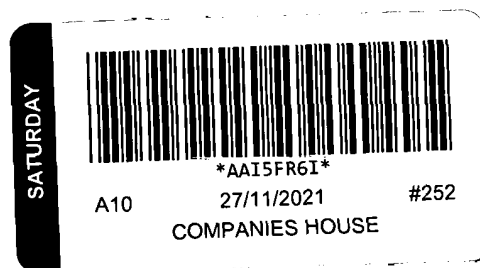


COMPANY REGISTRATION NUMBER 12231353

C.F. CAPITAL HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 MARCH 2021



ABBOT^S
Chartered Certified Accountants & Statutory Auditor
Printing House
66 Lower Road
Harrow
HA2 0DH

C.F. Capital Holdings Limited

Financial Statements

Year ended 31 March 2021

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C.F. Capital Holdings Limited

Strategic Report

Year ended 31 March 2021

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The principal activity of the company during the period is that of a holding company.

During the year, the 100% owned subsidiary ceased its operations in the funding of office technology and equipment for businesses and will solely concentrate on the broking of technology and office equipment leases. This is seen as a positive change to remove risks associated with 'own book funding' including potential bad debts and negative cash flows. It also enables the subsidiary to explore new opportunities and further develop the business for the future.

The group reports an overall profit after tax of £1.09m with a 23.27% gross profit (2020 35.92%) for the year in an ever competitive market. This is considered adequate given the impact COVID-19 pandemic has had on businesses. Well established relationships remain with funders and suppliers to aid the company to sustain sufficient level of turnover in the current environment.

Effective management cost controls have continued, which has been vital in the current environment and the group has managed to improve its current ratio to 1.40 (2020 1.19). This, along with the support received from the Coronavirus Job Retention Scheme, has helped to fund the group's operations whilst retaining staff and minimise the subsidiary's loss generated in the year. Administrative cost are effectively controlled to ensure net profits are maximised for the market.

The directors remain satisfied with the financial performance of the company at 31st March 2021.

BUSINESS ENVIRONMENT AND STRATEGY

The company's working capital requirements are met from profits retained within the group. The group will focus on strengthening the subsidiary's existing controls and processes in place and to maintain its reputation and effectiveness within the market.

The group continues to seek to develop new marketing and promotional products in relation to finance lease income. This will be carried out through continued marketing and feels that adequate finance is in place to take advantage of business opportunities.

There were no significant changes in the operation of the company and of its subsidiary's business during the year under review, other than mentioned above, and no significant changes are anticipated in the coming year.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a priority for the group. The principal risks arise from a drop in potential customers due to decrease in their financial positions, funders not accepting new deals and the potential of deals going bad and commissions being refunded.

After making enquiries, the directors have a reasonable expectation that there are adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and the accounts. The directors consider the state of affairs to be satisfactory at 31st March 2021.

The COVID-19 pandemic created uncertainty for the group. The group will take advantage of all Government Support Measures available and implement effective management and controls. These, coupled with other financial support available within the group, enables the directors to forecast a sustained position in the coming 12 months.

C.F. Capital Holdings Limited

Strategic Report *(continued)*

Year ended 31 March 2021

FINANCIAL RISK MANAGEMENT

The group's principal methods of financing comprise bank balances, trade creditors, trade debtors and loans to the group. The main purpose of these is to finance and raise funds for the company's operations.

Due to the nature of the financing methods used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financing methods concerned is shown below.

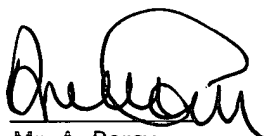
In respect of bank balances the liquidity risk is managed by maintaining a positive cash balance and making use of money market facilities where excess funds are available.

In respect of loans, these comprise loans from financial institutions. The interest rate on the blocking loans are variable but the monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

This report was approved by the board of directors on 28 October 2021 and signed on behalf of the board by:



Mr. A. Percy
Director

Registered office:
Capital House
Raynham Road
Bishops Stortford
Hertfordshire
CM23 5ET

C.F. Capital Holdings Limited

Directors' Report

Year ended 31 March 2021

The directors present their report and the financial statements of the group for the year ended 31 March 2021.

