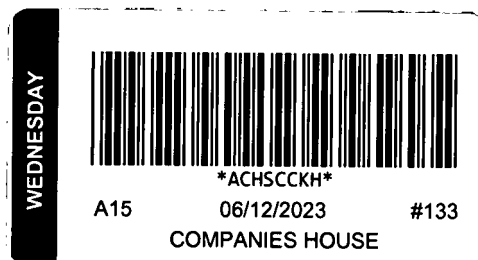


COMPANY REGISTRATION NUMBER: 12231353

C.F. Capital Holdings Limited
Financial Statements
31 March 2023



ABBOTS

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

C.F. Capital Holdings Limited

Financial Statements

Year ended 31 March 2023

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C.F. Capital Holdings Limited

Strategic Report

Year ended 31 March 2023

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The principal activities of the company during the period were the broking of office equipment finance and that of a holding company.

The group reports an operating profit £1.2m (2022 - £2.6m). Despite a 27% reduction in turnover, the group has managed to maintain a gross profit of 35.9% (2022 - 31.63%). The challenges associated with COVID-19 remain an issue within the business along with the impact of the current UK economy whilst continuing to operate within an ever competitive market. Well established relationships remain with funders and suppliers to aid the company to support turnover in the current environment.

Effective management cost controls have continued, which has been vital in the operating environment and the group has managed to improve its current ratio to 1.84 (2021 - 1.52). This has helped to fund the group's operations and retain staff to support and enable the subsidiary to report a break even position for the year. Administrative costs 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 2023.

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 2023.

The impact of the COVID-19 pandemic and current market conditions continue to create uncertainty within the group. The group will continue to implement effective management and controls, which 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 2023

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.

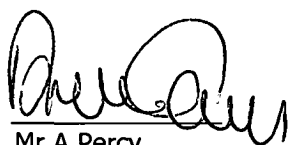
In respect of bank balances, the liquidity risk is managed by maintaining a positive cash balance and making use of money market facilities where excess funds are available.

In respect of loans, these comprise loans from financial institutions. The 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 10 November 2023 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 2023

The directors present their report and the financial statements of the group for the year ended 31 March 2023.

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 13 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 2023

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 10 November 2023 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 2023

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 2023 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, 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 2023 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 2023

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 2023

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.

Being part of a group, there is risk that non-compliance of laws & regulations and material misstatement

C.F. Capital Holdings Limited

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

Year ended 31 March 2023

in the components of the group are not communicated to the Parent auditors. This gives rise to potential material errors in the consolidated accounts. To minimise this, audit procedures undertaken included:

- Review of the audit files for all components in the group to identify any known or suspected non-compliance of laws and regulations or instances of fraud.
- Enquiries made with the component auditors to ensure sufficient competence is held to identify non-compliance of laws and regulations and communicate any instances of irregularities to us.

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.

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.

C.F. Capital Holdings Limited

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

Year ended 31 March 2023

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.

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.

Paul Govier
(Senior Statutory Auditor)

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

10 November 2023

C.F. Capital Holdings Limited

Consolidated Statement of Income and Retained Earnings

Year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	16,013,029	22,111,781
Cost of sales		10,264,305	15,117,223
Gross profit		5,748,724	6,994,558
Administrative expenses		4,524,017	4,342,086
Other operating income	5	–	8,174
Operating profit	6	1,224,707	2,660,646
Other interest receivable and similar income	10	121	1,198
Interest payable and similar expenses	11	400,633	463,945
Profit before taxation		824,195	2,197,899
Tax on profit	12	401,825	663,335
Profit for the financial year and total comprehensive income		<u>422,370</u>	<u>1,534,564</u>
Dividends paid and payable	13	(933,333)	(850,000)
Retained earnings at the start of the year		3,322,411	2,637,847
Retained earnings at the end of the year		<u>2,811,448</u>	<u>3,322,411</u>

All the activities of the group are from continuing operations.

C.F. Capital Holdings Limited

Company Statement of Income and Retained Earnings

Year ended 31 March 2023

	Note	2023 £	2022 £
Profit for the financial year and total comprehensive income		1,630,554	2,748,389
Dividends paid and payable	13	(933,333)	(850,000)
Retained earnings at the start of the year		<u>6,021,567</u>	<u>4,123,178</u>
Retained earnings at the end of the year		<u>6,718,788</u>	<u>6,021,567</u>

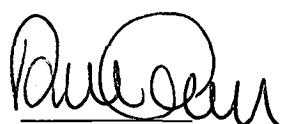
The notes on pages 15 to 27 form part of these financial statements.

