

MOORE STEPHENS

Company Registration No. 03612551 (England and Wales)

CALVERTON FINANCE LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019

FRIDAY



A15 *A8BZGSSB* 16/08/2019 #16
COMPANIES HOUSE

CALVERTON FINANCE LIMITED

COMPANY INFORMATION

Directors	M G Byrne C A Cordrey P G Cordrey G D Hussey S Simpson D Hogg (Appointed 1 August 2018)
Secretary	S Etherington
Company number	03612551
Registered office	Calverton House 1 Keller Close Kiln Farm Milton Keynes Buckinghamshire MK11 3LL
Auditor	Moore Stephens Oakley House Headway Business Park 3 Saxon Way West Corby Northamptonshire NN18 9EZ
Bankers	Lloyds Bank Plc 1st Floor Navigation House Walnut Tree Park Walnut Tree Close Guildford GU1 4TR
Solicitors	Paul Davidson Taylor Premier House 36-48 Queen Street Horsham Sussex RH13 5AD

CALVERTON FINANCE LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Group profit and loss account	5
Group balance sheet	6
Company balance sheet	7
Group statement of changes in equity	8
Company statement of changes in equity	9
Notes to the financial statements	10 - 20

CALVERTON FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

Principal activities

The principal activity of the company and group continued to be that of invoice financing, payroll administration and other business activities.

Directors

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

M G Byrne

C A Cordrey

P G Cordrey

A J Hickox

(Resigned 31 July 2018)

G D Hussey

S Simpson

D Hogg

(Appointed 1 August 2018)

Results and dividends

The profit for the year, before taxation, amounted to £1,131,831 (2018 £1,125,953).

During the year the group has provided for specific bad debts to a total of £9,069 (2018 £6,983). Recovery during the year on previous specific provisions amounted to £16,110 (2018 £8,607).

Dividends were paid during the year totalling £298,276 (2018 £559,652) and the directors recommend that no final dividend be paid.

Auditor

Moore Stephens were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Date: 18/7/15

CALVERTON FINANCE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CALVERTON FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CALVERTON FINANCE LIMITED

Opinion

We have audited the financial statements of Calverton Finance Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the group profit and loss account, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CALVERTON FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CALVERTON FINANCE LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

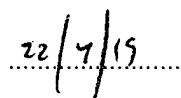
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Nicholas John Bairstow (Senior Statutory Auditor)
for and on behalf of Moore Stephens
Chartered Accountants
Statutory Auditor



Oakley House
Headway Business Park
3 Saxon Way West
Corby
Northamptonshire
NN18 9EZ

CALVERTON FINANCE LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover		5,018,156	4,613,710
Discount charges and other direct costs		(978,932)	(781,888)
Gross profit		4,039,224	3,831,822
Administrative expenses		(2,896,512)	(2,702,411)
Operating profit	2	1,142,712	1,129,411
Interest receivable and similar income	5	799	1
Interest payable and similar expenses		(11,680)	(3,459)
Profit before taxation		1,131,831	1,125,953
Taxation	6	(217,024)	(222,719)
Profit for the financial year		914,807	903,234

CALVERTON FINANCE LIMITED

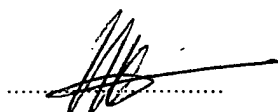
GROUP BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	7		511,830		527,661
Current assets					
Debtors	9	40,000,385		35,642,531	
Cash at bank and in hand		794,656		216,802	
		40,795,041		35,859,333	
Creditors: amounts falling due within one year	10	(36,539,981)		(32,430,648)	
Net current assets			4,255,060		3,428,685
Total assets less current liabilities			4,766,890		3,956,346
Creditors: amounts falling due after more than one year	11		(200,000)		(5,042)
Provisions for liabilities			(3,241)		(4,186)
Net assets			4,563,649		3,947,118
Capital and reserves					
Called up share capital	13		307,501		307,501
Share premium account			145,794		145,794
Revaluation reserve			121,337		121,337
Profit and loss reserves			3,989,017		3,372,486
Total equity			4,563,649		3,947,118

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

The financial statements were approved by the board of directors and authorised for issue on 18/7/15 and are signed on its behalf by:



Director

CALVERTON FINANCE LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	7		18,778		526,502
Investments	8		3,105		3,105
			<u>21,883</u>		<u>529,607</u>
Current assets					
Debtors	9	40,104,991		35,633,687	
Cash at bank and in hand		791,710		214,269	
		<u>40,896,701</u>		<u>35,847,956</u>	
Creditors: amounts falling due within one year	10	(36,463,345)		(32,546,578)	
Net current assets			<u>4,433,356</u>		<u>3,301,378</u>
Total assets less current liabilities			<u>4,455,239</u>		<u>3,830,985</u>
Creditors: amounts falling due after more than one year	11		(200,000)		(5,042)
Provisions for liabilities			(3,241)		(4,186)
Net assets			<u><u>4,251,998</u></u>		<u><u>3,821,757</u></u>
Capital and reserves					
Called up share capital	13		307,501		307,501
Share premium account			145,794		145,794
Revaluation reserve			-		121,337
Profit and loss reserves			3,798,703		3,247,125
Total equity			<u><u>4,251,998</u></u>		<u><u>3,821,757</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £728,517 (2018 £881,636 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 18/7/19 and are signed on its behalf by:



