

REGISTERED NUMBER: 07551524 (England and Wales)

Greenlight Credit Ltd
Strategic Report, Directors' Report and
Financial Statements
for the Year Ended 30 November 2020

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Greenlight Credit Ltd

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for the Year Ended 30 November 2020

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Greenlight Credit Ltd
Company Information
for the Year Ended 30 November 2020

DIRECTORS:

J R Clark
P J Rickenberg

REGISTERED OFFICE:

Airport House
Suite 43-45
Purley Way
Croydon
Surrey
CR0 0XZ

BUSINESS ADDRESS:

Hersham Place Technology Park
Molesey Road
Walton On Thames
KT12 4RZ

REGISTERED NUMBER:

07551524 (England and Wales)

SENIOR STATUTORY AUDITOR: Michael Wedge FCA

AUDITORS:

BERG KAPROW LEWIS LLP
Chartered Accountants
Statutory Auditor
35 Ballards Lane
London
ENGLAND
N3 1XW

Greenlight Credit Ltd
Strategic Report
for the Year Ended 30 November 2020

The principal activity of the company continued to be that of granting secured consumer loans using vehicles as collateral.

Greenlight Credit Ltd t/a Varooma (GLC) is a consumer finance company incorporated to build a fair, responsible and ethical lender serving non-prime credit worthy customers that do not fit standard credit scoring underwriting models.

By using the strong security of the vehicle and bespoke IT, the company maintains acceptable credit quality whilst offering competitive rates and delivering a high-quality service.

REVIEW OF BUSINESS

Turnover decreased by 26.79% due to the pandemic. The environment for consumer lending has been greatly affected by the Covid-19 pandemic, creating general business uncertainty and tightening of regulation to ensure maximin support and forbearance to our customers throughout the various national lockdowns through implementation of additional forbearance and payment holidays breaks.

Due to this ever-changing landscape, the company has scaled down its operations considerably to cut costs whilst making fewer new loans, instead the time has been well spent trying to diversify into new products, collect the existing book and repay down debt.

GLC's objective is to remain a key leading lender within our sector, increasing lending volumes, whilst maintaining and constantly improving our systems, compliance, training and customer service. The main activity identified for growth is Used Car Finance (HP) concentrating on supporting consumers to purchase second hand motor vehicles. This market is large (estimated £27b annually) and very scalable. To enable this transition, the Board is actively involved in trying to secure new lines of credit and are in talks with various parties to provide debt and or equity.

GLC will continue to lend responsibly and profitably and to return maximum value to our shareholders.

Throughout 2020 the board have been exploring options to diversify our lending platform to accommodate other forms of consumer credit. Strategic planning is on-going but the board believe there is significant growth to be achieved in some of the sectors identified which are exceptionally larger than our current space.

PRINCIPAL RISKS AND UNCERTAINTIES

GLC operates under the regulatory supervision of the Financial Conduct Authority (FCA). Again, due to the Pandemic numerous policy changes and enhanced customer support has been actioned.

GLC post year end has dealt with these risks through enhanced stringent lending criteria and policies, excellent customer service and sensitive forbearance for all those effected. One of the main risks to the business also is increased bad debt due to the economic climate and the continuing uncertainty surrounding Covid-19. We have been aggressive with our provisioning to ensure we reflect an accurate picture of the loan book.

The Company dealt with lockdowns and FCA guidance very well throughout 2021 putting all of our business continuity plans into force with remote working allowing uninterrupted service to our loyal customer base.

Whilst we are having on-going conversations with debt/equity providers, as of the time of writing, nothing has been confirmed or concluded but we are working fast to ensure that the business has the necessary funds to move forward. This is and has been the most challenging aspect, however as the world emerges and moves on from Covid, the board are encouraged by the on-going conversations and we expect to have term sheets to consider in the near future.

The effect of the UK leaving the European Union (Brexit) is not expected to impact the business and the company believes it will continue to thrive.

Greenlight Credit Ltd

Strategic Report
for the Year Ended 30 November 2020

KEY PERFORMANCE INDICATORS

At the core of the business is our gross loan book which generates the business turnover. Our turnover, gross profit margins and our customer base are our main key performance indicators.

