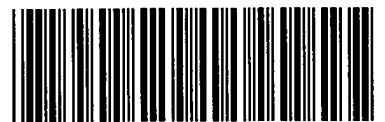


Registration number: 00034278

## Consumer Credit Trade Association

Annual Report and Financial Statements  
for the Year Ended 31 December 2014

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**Consumer Credit Trade Association**  
**Contents**

Company Information .....	1
Directors' Report .....	2 to 4
Statement of Directors' Responsibilities .....	5
Independent Auditor's Report .....	6 to 7
Profit and Loss Account .....	8
Balance Sheet .....	9
Notes to the Financial Statements .....	10 to 15

**Consumer Credit Trade Association**  
**Company Information**

<b>Directors</b>	G P Stevens J S Fellows S Mee A Claytor N Leatherland G Wilkinson T J Merrick D Pickup P D Ross J M Davis F R Johnstone A Lapointe
<b>Registered office</b>	Airedale House Dowley Gap Business Park Dowley Gap Lane Bingley West Yorkshire BD16 1WA
<b>Auditors</b>	BHP Clough & Company LLP Chartered Accountants and Registered Auditors New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB

## **Consumer Credit Trade Association**

### **Directors' Report for the Year Ended 31 December 2014**

The Council has pleasure in presenting its Annual Report and Statement of Accounts for the year ended 31 December 2014.

#### **Principal activity**

The Principal Activities of the Association are set out in the Memorandum of Association, copies of which may be obtained from the Association on request..

#### **Business review**

##### ***Fair review of the business***

The change of the consumer credit regulation from the OFT to the FCA dominated the Association year. Providing information and guidance to Members, at the same time as liaising and assisting in the knowledge gathering of the Regulator taxed our resources to the limit. The FCA fully understood the plight of our SME Members but were powerless to diminish the onerous nature of the more intrusive style of regulation.

There was a decay in Membership during the year as some of our smaller Members decided that the new regulation was too costly and onerous, and therefore decided to close or sell their businesses. Through focused marketing and networking we recruited more Members than we lost, so we finished the year with a net gain of 10 Members giving us a total of 386 Members. We consistently advised the FCA of the impact that the intrusive regulation would have on the Industry, coupled with the potential loss of the letter of the law provided by the Consumer Credit Act.

Consumer groups continued to prosper in promulgating greater regulatory action especially in the high cost short term credit sector. The Coalition Government, and a weakened Civil Service caused through austerity programmes contrived to provide a fertile ground for over regulation with probable ramifications for the future. The Competition Commission widened the Payday Lending Inquiry to include other high cost short term products despite the protestations of the CCTA in particular. The FCA then widened it even further to include all high cost short term products over 100 per cent, albeit ruling out home credit products in particular.

The outcome of the Competition Commission was further advanced by the FCA announcing and introducing rate capping in the UK on payday lending products, despite many of the Consumer Groups supporting our case against the use of such a blunt instrument. Regulatory creep is now a real possibility as rate capping could be applied to other sectors by political pressure bearing down on the FCA. The CCTA has liaised with the FCA throughout the year to minimise the effect of the FCA Principles and CONC Rules, and was very much to the foreground of cross Industry education of the variety of business models that exist in the UK.

Lobbying of Parliament was a difficult proposition as in essence the General Election was the focus of the Parties throughout the year even though it was not due until May 2015. The number of Bills going through Parliament was the smallest number for many years, and there were days if not weeks when there was very little Parliamentary activity. The Parliament was one of the weakest with MP's having previous business experience, including at Minister level. Coupled with the ongoing personnel carousel at the FCA it effectively neutered the effect of most Trade Associations lobbying.

The CCTA through it's communication and training streams continued to provide Members with regular updates on the changing regulatory scene, and had healthy attendances at all meetings. We further enhanced the website to provide immediate access for Members on key business issues. The training and legal advice helpline was also enhanced so that members had virtually instant access and a helping hand to deal with ambiguous and taxing issues.