Director

Company Registration No. 03612551

CALVERTON FINANCE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		306,841	138,719	121,337	3,028,904	3,595,801
Year ended 30 April 2018:						
Profit and total comprehensive income for the year		-	-	-	903,234	903,234
Issue of share capital	13	660	7,075	-	-	7,735
Dividends		-	-	-	(559,652)	(559,652)
Balance at 30 April 2018		307,501	145,794	121,337	3,372,486	3,947,118
Year ended 30 April 2019:						
Profit and total comprehensive income for the year		-	-	-	914,807	914,807
Dividends		-	-	-	(298,276)	(298,276)
Balance at 30 April 2019		307,501	145,794	121,337	3,989,017	4,563,649

CALVERTON FINANCE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		306,841	138,719	121,337	2,925,141	3,492,038
Year ended 30 April 2018:						
Profit and total comprehensive income for the year		-	-	-	881,636	881,636
Issue of share capital	13	660	7,075	-	-	7,735
Dividends		-	-	-	(559,652)	(559,652)
Balance at 30 April 2018		307,501	145,794	121,337	3,247,125	3,821,757
Year ended 30 April 2019:						
Profit and total comprehensive income for the year		-	-	-	728,517	728,517
Dividends		-	-	-	(298,276)	(298,276)
Transfers		-	-	(121,337)	121,337	-
Balance at 30 April 2019		307,501	145,794	-	3,798,703	4,251,998

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

Calverton Finance Limited is a private company limited by shares incorporated in England and Wales. The registered office is Calverton House, 1 Keller Close, Kiln Farm, Milton Keynes, Buckinghamshire, MK11 3LL.

The group consists of Calverton Finance Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Calverton Finance Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Calverton Business Support Limited, Calverton Limited and Payfactory Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account include the results of these subsidiaries for the year.

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured excluding discounts, rebates and VAT.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% on cost
Fixtures and fittings	10% on cost
Office equipment	25% on cost and 20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.5 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.8 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.9 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.10 Taxation

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

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.15 Overpayment releases

The company holds an overpayment balance on the balance sheet that relates to monies received that cannot be identified or returned. Steps are taken to repatriate these funds, and if unsuccessful they are held on account for a period of two years before being released to the profit and loss account. Funds are only released when there is a remote probability that they will be reclaimed by third parties, and a two year period is considered appropriate for this.

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

2 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Audit of the financial statements of the group and company	12,350	11,600
Audit of the company's subsidiaries	4,750	2,294
	<u>17,100</u>	<u>13,894</u>

3 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Total employees	<u>49</u>	<u>45</u>	<u>36</u>	<u>34</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	1,927,929	1,804,755	1,570,494	1,527,310
Social security costs	221,468	209,967	191,484	186,317
Pension costs	94,666	85,439	78,927	73,620
	<u>2,244,063</u>	<u>2,100,161</u>	<u>1,840,905</u>	<u>1,787,247</u>

4 Directors' remuneration

	2019 £	2018 £
Remuneration paid to directors	485,195	533,815
Sums paid to third parties for directors' services	<u>39,156</u>	<u>38,279</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	184,917	224,099
Company pension contributions to defined contribution schemes	<u>5,887</u>	<u>5,265</u>

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

5 Interest receivable and similar income

	2019 £	2018 £
Interest	799	1

6 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	225,161	223,188
Adjustments in respect of prior periods	(7,192)	-
Total current tax	217,969	223,188
Deferred tax		
Origination and reversal of timing differences	(945)	(469)
Total tax charge	217,024	222,719

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

	2019 £	2018 £
Profit before taxation	1,131,831	1,125,953
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	215,048	213,931
Tax effect of expenses that are not deductible in determining taxable profit	9,032	8,652
Permanent capital allowances in excess of depreciation	135	136
Research and development tax credit	(7,191)	-
Taxation charge	217,024	222,719

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

7 Tangible fixed assets

Group	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 May 2018	532,500	40,913	80,784	654,197
Additions	-	989	3,841	4,830
Disposals	-	-	(31,745)	(31,745)
At 30 April 2019	532,500	41,902	52,880	627,282
Depreciation and impairment				
At 1 May 2018	30,130	35,405	61,001	126,536
Depreciation charged in the year	9,763	1,050	9,848	20,661
Eliminated in respect of disposals	-	-	(31,745)	(31,745)
At 30 April 2019	39,893	36,455	39,104	115,452
Carrying amount				
At 30 April 2019	492,607	5,447	13,776	511,830
At 30 April 2018	502,370	5,508	19,783	527,661
Company				
	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 May 2018	532,500	40,913	74,881	648,294
Additions	-	989	3,841	4,830
Disposals	(532,500)	-	(28,699)	(561,199)
At 30 April 2019	-	41,902	50,023	91,925
Depreciation and impairment				
At 1 May 2018	30,130	35,405	56,257	121,792
Depreciation charged in the year	9,763	1,050	9,134	19,947
Eliminated in respect of disposals	(39,893)	-	(28,699)	(68,592)
At 30 April 2019	-	36,455	36,692	73,147
Carrying amount				
At 30 April 2019	-	5,447	13,331	18,778
At 30 April 2018	502,370	5,508	18,624	526,502