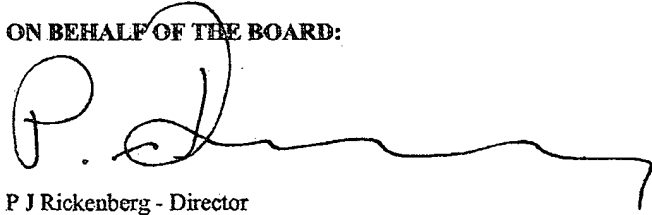
Monthly management accounts are produced to ensure overheads are monitored closely and to ensure consistency and to assist with any budgeting requirements.

Compliance audits are carried out monthly to help monitor staff performance and to verify quality control in line with our company's policies and procedures.

Financial Year Ending 30th
November

	FY20 Actual	FY19 Actual
Turnover	£12,086,074	£16,509,796
Gross Profit Margin	24.03%	32.30%
Customer base number	6931	8636

ON BEHALF OF THE BOARD:



P J Rickenberg - Director

29 November 2021

Greenlight Credit Ltd

Directors' Report
for the Year Ended 30 November 2020

The directors present their annual report with the financial statements of the company for the year ended 30 November 2020.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of granting secured consumer loans using vehicle as collateral.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2019 to the date of this report.

J R Clark

P J Rickenberg

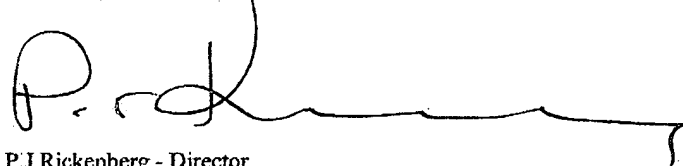
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 company's auditor 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 company's auditor is aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'P. J. Rickenberg', written over a horizontal line.

P J Rickenberg - Director

29 November 2021

Greenlight Credit Ltd

Directors' Responsibilities Statement
for the Year Ended 30 November 2020

The directors are responsible for preparing the Strategic Report, the 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 Company and of the profit or loss of the Company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Report of the Independent Auditors to the Members of
Greenlight Credit Ltd

Opinion

We have audited the financial statements of Greenlight Credit Ltd (the 'Company') for the year ended 30 November 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 Company's affairs as at 30 November 2020 and of its loss 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 Auditors' 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

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 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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Report of the Independent Auditors to the Members of
Greenlight Credit Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page five, 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 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Greenlight Credit Ltd

Auditors' 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 Auditors' 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:

- Enquiring of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risks of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 of the effectiveness of the Company'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 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 Auditors' 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 Auditors' Report. However, future events or conditions may cause the 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.

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.

Report of the Independent Auditors to the Members of
Greenlight Credit Ltd

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 a Report of the Auditors 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.



Michael Wedge FCA (Senior Statutory Auditor)
for and on behalf of BERG KAPROW LEWIS LLP
Chartered Accountants
Statutory Auditor
London

Date: 30/11/2021

Greenlight Credit Ltd
Statement of Income and
Retained Earnings
for the Year Ended 30 November 2020

	Notes	2020 £	2019 £
TURNOVER	4	12,086,074	16,509,797
Cost of sales		(9,181,741)	(11,177,813)
GROSS PROFIT		2,904,333	5,331,984
Administrative expenses		(2,421,434)	(3,360,411)
		482,899	1,971,573
Other operating income		169,037	-
OPERATING PROFIT	7	651,936	1,971,573
Interest receivable and similar income		13	-
		651,949	1,971,573
Interest payable and similar expenses	8	(1,608,814)	(1,608,177)
(LOSS)/PROFIT BEFORE TAXATION		(956,865)	363,396
Tax on (loss)/profit	9	174,045	46,006
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(782,820)	409,402
Retained earnings at beginning of year		3,332,851	2,923,449
RETAINED EARNINGS AT END OF YEAR		2,550,031	3,332,851

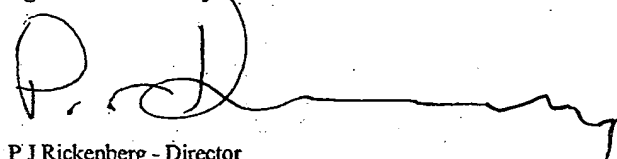
The notes on pages 14 to 23 form part of these financial statements