C.F. Capital Holdings Limited
Consolidated Statement of Financial Position
31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	14,293,138	15,529,095
Tangible assets	15	1,331,957	1,319,484
		<u>15,625,095</u>	<u>16,848,579</u>
Current assets			
Stocks	17	145,544	51,700
Debtors	18	2,446,057	2,966,518
Cash at bank and in hand		718,628	1,224,418
		<u>3,310,229</u>	<u>4,242,636</u>
Creditors: amounts falling due within one year	19	<u>1,803,050</u>	<u>2,784,540</u>
Net current assets		<u>1,507,179</u>	<u>1,458,096</u>
Total assets less current liabilities		<u>17,132,274</u>	<u>18,306,675</u>
Creditors: amounts falling due after more than one year	20	6,104,638	6,768,582
Provisions	21	116,188	115,682
Net assets		<u>10,911,448</u>	<u>11,422,411</u>
Capital and reserves			
Called up share capital	25	200	200
Share premium account	26	8,099,800	8,099,800
Profit and loss account	26	2,811,448	3,322,411
Shareholders funds		<u>10,911,448</u>	<u>11,422,411</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of directors and authorised for issue on 10 November 2023, and are signed on behalf of the board by:



Mr A Percy
Director

Company registration number: 12231353

The notes on pages 15 to 27 form part of these financial statements.

C.F. Capital Holdings Limited

Company Statement of Financial Position

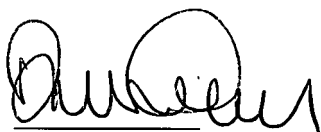
31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	16	19,095,000	19,095,000
Current assets			
Debtors	18	2,857,900	2,719,000
Cash at bank and in hand		487,599	1,003,766
		<u>3,345,499</u>	<u>3,722,766</u>
Creditors: amounts falling due within one year	19	<u>1,517,073</u>	<u>1,927,617</u>
Net current assets		1,828,426	1,795,149
Total assets less current liabilities		20,923,426	20,890,149
Creditors: amounts falling due after more than one year	20	<u>6,104,638</u>	<u>6,768,582</u>
Net assets		<u>14,818,788</u>	<u>14,121,567</u>
Capital and reserves			
Called up share capital	25	200	200
Share premium account	26	8,099,800	8,099,800
Profit and loss account	26	6,718,788	6,021,567
Shareholders funds		<u>14,818,788</u>	<u>14,121,567</u>

The profit for the financial year of the parent company was £1,630,554 (2022: £2,748,389).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of directors and authorised for issue on 10 November 2023, and are signed on behalf of the board by:



Mr A Percy
Director

Company registration number: 12231353

The notes on pages 15 to 27 form part of these financial statements.

C.F. Capital Holdings Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	422,370	1,534,564
<i>Adjustments for:</i>		
Depreciation of tangible assets	54,398	59,258
Amortisation of intangible assets	1,247,007	1,216,750
Fair value adjustment of investment property	(30,971)	(30,971)
Government grant income	–	(8,174)
Other interest receivable and similar income	(121)	(1,198)
Interest payable and similar expenses	400,633	463,945
Tax on profit	401,825	663,335
Accrued expenses	159,390	190,048
<i>Changes in:</i>		
Stocks	(93,844)	135,301
Trade and other debtors	299,361	(315,296)
Trade and other creditors	(66,108)	(181,540)
Cash generated from operations	2,793,940	3,726,022
Interest paid	(432,762)	(484,562)
Interest received	121	1,198
Tax paid	(502,424)	(666,763)
Net cash from operating activities	<u>1,858,875</u>	<u>2,575,895</u>
Cash flows from investing activities		
Purchase of tangible assets	(35,900)	(10,390)
Proceeds from sale of tangible assets	1	–
Purchase of intangible assets	(11,050)	(27,563)
Net cash used in investing activities	<u>(46,949)</u>	<u>(37,953)</u>
Cash flows from financing activities		
Proceeds from borrowings	(1,384,383)	(870,438)
Government grant income	–	8,174
Dividends paid	(933,333)	(850,000)
Net cash used in financing activities	<u>(2,317,716)</u>	<u>(1,712,264)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(505,790)</u>	<u>825,678</u>
Cash and cash equivalents at beginning of year	<u>1,224,418</u>	<u>398,740</u>
Cash and cash equivalents at end of year	<u>718,628</u>	<u>1,224,418</u>

The notes on pages 15 to 27 form part of these financial statements.