**Consumer Credit Trade Association**  
**Directors' Report for the Year Ended 31 December 2014**

*..... continued*

The move of consumer credit regulation from the OFT to the FCA has already resulted in many lenders exiting the market. There were over 90,000 consumer credit licences in existence up until March 2014. Post the granting of the FCA Interim Permission in April 2014 there were 49,504 firms. In order to collect out a lending book is required so it is likely that once all firms have gone through to FCA full Authorisation many more will have exited.

The CCTA is committed to fighting the corner for SME's and larger firms during the Authorisation process and keeping all Members up to speed on key issues and requirements. The FCA is far more intrusive than the OFT, the fees and costs of regulation is far higher, and the penalty for transgressing far harsher with an additional danger to reputation.

The Association finished the year in excellent financial shape and is ready to support and fight for the Members in 2015, which will be a taxing year as the full Authorisation programme commences in April 2015. We are geared up to advice and assist Members on the FCA queries which arise from the FCA Authorisation Application forms.

2015 is the 125th Anniversary of the CCTA and our expectations are that it will be a challenging year with major changes in the economic world, politically and Industry. The CCTA will be fleet of foot and resolute in the protection of our Members as they navigate the new regulatory world.

***Principal risks and uncertainties***

The company operates with a significant cash balance and ensures that interest rates are maximised. There is no foreign exchange exposure and credit risk is considered to be minimal as income is in the main generated from Members of the Association.

**Directors of the company**

The directors who held office during the year were as follows:

Lord Simon Gordon Jared Russell Of Liverpool (resigned 31 December 2014)

G P Stevens

J S Fellows

S Mee

A Claytor

N Leatherland

G Wilkinson

T J Merrick

D Pickup

P D Ross

J M Davis

F R Johnstone

The following director was appointed after the year end:

A Lapointe (appointed 1 April 2015)

**Consumer Credit Trade Association**  
**Directors' Report for the Year Ended 31 December 2014**

..... *continued*

**Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

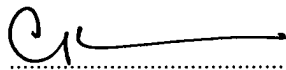
**Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of BHP Clough & Company LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

**Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 23.09.2015 and signed on its behalf by:



G P Stevens  
Director

## **Consumer Credit Trade Association**

### **Statement of Directors' Responsibilities**

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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

## **Independent Auditor's Report to the Members of Consumer Credit Trade Association**

We have audited the financial statements of Consumer Credit Trade Association for the year ended 31 December 2014, set out on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Independent Auditor's Report to the Members of  
Consumer Credit Trade Association**

..... *continued*

**Matters on which we are required to report by exception**

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' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Roland Clark FCA DChA  
**Senior Statutory Auditor**

For and on behalf of: BHP Clough & Company LLP, Statutory Auditor

*BHP Clough & Company LLP*

BHP Clough & Company LLP, Statutory Auditor  
New Chartford House  
Centurion Way  
Cleckheaton  
Bradford  
West Yorkshire  
BD19 3QB

Date: *25-9-2015*

**Consumer Credit Trade Association**  
**Profit and Loss Account for the Year Ended 31 December 2014**


	Note	2014 £	2013 £
Turnover		919,521	736,961
Cost of sales		<u>(176,740)</u>	<u>(157,998)</u>
Gross profit		742,781	578,963
Administrative expenses		<u>(571,572)</u>	<u>(520,167)</u>
Operating profit	2	171,209	58,796
Exceptional items	3	(31,018)	-
Other interest receivable and similar income	5	581	105
Interest payable and similar charges		<u>(47)</u>	<u>-</u>
Profit on ordinary activities before taxation		140,725	58,901
Tax on profit on ordinary activities	6	<u>(116)</u>	<u>(21)</u>
Profit for the financial year	11	<u><u>140,609</u></u>	<u><u>58,880</u></u>