Greenlight Credit Ltd (Registered number: 07551524)

Statement of Financial Position
30 November 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	10	8,770	11,170
Tangible assets	11	10,385	13,718
		<u>19,155</u>	<u>24,888</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	10,810,535	11,393,330
Debtors: amounts falling due after more than one year	12	2,690,777	5,998,582
Cash at bank		1,424,162	423,232
		<u>14,925,474</u>	<u>17,815,144</u>
CREDITORS			
Amounts falling due within one year	13	(11,880,960)	(9,369,576)
NET CURRENT ASSETS		<u>3,044,514</u>	<u>8,445,568</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,063,669</u>	<u>8,470,456</u>
CREDITORS			
Amounts falling due after more than one year	14	(50,000)	(4,675,000)
PROVISIONS FOR LIABILITIES	17	(3,639)	(2,606)
NET ASSETS		<u><u>3,010,030</u></u>	<u><u>3,792,850</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	14,284	14,284
Share premium		445,715	445,715
Retained earnings		2,550,031	3,332,851
SHAREHOLDERS' FUNDS		<u><u>3,010,030</u></u>	<u><u>3,792,850</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2021 and were signed on its behalf by:



P J Rickenberg - Director

The notes on pages 14 to 23 form part of these financial statements

Greenlight Credit Ltd

Statement of Cash Flows
for the Year Ended 30 November 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	4,940,927	1,305,814
Interest paid		(1,608,813)	(1,608,177)
Tax paid		3,608	(77,061)
		<hr/>	<hr/>
Net cash from operating activities		3,335,722	(379,424)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(12,000)
Purchase of tangible fixed assets		-	(16,670)
Proceeds from other investment and loans		-	(41,500)
Interest received		13	-
		<hr/>	<hr/>
Net cash from investing activities		13	(70,170)
		<hr/>	<hr/>
Cash flows from financing activities			
New loans in year		511,512	8,919,401
Loan repayments in year		(3,093,071)	(8,149,401)
Amount introduced by directors		246,754	(77,052)
		<hr/>	<hr/>
Net cash from financing activities		(2,334,805)	692,948
		<hr/>	<hr/>
Increase in cash and cash equivalents		1,000,930	243,354
Cash and cash equivalents at beginning of year	2	423,232	179,878
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	1,424,162	423,232
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 23 form part of these financial statements

Greenlight Credit Ltd

Notes to the Statement of Cash Flows
for the Year Ended 30 November 2020

1. **RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
(Loss)/profit before taxation	(956,865)	363,396
Depreciation charges	5,733	5,190
Finance costs	1,608,814	1,608,177
Finance income	(13)	-
	<hr/>	<hr/>
	657,669	1,976,763
Decrease/(increase) in trade and other debtors	3,819,571	(570,115)
Increase/(decrease) in trade and other creditors	463,687	(100,834)
	<hr/>	<hr/>
Cash generated from operations	<u><u>4,940,927</u></u>	<u><u>1,305,814</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 November 2020

	30.11.20	1.12.19
	£	£
Cash and cash equivalents	<u><u>1,424,162</u></u>	<u><u>423,232</u></u>

Year ended 30 November 2019

	30.11.19	1.12.18
	£	£
Cash and cash equivalents	<u><u>423,232</u></u>	<u><u>179,878</u></u>

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.12.19	Cash flow	At 30.11.20
	£	£	£
Net cash			
Cash at bank	423,232	1,000,930	1,424,162
	<hr/>	<hr/>	<hr/>
	423,232	1,000,930	1,424,162
Debt			
Debts falling due within 1 year	(8,919,401)	(2,043,442)	(10,962,843)
Debts falling due after 1 year	(4,675,000)	4,625,000	(50,000)
	<hr/>	<hr/>	<hr/>
	(13,594,401)	2,581,558	(11,012,843)
	<hr/>	<hr/>	<hr/>
Total	<u><u>(13,171,169)</u></u>	<u><u>3,582,488</u></u>	<u><u>(9,588,681)</u></u>

The notes on pages 14 to 23 form part of these financial statements

1. STATUTORY INFORMATION

The Company is a private company limited by shares incorporated in England and Wales. The registered office is Airport House Suite 43-45, Purley way, Croydon Surrey CR0 0XZ.

