
At 31 December 2016	<b>25,902</b>	<b>10,050</b>	<b>12,788</b>	<b>600,000</b>	<b>648,740</b>
<b>Depreciation</b>					
At 01 January 2016	1,788	788	1,294	10,000	13,870
Charge for year	8,604	3,316	3,349	80,000	95,269
On disposals	-	-	-	-	-
At 31 December 2016	<b>10,392</b>	<b>4,104</b>	<b>4,643</b>	<b>90,000</b>	<b>109,139</b>
<b>Net book values</b>					
At 31 December 2016	<b>15,510</b>	<b>5,946</b>	<b>8,145</b>	<b>510,000</b>	<b>539,601</b>
At 31 December 2015	<b>24,114</b>	<b>9,262</b>	<b>7,295</b>	<b>230,000</b>	<b>270,671</b>

## 3. Investments

<b>Cost or Valuation</b>	<b>Investments in group undertakings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 01 January 2016	200	200
Additions	-	-
Disposals	(200)	(200)
At 31 December 2016	-	-

On 23rd December 2016 the Company disposed of its investments in CLC Car Sales Ltd, The Asset Exchange (Funding) Ltd and CLC Franchise Ltd by virtue of a sale of 100% of the shares all to the ultimate holding company Asset Exchange Holdings Limited.



#### 4. Share Capital

##### Authorised

6,200 Class A shares of £1.00 each

Allotted	2016	2015
	£	£
6,200 Class A shares of £1.00 each	6,200	200
	<b>6,200</b>	<b>200</b>

#### 5. Reconciliations on adoption of FRS 102

The Asset Exchange Ltd prepares its first financial statements that comply with FRS 102 Financial Reporting Standard for Smaller Entities (effective January 2016) for the year ended 31 December 2016. The Asset Exchange Ltd date of transition is 1 January 2015. For The Asset Exchange Ltd the transition to FRS 102 Financial Reporting Standard for Smaller Entities (effective January 2016) has resulted in no changes to accounting policies or values compared to those used previously.

#### 6. Related Party

The remuneration of key management personnel, who are also directors, is as follows:

Particulars	2016	2015
Aggregate remuneration	283,634	85,550
	<b>283,634</b>	<b>85,550</b>

No guarantees have been given or received.

During the year the company charged £653,509 (2015 £98,051) management charges to a company under common control.

#### 7. Ultimate Controlling Party

As at 31 December 2016, the ultimate controlling party is Asset Exchange Holdings Limited by virtue of 100% share ownership of the company.

Control of the company passed from Peter Parsons to Asset Exchange Holdings Limited on 23rd December 2016 following a transfer of shares.

## 8. Contingent liability

In the progress report of the Joint Administrators of One Stop Car Credit Limited in Administration, Credit Car Sales Limited in Administration, and Credit 4 Cars Ltd in Administration dated 20 July 2016, it is stated the Company owes these companies in administration a total of £654,000. The Company is disputing these sums and is in discussion with the Administrators. The Company records show that these companies in administration owe the Company (The Asset Exchange Ltd) a net sum of £275,000, which has been fully provided against in the Financial Statements for the year ended 31 December 2015.

## 9. Average number of employees

During the year the average number of employees was 32 (2015 16)

## 10. Operating Lease Commitments

At the reporting date the company had outstanding commitments for future minimum lease payments, which fall as follows:

Particulars	2016	2015
Within one year	108,614	82,000
Between two and five years	64,925	129,833
In over five years	0	0
	<b>173,539</b>	<b>211,833</b>

## 11. Finance Leases as Lessor

### Gross Investment in the lease

The gross investment and the present value of the minimum lease payments payable are shown as follows:

Particulars	2016: Gross Investment	2016: Present Value of minimum lease payments	2015: Gross Investment	2015: Present Value of minimum lease payments
Within 1 year	2,483,591	766,288	807,636	247,785
Within 1 to 5 years	6,144,714	4,097,344	1,441,658	972,399
Later than 5 years	0	0	0	0
<b>Total</b>	<b>8,628,305</b>	<b>4,863,632</b>	<b>2,249,294</b>	<b>1,220,184</b>

## 12. Finance Leases as Lessor

### Reconciliation of minimum lease payments to net investment

The lease payments made by the lessees are split into their capital component and their interest component. The interest component of the payment is recognised in profit and loss as finance income. The amount of the net investment in a finance lease is determined as follows:

Particulars	2016	2015
Minimum lease payments	8,628,305	2,249,294
Unguaranteed residual value	0	0
Gross investment	8,628,305	2,249,294
Unearned finance income	-3,764,673	-1,029,110
Net investment (present value of minimum lease payments)	4,863,632	1,220,184

## 13. Other information

On the 28 December 2016 the company received its full permissions from the Financial Conduct Authority.

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.