Directors

The directors who served the company during the year were as follows:

Mr. A. Percy
Mr. M. Yiannakou
Mr. J. J. Jenner

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the strategic report

Details of the financial risk management objectives and policies and future developments of the group are discussed in the Strategic Report.

Directors' responsibilities statement

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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

C.F. Capital Holdings Limited

Directors' Report *(continued)*


Year ended 31 March 2021

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 28 October 2021 and signed on behalf of the board by:



Mr. A. Percy
Director

Registered office:
Capital House
Raynham Road
Bishops Stortford
Hertfordshire
CM23 5ET

C.F. Capital Holdings Limited

Independent Auditor's Report to the Members of C.F. Capital Holdings Limited

Year ended 31 March 2021

Opinion

We have audited the financial statements of C.F. Capital Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

C.F. Capital Holdings Limited

Independent Auditor's Report to the Members of C.F. Capital Holdings Limited *(continued)*

Year ended 31 March 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the audit:

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

C.F. Capital Holdings Limited

Independent Auditor's Report to the Members of C.F. Capital Holdings Limited *(continued)*

Year ended 31 March 2021

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, FRS102, employment laws, contract law, General Data Protection Regulations and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to potential reduction in customers due to adverse financial positions, lease funders not accepting new deals, fraudulent transactions and the potential of refundable commissions due to funder bad debt. This may lead to an overstatement of profits, such as manipulation of work in progress and understatement of expenses, which in itself raises shareholders expectations. Audit procedures performed by the audit team included:

- Audit testing in different sections in order to check the compliance with applicable regulations and discussions with key management including consideration of known or suspected instances of non-compliance with laws, regulations and fraud.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, significant one-off amounts or posted by senior management.
- Challenging and validating the reasonableness and judgement of any key management assumptions with particular focus on work in progress, trade debtors, depreciation and accruals as these are the key accounting estimates.

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

C.F. Capital Holdings Limited

Independent Auditor's Report to the Members of C.F. Capital Holdings Limited *(continued)*

Year ended 31 March 2021

There are inherent limitations on the audit procedure described above. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

C.F. Capital Holdings Limited

Independent Auditor's Report to the Members of C.F. Capital Holdings Limited *(continued)*

Year ended 31 March 2021

Use of our 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.

Gary Till
(Senior Statutory Auditor)

For and on behalf of
Abbots
Chartered Certified Accountants & Statutory Auditor
Printing House
66 Lower Road
Harrow
HA2 0DH

28 October 2021

C.F. Capital Holdings Limited
Consolidated Statement of Comprehensive Income
Year ended 31 March 2021

		31 Mar 21			31 Mar 20		
	Note	Continuing operations £	Discont'd operations £	Total £	Continuing operations £	Discont'd operations £	Total £
Turnover	4	24,726,673	177,121	24,903,794	12,150,848	396,062	12,546,910
Cost of sales		18,948,442	160,430	19,108,872	7,737,762	302,664	8,040,426
Gross profit		5,778,231	16,691	5,794,922	4,413,086	93,398	4,506,484
Administrative expenses		4,061,612	87,351	4,148,963	1,156,339	63,032	1,219,371
Other operating income	5	262,588	—	262,588	—	—	—
Operating profit	6	1,979,207	(70,660)	1,908,547	3,256,747	30,366	3,287,113
Interest payable and similar expenses	10	498,108	25,382	523,490	86,311	31,734	118,045
Profit before taxation		1,481,099	(96,042)	1,385,057	3,170,436	(1,368)	3,169,068
Tax on profit	11	305,036	(18,248)	286,788	695,651	(260)	695,391
Profit for the financial year		1,176,063	(77,794)	1,098,269	2,474,785	(1,108)	2,473,677
Reclassification from revaluation reserve to profit and loss account				4,952			10,949
Total comprehensive income for the year				<u>1,103,221</u>			<u>2,484,626</u>

The notes on pages 16 to 30 form part of these financial statements.