2. ACCOUNTING POLICIES

2.1. BASIS OF PREPARING THE FINANCIAL STATEMENTS

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.

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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2. GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue to trade for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

Throughout the year, the board have been exploring options to diversify the lending platform to accommodate other forms of consumer credit. The board therefore believe there is significant growth to be achieved. The directors have reviewed forecasts and are confident in the Company's ability to meet liabilities as they fall due for the foreseeable future.

2.3. REVENUE

The Company lends money on a secured basis. Turnover represents interest receivable and supplementary charges receivable on loan balances due from customers in the year.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

2.4. INTANGIBLE FIXED ASSETS

Intangible assets comprise initial identifiable development expenditure in relation to the loan software. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

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:

Patents	no amortisation
Software Development Costs	written off over 5 years (20% straight line)
Website Costs	written off over 5 years (20% straight line)

Patents costs are not amortised as their residual value is expected to be consistent with the initial cost.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

2. **ACCOUNTING POLICIES - continued**

2.5. 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:

Furniture & fittings	25% on reducing balance
Plant & Machinery	33% on straight line

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.

2.6. FINANCIAL INSTRUMENTS

The Company 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 Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other receivables 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.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

2. ACCOUNTING POLICIES - continued

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, 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 payment ts 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.7. 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 income statement 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 income statement, 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.

2.8. RETIREMENT BENEFITS

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

2.9. 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 non-current 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.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

2. ACCOUNTING POLICIES - continued

2.10. GOVERNMENT GRANTS

Government grant income under the Coronavirus Job Retention Scheme was received as compensation for salary expenses incurred during the pandemic lockdown when the Company's employees were not working. This income is recognised as other income with the Statement of Income and Retained Earnings in the same period as the related expenditure.

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Trade debtors are assessed for impairment at each balance sheet date both individually and collectively. A collective portfolio impairment provision is made on the interest outstanding and is calculated based on a percentage that is derived from historic loss experience of the portfolio.

No provision is made for the capital element of these loans as the security held assumes the remaining principle is protected and fully recoverable.

4. TURNOVER

All the turnover for the Company during the year arose in the United kingdom.

5. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including directors) employed by the Company during the year was 19 (2019 - 20).

Greenlight Credit Ltd

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

6. DIRECTORS' EMOLUMENTS

	2020	2019
	£	£
Remuneration for qualifying services	412,978	220,181
Company pension contribution to defined contribution schemes	8,069	5,864
	<u>432,772</u>	<u>226,045</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

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

	2020	2019
	£	£
Remuneration for qualifying services	302,978	120,181
Company pension contribution to defined contribution schemes	4,770	3,197
	<u>307,748</u>	<u>123,378</u>

7. OPERATING PROFIT

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the Company's auditor for the audit of the Company's financial statements	36,030	30,450
Rent	98,995	124,841
Currency charges	69	16
Depreciation of owned property, plant and equipment	3,333	2,952
Amortisation of intangible assets	2,400	2,238
	<u>140,827</u>	<u>159,487</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Interest on overdue taxation	217	-
Non bank interest on loans	1,604,321	1,608,177
Other interest charges	4,276	-
	<u>1,608,814</u>	<u>1,608,177</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

9. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	(175,078)	-
Corporation tax adjust re previous year	-	(48,612)
Total current tax	(175,078)	(48,612)
Deferred tax	1,033	2,606
Tax on (loss)/profit	(174,045)	(46,006)

RECONCILIATION OF TOTAL TAX CREDIT INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
(Loss)/profit before tax	(956,865)	363,396
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(181,804)	69,045
Effects of:		
Expenses not deductible for tax purposes	6,726	4,004
Capital allowances in excess of depreciation	-	(4,461)
Deferred tax	1,033	2,606
Bad debt	-	(117,200)
Total tax credit	(174,045)	(46,006)

Greenlight Credit Ltd

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

10. **INTANGIBLE FIXED ASSETS**

	Patents £	Software Development Costs £	Website Costs £	Totals £
COST				
At 1 December 2019 and 30 November 2020	170	124,800	12,000	136,970
AMORTISATION				
At 1 December 2019	-	124,800	1,000	125,800
Amortisation for year	-	-	2,400	2,400
At 30 November 2020	-	124,800	3,400	128,200
NET BOOK VALUE				
At 30 November 2020	170	-	8,600	8,770
At 30 November 2019	170	-	11,000	11,170

11. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 December 2019	1,890	16,670	18,560
Disposals	(1,890)	-	(1,890)
At 30 November 2020	-	16,670	16,670
DEPRECIATION			
At 1 December 2019	1,890	2,952	4,842
Charge for year	-	3,333	3,333
Eliminated on disposal	(1,890)	-	(1,890)
At 30 November 2020	-	6,285	6,285
NET BOOK VALUE			
At 30 November 2020	-	10,385	10,385
At 30 November 2019	-	13,718	13,718

Greenlight Credit Ltd

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

12. DEBTORS

	2020 £	2019 £
Amounts falling due within one year:		
Loans to customers	9,484,895	10,104,027
Other receivables	1,021,045	1,106,704
Other Debtors	13,715	-
Directors' current accounts	-	77,052
Corporation tax repayable	269,729	94,651
Amount owed by connected company	349	-
Prepayments and accrued income	20,802	10,896
	<u>10,810,535</u>	<u>11,393,330</u>
Amounts falling due after more than one year:		
Loans to customers	<u>2,690,777</u>	<u>5,998,582</u>
Aggregate amounts	<u>13,501,312</u>	<u>17,391,912</u>

The carrying value of trade and other receivables approximate to the fair value.

As of the 30 November 2020, trade receivables totalled £12,175,670 (2019 - £16,102,609). This is after the provision for impairment of trade receivables of £11,311,992 (2019 - £5,139,570).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans (see note 15)	10,962,843	8,919,401
Trade creditors	229,893	160,427
Corporation tax	28,645	24,688
Social security and other tax	79,077	106,856
Other creditors	34,786	38,946
Directors' current accounts	298	-
Accruals and deferred income	545,418	119,258
	<u>11,880,960</u>	<u>9,369,576</u>

The total secured balance as at the reporting date is £1,893,441 (2019 - £4,675,000 in more than one year) and is secured over the assets of the company.

The directors consider that the carrying amounts of financial liabilities carries at amortised cost in the financial statements approximate to their fair values.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Other loans (see note 15)	<u>50,000</u>	<u>4,675,000</u>

Greenlight Credit Ltd

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

The director consider that the carrying amounts of financial liabilities carries at amortised cost in the financial statements approximate to their fair values.

15. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand:		
Other loans	10,962,843	8,919,401
	<u>10,962,843</u>	<u>8,919,401</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	-	4,675,000
Bounce back loan	50,000	-
	<u>50,000</u>	<u>4,675,000</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	86,323	85,142
Between one and five years	50,149	6,596
	<u>136,472</u>	<u>91,738</u>

17. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax	3,639	2,606
	<u>3,639</u>	<u>2,606</u>
		Deferred tax
		£
Balance at 1 December 2019		2,606
Provided during year		1,033
		<u>3,639</u>
Balance at 30 November 2020		<u>3,639</u>

Greenlight Credit Ltd

Notes to the Financial Statements - continued
for the Year Ended 30 November 2020

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020 £	2019 £
Number:	Class:			
14,284	Ordinary share capital issued and fully paid	£1	<u>14,284</u>	<u>14,284</u>

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £30,833 (2019 - £21,283).

Contribution totalling £23,463 (2019 - £4,731) was payable to fund at balance sheet date and are included in creditors.

20. RELATED PARTY DISCLOSURES

At the balance sheet date included in long term liabilities are amounts owed to a shareholder of a company with common directors amounting to £9,069,401 (2019 - £8,919,401) and accrued interest at 12% owing of £301,535 (2019 - £56,105).

At the balance sheet date included in other debtors is an amount due from a company with common directors and shareholders amounting to £1,000,000 (2019 - £1,000,000).

A company in which a director holds shares provided services to Greenlight Credit Limited of £411,989 (2019 - £699,818) in the year. At the balance sheet date included in trade creditors are amounts due to this company of £71,215 (2019 - £49,330).

At the balance sheet date included in creditors are amounts due to a director of £298 (2019 - £77,052 in debtors).

At the balance sheet date included in debtors are amounts due from current shareholders and employees of the company amounting to £6,274 (2019 - £92,352).