C.F. Capital Holdings Limited

Notes to the Financial Statements

Year ended 31 March 2023

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 services rendered, net of discounts and Value Added Tax.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

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.

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

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Amortisation *(continued)*

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

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.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

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.

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.

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.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

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.

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:

	2023	2022
	£	£
Sale of office equipment	11,354,329	16,555,881
Commission income	4,658,700	5,555,900
	<u>16,013,029</u>	<u>22,111,781</u>

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

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

5. Other operating income

	2023	2022
	£	£
Government grant income	—	8,174

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023	2022
	£	£
Amortisation of intangible assets	1,247,007	1,216,750
Depreciation of tangible assets	54,398	59,258
Fair value adjustments to investment property	(30,971)	(30,971)
Impairment of trade debtors	52,987	30,000

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	7,000	7,000
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	23,000	23,000
Other non-audit services	23,826	32,393
	46,826	55,393

8. Staff costs

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

	2023	2022
	No.	No.
Administrative staff	60	57
Management staff	3	3
	63	60

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

	2023	2022
	£	£
Wages and salaries	2,391,046	2,302,289
Social security costs	274,168	258,841
Other pension costs	106,364	98,676
	2,771,578	2,659,806

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

9. Directors' remuneration

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

	2023	2022
	£	£
Remuneration	453,395	433,337
Company contributions to defined contribution pension plans	7,044	7,044
	<u>460,439</u>	<u>440,381</u>

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

	2023	2022
	£	£
Aggregate remuneration	<u>212,962</u>	<u>194,856</u>

10. Other interest receivable and similar income

	2023	2022
	£	£
Interest on cash and cash equivalents	121	44
Other interest receivable and similar income	—	1,154
	<u>121</u>	<u>1,198</u>

11. Interest payable and similar expenses

	2023	2022
	£	£
Interest on banks loans and overdrafts	392,698	463,945
Other interest payable and similar charges	7,935	—
	<u>400,633</u>	<u>463,945</u>

12. Tax on profit

Major components of tax expense

	2023	2022
	£	£
Current tax:		
UK current tax expense	400,964	657,091
Adjustments in respect of prior periods	355	33,500
Total current tax	<u>401,319</u>	<u>690,591</u>
Deferred tax:		
Origination and reversal of timing differences	506	(27,256)
Tax on profit	<u>401,825</u>	<u>663,335</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

12. Tax on profit (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	824,195	2,197,899
Profit on ordinary activities by rate of tax	156,596	417,601
Adjustment to tax charge in respect of prior periods	355	33,500
Effect of expenses not deductible for tax purposes	8,510	1,813
Effect of capital allowances and depreciation	235,858	237,677
Deferred tax movement in year	506	(27,256)
Tax on profit	401,825	663,335

13. Dividends

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

	2023 £	2022 £
Equity dividends on ordinary shares	933,333	850,000

14. Intangible assets

Group	Goodwill £	Computer Software £	Total £
Cost			
At 1 April 2022	18,132,405	141,668	18,274,073
Additions	–	11,050	11,050
At 31 March 2023	18,132,405	152,718	18,285,123
Amortisation			
At 1 April 2022	2,719,861	25,117	2,744,978
Charge for the year	1,208,827	38,180	1,247,007
At 31 March 2023	3,928,688	63,297	3,991,985
Carrying amount			
At 31 March 2023	14,203,717	89,421	14,293,138
At 31 March 2022	15,412,544	116,551	15,529,095

The company has no intangible assets.