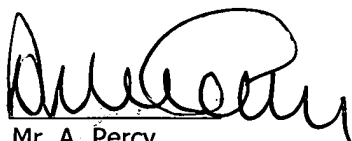
C.F. Capital Holdings Limited

Consolidated Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	16,718,282	17,700,710
Tangible assets	14	1,337,381	1,376,506
		<u>18,055,663</u>	<u>19,077,216</u>
Current assets			
Stocks	16	187,001	461,860
Debtors	17	2,891,722	2,762,414
Cash at bank and in hand		398,740	2,104,917
		<u>3,477,463</u>	<u>5,329,191</u>
Creditors: amounts falling due within one year	18	<u>2,492,445</u>	<u>4,473,550</u>
Net current assets		<u>985,018</u>	<u>855,641</u>
Total assets less current liabilities		<u>19,040,681</u>	<u>19,932,857</u>
Creditors: amounts falling due after more than one year	19	8,159,897	9,265,837
Provisions	20	142,937	82,394
Net assets		<u>10,737,847</u>	<u>10,584,626</u>
Capital and reserves			
Called up share capital	24	200	200
Share premium account	25	8,099,800	8,099,800
Profit and loss account	25	2,637,847	2,484,626
Shareholders funds		<u>10,737,847</u>	<u>10,584,626</u>

These financial statements were approved by the board of directors and authorised for issue on 28 October 2021, and are signed on behalf of the board by:



Mr. A. Percy
Director

Company registration number: 12231353

C.F. Capital Holdings Limited

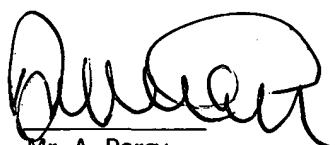
Company Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	15	19,095,000	19,095,000
Current assets			
Debtors	17	2,709,500	1,727,945
Cash at bank and in hand		230,058	1,498,946
		<u>2,939,558</u>	<u>3,226,891</u>
Creditors: amounts falling due within one year	18	<u>1,651,483</u>	<u>2,192,431</u>
Net current assets		<u>1,288,075</u>	<u>1,034,460</u>
Total assets less current liabilities		<u>20,383,075</u>	<u>20,129,460</u>
Creditors: amounts falling due after more than one year	19	<u>8,159,897</u>	<u>9,035,890</u>
Net assets		<u><u>12,223,178</u></u>	<u><u>11,093,570</u></u>
Capital and reserves			
Called up share capital	24	200	200
Share premium account	25	8,099,800	8,099,800
Profit and loss account	25	4,123,178	2,993,570
Shareholders funds		<u><u>12,223,178</u></u>	<u><u>11,093,570</u></u>

The profit for the financial year of the parent company was £2,079,608 (2020: £2,993,570).

These financial statements were approved by the board of directors and authorised for issue on 28 October 2021, and are signed on behalf of the board by:



Mr. A. Percy
Director

Company registration number: 12231353

C.F. Capital Holdings Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 27 September 2019	–	–	–	–
Profit for the year			2,473,677	2,473,677
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	–	–	10,949	10,949
Total comprehensive income for the year	–	–	2,484,626	2,484,626
Issue of shares	200	8,099,800	–	8,100,000
Total investments by and distributions to owners	200	8,099,800	–	8,100,000
At 31 March 2020	200	8,099,800	2,484,626	10,584,626
Profit for the year			1,098,269	1,098,269
Other comprehensive income for the year:				
Reclassification from revaluation reserve to profit and loss account	–	–	4,952	4,952
Total comprehensive income for the year	–	–	1,103,221	1,103,221
Dividends paid and payable 12	–	–	(950,000)	(950,000)
Total investments by and distributions to owners	–	–	(950,000)	(950,000)
At 31 March 2021	<u>200</u>	<u>8,099,800</u>	<u>2,637,847</u>	<u>10,737,847</u>

The notes on pages 16 to 30 form part of these financial statements.