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

8 Fixed asset investments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments	-	-	3,105	3,105

At the balance sheet date, the company held the following investments in subsidiary undertakings:

100% of the ordinary share capital of Calverton Limited, a dormant company registered in England and Wales. The capital and reserves of the company at the balance sheet date were £100 (2018 £100).

100% of the ordinary share capital of Calverton Business Support Limited, a company registered in England and Wales. The principal activity of the company is business administration services. The capital and reserves of the company at the balance sheet date were £314,655 (2018 £128,365) and the profit for the year was £186,290 (2018 £146,611).

100% of the ordinary share capital of Payfactory Limited, a dormant company registered in England and Wales. The capital and reserves of the company at the balance sheet date were £1 (2018 £1).

9 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	39,833,271	35,519,118	39,832,312	35,515,607
Amounts owed by group undertakings	-	-	109,175	-
Other debtors	21,027	10,316	21,027	8,316
Prepayments and accrued income	146,087	113,097	142,477	109,764
	<u>40,000,385</u>	<u>35,642,531</u>	<u>40,104,991</u>	<u>35,633,687</u>

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

10 Creditors: amounts falling due within one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	9,981,017	8,674,337	9,981,017	8,674,337
Trade creditors	94,031	66,225	85,411	61,704
Amounts due to group undertakings	-	-	-	187,403
Corporation tax payable	103,171	128,188	68,184	93,630
Other taxation and social security	242,694	219,074	221,712	200,537
Other creditors	25,878,077	23,124,612	25,878,077	23,124,612
Accruals and deferred income	240,991	218,212	228,944	204,355
	<u>36,539,981</u>	<u>32,430,648</u>	<u>36,463,345</u>	<u>32,546,578</u>

Bank loans and overdrafts comprise amounts outstanding under a revolving credit facility with an overall limit of £20,000,000. The facility was renewed in March 2019 and expires in May 2022. This is renewable and secured by way of a debenture over the company's assets, and a mortgage loan of £nil (2018 £26,880) secured over Calverton House. This loan bears interest at 1.8% above the Lloyds Bank Plc base rate and is repayable in monthly instalments of £2,240. The mortgage was repaid in full on 30 April 2019 and the security over Calverton House released.

11 Creditors: amounts falling due after more than one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	-	5,042	-	5,042
Other creditors	200,000	-	200,000	-
	<u>200,000</u>	<u>5,042</u>	<u>200,000</u>	<u>5,042</u>

The terms of the mortgage loan are set out in the note above. The mortgage creditor of £nil (2018 £5,042) is secured over Calverton House.

Other creditors relates to a subordinated loan from Calverton Group Limited, due to be repaid by 30 November 2020. Interest of 10% per annum is being charged on the loan.

12 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	<u>94,666</u>	<u>85,439</u>

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge in the profit and loss account represents contributions payable by the company to the fund. There were outstanding contributions of £936 at the year end. Contributions totalling £933 were prepaid to the fund at the year ending 30 April 2018 and are included in other debtors.

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

13 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
307,501 Ordinary shares of £1 each	307,501	307,501

14 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

Group		Company	
2019	2018	2019	2018
£	£	£	£
26,358	59,935	26,358	59,935

15 Related party transactions

The profit includes a charge of £91,265 (2018 £113,814) in relation to commission payable to Capital Corporate Finance Limited, a company owned by the wife of M G Byrne, one of the directors. The profit also includes a charge for other services for £4,320 (2018 £nil). At the year end an amount of £7,270 (2018 £8,412) remained outstanding.

The profit includes a charge of £39,156 (2018 £38,279) in relation to directors fees to Calverton Group Limited, a company controlled by P G Cordrey, one of the directors. Calverton Group Limited received dividends of £254,626 (2018 £453,152) during the year. The profit also includes a charge of £8,333 (2018 £nil) in relation to interest payable on a subordinated loan provided to the company.

The profit includes a charge of £500 (2018 £500) in relation to directors fees to C Cordrey, a director and the wife of P G Cordrey.

During the year £500 (2018 £1,105) of expenses were recharged to Capital & Finance Limited, a company controlled by P G Cordrey.

CALVERTON FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

16 Directors' transactions

During the year, the company paid dividends to directors. £21,825 was paid to M G Byrne (2018 £53,250), £4,365 was paid to G D Hussey (2018 £10,650) and £17,460 to C A Cordrey (2018 £42,600).

17 Controlling party

The directors consider the ultimate controlling party to be Calverton Group Limited, which is incorporated in England and Wales and is controlled by P G Cordrey.