C.F. Capital Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

15. Tangible assets

Group	Freehold property £	Equipment £	Total £
Cost			
At 1 April 2022	1,336,942	130,487	1,467,429
Additions	–	35,900	35,900
Disposals	–	(267,238)	(267,238)
Revaluations	30,972	–	30,972
At 31 March 2023	<u>1,367,914</u>	<u>(100,851)</u>	<u>1,267,063</u>
Depreciation			
At 1 April 2022	61,942	86,003	147,945
Charge for the year	30,972	23,426	54,398
Disposals	–	(267,237)	(267,237)
At 31 March 2023	<u>92,914</u>	<u>(157,808)</u>	<u>(64,894)</u>
Carrying amount			
At 31 March 2023	<u>1,275,000</u>	<u>56,957</u>	<u>1,331,957</u>
At 31 March 2022	<u>1,275,000</u>	<u>44,484</u>	<u>1,319,484</u>

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 2023 and conclude that there has been no material change in the market value from the previous year.

16. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 April 2022 and 31 March 2023	<u>19,095,000</u>
Impairment	
At 1 April 2022 and 31 March 2023	<u>–</u>
Carrying amount	
At 1 April 2022 and 31 March 2023	<u>19,095,000</u>
At 31 March 2022	<u>19,095,000</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

16. 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:

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

17. Stocks

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Work in progress	<u>145,544</u>	<u>51,700</u>	<u>-</u>	<u>-</u>

18. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	70,524	420,777	-	-
Amounts owed by group undertakings	-	-	600,000	250,000
Prepayments and accrued income	2,359,983	2,545,741	2,247,900	2,469,000
Directors loan account	9,981	-	10,000	-
Other debtors	5,569	-	-	-
	<u>2,446,057</u>	<u>2,966,518</u>	<u>2,857,900</u>	<u>2,719,000</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	783,935	1,505,164	783,935	1,505,164
Trade creditors	403,422	502,487	-	-
Accruals and deferred income	235,608	329,447	576,641	158,770
Corporation tax	174,986	276,091	156,497	263,683
Social security and other taxes	176,513	171,351	-	-
Director loan accounts	790	-	-	-
Other creditors	27,796	-	-	-
	<u>1,803,050</u>	<u>2,784,540</u>	<u>1,517,073</u>	<u>1,927,617</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.

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts	<u>6,104,638</u>	<u>6,768,582</u>	<u>6,104,638</u>	<u>6,768,582</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.

21. Provisions

Group	Deferred tax (Note 22) £
At 1 April 2022	115,682
Charge against provision	<u>506</u>
At 31 March 2023	<u>116,188</u>

The company does not have any provisions.

22. Deferred tax

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Included in provisions (note 21)	<u>116,188</u>	<u>115,682</u>	<u>—</u>	<u>—</u>

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Accelerated capital allowances	7,775	7,269	—	—
Revaluation of tangible assets	<u>108,413</u>	<u>108,413</u>	<u>—</u>	<u>—</u>
	<u>116,188</u>	<u>115,682</u>	<u>—</u>	<u>—</u>

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £106,364 (2022: £98,676).

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

24. Government grants

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>—</u>	<u>8,174</u>	<u>—</u>	<u>—</u>

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

25. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary A shares of £0.001 each	50,000	50	50,000	50
Ordinary B shares of £0.001 each	75,000	75	75,000	75
Ordinary C shares of £0.001 each	75,000	75	75,000	75
	<u>200,000</u>	<u>200</u>	<u>200,000</u>	<u>200</u>

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.

26. 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.

27. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	1,224,418	(505,790)	718,628
Debt due within one year	(1,505,164)	720,439	(784,725)
Debt due after one year	(6,768,582)	663,944	(6,104,638)
	<u>(7,049,328)</u>	<u>878,593</u>	<u>(6,170,735)</u>

C.F. Capital Holdings Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2023

28. Operating leases

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	90,959	41,780	–	–
Later than 1 year and not later than 5 years	78,197	47,350	–	–
	<u>169,156</u>	<u>89,130</u>	<u>–</u>	<u>–</u>

The amount recognised in profit or loss as an expense in relation to operating leases was £64,818.

29. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2023		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr M Yiannakou	–	9,981	9,981
	<u>–</u>	<u>9,981</u>	<u>9,981</u>

	2022		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr M Yiannakou	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>

The director advance relates to a short term interest free loan. The maximum amount outstanding in the company during the year was £10,000.

30. Related party transactions

Company

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

C.F. Capital Holdings Limited 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 16.