C.F. Capital Holdings Limited

Company Statement of Changes in Equity

Year ended 31 March 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 27 September 2019	–	–	–	–
Profit for the year	–	–	2,993,570	2,993,570
Total comprehensive income for the year	–	–	2,993,570	2,993,570
Issue of shares	200	8,099,800	–	8,100,000
Total investments by and distributions to owners	200	8,099,800	–	8,100,000
At 31 March 2020	–	–	2,993,570	2,993,570
Profit for the year	–	–	2,079,608	2,079,608
Total comprehensive income for the year	–	–	2,079,608	2,079,608
Issue of shares	200	8,099,800	–	8,100,000
Dividends paid and payable 12	–	–	(950,000)	(950,000)
Total investments by and distributions to owners	200	8,099,800	(950,000)	7,150,000
At 31 March 2021	200	8,099,800	4,123,178	12,223,178

The notes on pages 16 to 30 form part of these financial statements.

C.F. Capital Holdings Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,098,269	2,473,677
<i>Adjustments for:</i>		
Depreciation of tangible assets	79,588	17,540
Amortisation of intangible assets	1,074,033	454,195
Government grant income	(262,588)	–
Interest payable and similar expenses	523,490	118,045
(Gains)/loss on disposal of tangible assets	(24,444)	2,361
Tax on profit	286,788	786,291
Accrued income	(1,143,521)	(1,344,850)
Revaluation adjustment of tangible assets	–	82,328
<i>Changes in:</i>		
Stocks	274,859	(461,860)
Trade and other debtors	852,247	(1,034,469)
Trade and other creditors	(1,198,418)	2,053,797
Cash generated from operations	1,560,303	3,147,055
Interest paid	(454,566)	(7,582)
Tax (paid)/received	(775,680)	80,288
Net cash from operating activities	<u>330,057</u>	<u>3,219,761</u>
Cash flows from investing activities		
Purchase of tangible assets	(9,492)	(1,476,292)
Proceeds from sale of tangible assets	24,444	–
Purchase of intangible assets	(91,605)	(22,500)
Acquisition of subsidiaries	–	(10,032,405)
Net cash used in investing activities	<u>(76,653)</u>	<u>(11,531,197)</u>
Cash flows from financing activities		
Proceeds from borrowings	(1,272,169)	10,416,353
Government grant income	262,588	–
Dividends paid	(950,000)	–
Net cash (used in)/from financing activities	<u>(1,959,581)</u>	<u>10,416,353</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,706,177)</u>	<u>2,104,917</u>
Cash and cash equivalents at beginning of year	<u>2,104,917</u>	<u>–</u>
Cash and cash equivalents at end of year	<u>398,740</u>	<u>2,104,917</u>

The notes on pages 16 to 30 form part of these financial statements.

C.F. Capital Holdings Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Capital House, Raynham Road, Bishops Stortford, Hertfordshire, CM23 5ET.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of C.F. Capital Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Operating lease receivables

Operating lease receivables are included in debtors at the cost of the equipment less amounts charged against rentals to date. Leasing income from operating leasing is credited to the profit and loss account using the actuarial before tax method in proportion to the net funds invested. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Goodwill *(continued)*

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Over 15 years straight line
Computer Software	-	Over 4 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	Over 50 years straight line
Equipment, fixtures and fittings	-	Over 5 years straight line

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Depreciation *(continued)*

An amount equal to the excess of the annual depreciation charge on revalued assets over the original cost depreciation charge on those assets is transferred annually from the revaluation reserve to retained earnings.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stock and work in progress

Work in progress is the direct costs of assets acquired for sale under finance lease agreements, the terms and contracts for which were not completed at the balance sheet date. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

3. Accounting policies (continued)

Defined contribution plans (continued)

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Sale of office equipment	20,675,073	8,692,115
Leasing of office equipment	177,121	35,350
Commission income	4,051,600	3,819,445
	<u>24,903,794</u>	<u>12,546,910</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Government grant income	<u>262,588</u>	<u>—</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Amortisation of intangible assets	1,074,033	454,195
Depreciation of tangible assets	79,588	17,540
(Gains)/loss on disposal of tangible assets	(24,444)	2,361
Impairment of trade debtors	<u>87,351</u>	<u>72,410</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

