

Company Registration No. 05305220 (England and Wales)

DTW ASSOCIATES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DTW ASSOCIATES LIMITED

COMPANY INFORMATION

Directors	K A Baldwin S M Scoggins
Secretary	Mr G T J Madson
Company number	05305220
Registered office	Ashford House 41-45 Church Road Ashford Middlesex TW15 2TQ
Accountants	Stiles Accountants Limited, Statutory Auditor 2 Lake End Court Taplow Road Taplow Maidenhead Berkshire SL6 0JQ

DTW ASSOCIATES LIMITED

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DTW ASSOCIATES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of the provision of log book loans, pawnbroking services and bureau de change.

Business review

During the year, the company's ultimate parent undertaking, Creditcorp Inc, decided to re-focus on their US business activities and therefore wind down their overseas company DTW Associates Limited by the end of 2022. This has resulted in the financial statements being prepared on a basis other than going concern. As a result, assets were written down to their net recoverable amount within the 31 December 2020 and 2021 financial statements. The company will continue to trade as normal during the wind down period. The directors have made appropriate provisions in order to bring about the orderly and solvent wind-down of the company and its operations.

Directors

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

K A Baldwin

S M Scoggins

Small companies exemption

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

On behalf of the board

K A Baldwin

Director

27 September 2022

DTW ASSOCIATES LIMITED

REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF DTW ASSOCIATES LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of DTW Associates Limited for the year ended 31 December 2021 which comprise, the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <https://www.accaglobal.com/gb/en/member/standards/rules-and-standards/rulebook.html>.

This report is made solely to the Board of Directors of DTW Associates Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of DTW Associates Limited and state those matters that we have agreed to state to the Board of Directors of DTW Associates Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at https://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DTW Associates Limited and its Board of Directors as a body, for our work or for this report.

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

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

Stiles Accountants Limited, Statutory Auditor

Chartered Certified Accountants

2 Lake End Court

Taplow Road

Taplow

Maidenhead

SL6 0JQ

DTW ASSOCIATES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		4,598		17,170
Tangible assets	4		5,492		18,387
Investments	5		1		1
			<u>10,091</u>		<u>35,558</u>
Current assets					
Stocks		119,326		119,140	
Debtors	6	716,891		1,556,247	
Cash at bank and in hand		<u>1,244,593</u>		<u>589,892</u>	
		2,080,810		2,265,279	
Creditors: amounts falling due within one year	7	<u>(1,005,443)</u>		<u>(316,310)</u>	
Net current assets			<u>1,075,367</u>		<u>1,948,969</u>
Total assets less current liabilities			<u>1,085,458</u>		<u>1,984,527</u>
Creditors: amounts falling due after more than one year	8		-		(772,285)
Provisions for liabilities	9		<u>(603,430)</u>		<u>(633,210)</u>
Net assets			<u><u>482,028</u></u>		<u><u>579,032</u></u>
Capital and reserves					
Called up share capital	10	4,001,002		4,001,002	
Profit and loss reserves		<u>(3,518,974)</u>		<u>(3,421,970)</u>	
Total equity			<u><u>482,028</u></u>		<u><u>579,032</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

DTW ASSOCIATES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 27 September 2022 and are signed on its behalf by:

K A Baldwin
Director

Company Registration No. 05305220

DTW ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

DTW Associates Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ashford House, 41-45 Church Road, Ashford, Middlesex, TW15 2TQ.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year, the company's ultimate parent undertaking, Creditcorp Inc decided to refocus on the core US business and therefore cease operations of the company during 2022. The financial statements have therefore been prepared on a basis other than going concern.

The preparation of financial statements on a basis other than going concern has been made in order to comply with the overriding requirement for the statements to give a true and fair view. The carrying value of the assets have been impaired to the amounts they are expected to realise and liabilities include any amounts which have crystallised as a result of the decision to wind up the company. In all other respects the financial statements have been prepared in accordance with FRS 102.

The directors have made appropriate provisions in order to bring about the orderly and solvent wind-down of the company and its operations whilst continuing to trade up to the expected closure date.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account discounts and rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest receivable in respect of loans, buybacks and pawnbroking transactions are recognised on an accruals basis.

DTW ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

The directors have made the decision to fully impair the remainder of the goodwill within the prior year.

1.5 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets are only capitalised when the cost can be measured accurately and it is probable that future economic benefits will attributable to the asset will flow to the entity.

Amortisation 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:

Software	4 years straight line
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1.6 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:

Leasehold improvements	10% on cost
Fixtures and fittings	25% 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 credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

DTW ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting period end date, the company 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.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. A provision is made for damaged, obsolete and low-moving stock where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

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 company after deducting all of its liabilities.

DTW ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors 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 payments 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.

1.12 Equity instruments

Equity instruments issued by the company 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 company.

1.13 Taxation

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

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 company'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 when the company has 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.

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

DTW ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.16 Retirement benefits

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

1.17 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 leases asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 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 in the period are included in profit or loss.

2 Employees

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

	2021 Number	2020 Number
Total	34	37
	<u> </u>	<u> </u>

DTW ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Intangible fixed assets

	Goodwill £	Software £	Total £
Cost			
At 1 January 2021	537,045	234,199	771,244
Disposals	(517,543)	-	(517,543)
At 31 December 2021	19,502	234,199	253,701
Amortisation and impairment			
At 1 January 2021	537,045	217,029	754,074
Amortisation charged for the year	-	12,572	12,572
Eliminated on revaluation	(517,543)	-	(517,543)
At 31 December 2021	19,502	229,601	249,103
Carrying amount			
At 31 December 2021	-	4,598	4,598
At 31 December 2020	-	17,170	17,170

4 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 January 2021	107,410	415,335	522,745
Additions	-	202	202
Disposals	(11,045)	(80,637)	(91,682)
At 31 December 2021	96,365	334,900	431,265
Depreciation and impairment			
At 1 January 2021	100,015	404,343	504,358
Depreciation charged in the year	4,930	8,167	13,097
Eliminated in respect of disposals	(11,045)	(80,637)	(91,682)
At 31 December 2021	93,900	331,873	425,773
Carrying amount			
At 31 December 2021	2,465	3,027	5,492
At 31 December 2020	7,395	10,992	18,387

DTW ASSOCIATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****5 Fixed asset investments**

	2021	2020
	£	£
Shares in group undertakings and participating interests	1	1
	<u> </u>	<u> </u>

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors		4,391
Other debtors	716,891	1,551,856
	<u> </u>	<u> </u>
	716,891	1,556,247
	<u> </u>	<u> </u>

Included within other debtors are amounts totalling £nil (2020: £725,544) which are due in more than one year.

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	70	-
Other borrowings	772,285	475
Trade creditors	22,466	69,124
Taxation and social security	29,652	49,631
Other creditors	39,883	63,929
Accruals and deferred income	141,087	133,151
	<u> </u>	<u> </u>
	1,005,443	316,310
	<u> </u>	<u> </u>

The other borrowings of £772,285 are in respect of the loans due to the parent company as further disclosed in notes 1.2 and 12.

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	-	772,285
	<u> </u>	<u> </u>

DTW ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Creditors: amounts falling due after more than one year (Continued)

The amounts above represent a revolving credit facility with the immediate parent company which was due for repayment on 30 June 2021. The loan attracted interest at 15% per annum.

As detailed in note 1.2, the company is in the process of being wound up and therefore the loan will be repaid during 2022 once all other debts have been settled in full. Although the loan was due for repayment during the year, the directors of the company and its immediate parent wish to wind up the company on a solvent basis with remaining funds utilised to repay the loan as far as possible.

9 Provisions for liabilities

	2021 £	2020 £
Wind-down provision	603,430	633,210
Movements on provisions:		Wind-down provision £
At 1 January 2021		633,210
Reversal of provision		(29,780)
At 31 December 2021		603,430

The directors have recorded an estimate of the costs associated with the orderly wind-down of the operation.

10 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary A shares of £1 each	4,001,000	4,001,000	4,001,000	4,001,000
Ordinary B shares of £1 each	2	2	2	2
	4,001,002	4,001,002	4,001,002	4,001,002

11 Operating lease commitments

Lessee

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

2021 £	2020 £
105,007	203,187

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