7. Auditor's remuneration

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Fees payable for the audit of the financial statements	<u>6,500</u>	<u>6,500</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	20,500	20,042
Other non-audit services	<u>49,876</u>	<u>2,145</u>
	<u>70,376</u>	<u>22,187</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021 No.	2020 No.
Administrative staff	52	68
Management staff	<u>2</u>	<u>3</u>
	<u>54</u>	<u>71</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Wages and salaries	2,232,145	849,283
Social security costs	236,850	103,225
Other pension costs	<u>98,979</u>	<u>30,473</u>
	<u>2,567,974</u>	<u>982,981</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Remuneration	438,487	109,460
Company contributions to defined contribution pension plans	<u>7,002</u>	<u>1,388</u>
	<u>445,489</u>	<u>110,848</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Directors' remuneration *(continued)*

Remuneration of the highest paid director in respect of qualifying services:

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Aggregate remuneration	<u>194,152</u>	<u>47,749</u>

10. Interest payable and similar expenses

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Interest on banks loans and overdrafts	<u>523,490</u>	<u>118,045</u>

11. Tax on profit

Major components of tax expense

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Current tax:		
UK current tax expense	252,264	695,391
Deferred tax:		
Origination and reversal of timing differences	<u>34,524</u>	<u>—</u>
Tax on profit	<u>286,788</u>	<u>695,391</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

11. Tax on profit (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	Year to 31 Mar 21 £	Period from 27 Sep 19 to 31 Mar 20 £
Profit on ordinary activities before taxation	1,385,057	3,169,068
Profit on ordinary activities by rate of tax	464,128	692,162
Effect of expenses not deductible for tax purposes	32,531	5,683
Effect of capital allowances and depreciation	(244,395)	(2,454)
Deferred tax movement in year	34,524	—
Tax on profit	286,788	695,391

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021 £	2020 £
Equity dividends on ordinary shares	950,000	—

13. Intangible assets

Group	Goodwill £	Computer Software £	Total £
Cost			
At 1 April 2020	18,132,405	22,500	18,154,905
Additions	—	91,605	91,605
At 31 March 2021	18,132,405	114,105	18,246,510
Amortisation			
At 1 April 2020	453,310	885	454,195
Charge for the year	1,057,724	16,309	1,074,033
At 31 March 2021	1,511,034	17,194	1,528,228
Carrying amount			
At 31 March 2021	16,621,371	96,911	16,718,282
At 31 March 2020	17,679,095	21,615	17,700,710

The company has no intangible assets.

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

14. Tangible assets

Group	Freehold property £	Equipment £	Total £
Cost			
At 1 April 2020	1,192,672	112,359	1,305,031
Additions	–	9,492	9,492
Disposals	–	(1,754)	(1,754)
Revaluations	30,971	–	30,971
At 31 March 2021	1,223,643	120,097	1,343,740
Depreciation			
At 1 April 2020	(82,328)	10,853	(71,475)
Charge for the year	30,971	48,617	79,588
Disposals	–	(1,754)	(1,754)
At 31 March 2021	(51,357)	57,716	6,359
Carrying amount			
At 31 March 2021	1,275,000	62,381	1,337,381
At 31 March 2020	1,275,000	101,506	1,376,506

The company has no tangible assets.

Included within Freehold Property is land valued at £345,857 (historical cost £227,500) that is not depreciated and buildings valued at £929,143 (historical cost £613,848). The directors have considered the value of the property as at 31st March 2021 and conclude that there has been no material change in the market value from the previous year.

15. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 April 2020 and 31 March 2021	19,095,000
Impairment	
At 1 April 2020 and 31 March 2021	–
Carrying amount	
At 1 April 2020 and 31 March 2021	19,095,000
At 31 March 2020	19,095,000

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

15. Investments (continued)

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	<u>Registered office</u>	<u>Class of share</u>	<u>Percentage of shares held</u>
Subsidiary undertakings			
C.F. Capital Plc	Capital House Raynham Road Bishops Stortford Hertfordshire CM23 5TT	Ordinary	100

16. Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Work in progress	<u>187,001</u>	<u>461,860</u>	<u>—</u>	<u>—</u>

17. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	139,498	378,378	—	—
Prepayments and accrued income	2,752,224	1,803,620	2,709,500	1,727,945
Operating lease receivables	—	476,093	—	—
Other debtors	—	104,323	—	—
	<u>2,891,722</u>	<u>2,762,414</u>	<u>2,709,500</u>	<u>1,727,945</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Operating lease receivables	<u>—</u>	<u>273,349</u>	<u>—</u>	<u>—</u>

The cost of the assets acquired for leasing under operating leases was £nil (2020: £159,645). No amounts fall due after more than five years.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	984,287	1,150,516	984,287	964,110
Trade creditors	610,410	1,157,280	–	–
Accruals and deferred income	400,516	493,558	179,387	110,463
Corporation tax	252,263	775,679	487,809	702,195
Social security and other taxes	244,969	896,517	–	415,663
	<u>2,492,445</u>	<u>4,473,550</u>	<u>1,651,483</u>	<u>2,192,431</u>

The bank loans are secured by a fixed and floating charge over all current and future assets of the company and a first legal mortgage over the freehold property. The bank loans advanced against operating lease receivables are secured against the operating leases to which the loans relate.

19. Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	<u>8,159,897</u>	<u>9,265,837</u>	<u>8,159,897</u>	<u>9,035,890</u>

The bank loans are secured by a fixed and floating charge over all current and future assets of the company and a first legal mortgage over the freehold property. The bank loans advanced against operating lease receivables are secured against the operating leases to which the loans relate.

20. Provisions

Group	Deferred tax (note 21) £
At 1 April 2020	82,394
Charge against provision	<u>60,543</u>
At 31 March 2021	<u>142,937</u>

The company does not have any provisions.

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Included in provisions (note 20)	<u>142,937</u>	<u>82,394</u>	<u>-</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Accelerated capital allowances	34,524	-	-	-
Revaluation of tangible assets	<u>108,413</u>	<u>82,394</u>	<u>-</u>	<u>-</u>
	<u>142,937</u>	<u>82,394</u>	<u>-</u>	<u>-</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £98,979 (2020: £30,473).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>262,588</u>	<u>-</u>	<u>-</u>	<u>-</u>

The grant income comprises claims made under the Government's Coronavirus Job Retention Scheme.

24. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary A shares of £1 each	50	50	50	50
Ordinary B shares of £1 each	75	75	75	75
Ordinary C shares of £1 each	75	75	75	75
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

24. Called up share capital *(continued)*

All shares rank pari passu in respect of voting rights, dividend rights and a right to participate in a distribution on the winding up of the company.

25. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Called up share capital - This reserve represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses.

26. Analysis of changes in net debt

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	2,104,917	(1,706,177)	398,740
Debt due within one year	(1,150,516)	166,229	(984,287)
Debt due after one year	(9,265,837)	1,105,940	(8,159,897)
	<u>(8,311,436)</u>	<u>(434,008)</u>	<u>(8,745,444)</u>

27. Operating leases

As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	48,734	51,506	—	—
Later than 1 year and not later than 5 years	<u>30,182</u>	<u>44,451</u>	<u>—</u>	<u>—</u>
	<u>78,916</u>	<u>95,957</u>	<u>—</u>	<u>—</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

27. Operating leases *(continued)*

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	–	202,745	–	–
Later than 1 year and not later than 5 years	–	273,349	–	–
	<u>–</u>	<u>476,094</u>	<u>–</u>	<u>–</u>

28. Related party transactions

Group

Transactions entered into during the year, under normal commercial terms, with companies in which there are common interests were as follows:-

Fortis Corporate Lending Limited (common control)

At the balance sheet date £nil (2020 - £92,643) was owed to CF in respect of a short term interest free loan.

Company

There was no independent control of the company by any director during the year.

C.F. Capital Holdings Ltd has taken advantage of the exemption within paragraph 33.1A of FRS 102 which eliminates the requirement to report related party balances with its 100% owned subsidiaries. Details of the company's subsidiaries are disclosed in note 15.