**Consumer Credit Trade Association**  
**(Registration number: 00034278)**  
**Balance Sheet at 31 December 2014**

		2014	2013
	Note	£	£
<b>Fixed assets</b>			
Tangible fixed assets	7	24,447	-
<b>Current assets</b>			
Stocks		18,124	29,652
Debtors	8	177,530	175,834
Cash at bank and in hand		553,223	391,607
		<u>748,877</u>	<u>597,093</u>
Creditors: Amounts falling due within one year	9	<u>(452,947)</u>	<u>(425,869)</u>
Net current assets		<u>295,930</u>	<u>171,224</u>
Total assets less current liabilities		320,377	171,224
Creditors: Amounts falling due after more than one year	10	<u>(8,544)</u>	<u>-</u>
Net assets		<u><u>311,833</u></u>	<u><u>171,224</u></u>
<b>Capital and reserves</b>			
Other reserves	11	50,000	50,000
Profit and loss account	11	<u>261,833</u>	<u>121,224</u>
Shareholders' funds		<u><u>311,833</u></u>	<u><u>171,224</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Approved and authorised for issue by the Board on 23. 09. 2015 and signed on its behalf by:

  
 .....  
 G P Stevens  
 Director

## **Consumer Credit Trade Association**

### **Notes to the Financial Statements for the Year Ended 31 December 2014**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The following principal accounting policies have been applied.

##### **Going concern**

The directors have prepared financial projections and carried out a detailed review of the Association's resources and are satisfied that the Association has sufficient cash flows to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

##### **Turnover**

Turnover is recognised at the fair value of the consideration receivable for sale of goods or services in the ordinary nature of the association, with subscription income recognised in the period to which it relates. Turnover is shown net of Value Added Tax.

##### **Depreciation**

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixture, fittings and equipment	33.3% straight line
Leasehold improvements	Over the remaining lease term

##### **Fixed asset investments**

All fixed assets are initially recorded at cost.

##### **Stock**

Stocks represent agreements and forms held for resale, which are valued at the lower of cost and net realisable value.

##### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

##### **Hire purchase and leasing**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

## Consumer Credit Trade Association

### Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### 2 Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Auditor's remuneration - The audit of the company's annual accounts	2,000	2,000
Depreciation of tangible fixed assets	<u>1,918</u>	<u>-</u>

#### 3 Exceptional items

	2014 £	2013 £
Lease termination costs	<u>31,018</u>	<u>-</u>

#### 4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2014 £	2013 £
Remuneration	<u>154,096</u>	<u>115,781</u>

**Consumer Credit Trade Association**

**Notes to the Financial Statements for the Year Ended 31 December 2014**

**..... continued**

**5 Other interest receivable and similar income**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>581</u>	<u>105</u>

**6 Taxation**

**Tax on profit on ordinary activities**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	<u>116</u>	<u>21</u>

# Consumer Credit Trade Association

## Notes to the Financial Statements for the Year Ended 31 December 2014

..... continued

### 7 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2014	-	48,406	48,406
Additions	7,500	18,865	26,365
Disposals	-	(48,406)	(48,406)
At 31 December 2014	7,500	18,865	26,365
<b>Depreciation</b>			
At 1 January 2014	-	48,406	48,406
Charge for the year	409	1,509	1,918
Eliminated on disposals	-	(48,406)	(48,406)
At 31 December 2014	409	1,509	1,918
<b>Net book value</b>			
At 31 December 2014	7,091	17,356	24,447
At 31 December 2013	-	-	-

#### Leased assets

Included within the net book value of tangible fixed assets is £13,426 (2013 - £nil) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £1,221 (2013 - £nil).

### 8 Debtors

	2014 £	2013 £
Trade debtors	154,474	147,350
Other debtors	3,056	8,484
Deferred tax	20,000	20,000
	177,530	175,834

#### Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£
At 1 January 2014	20,000

# Consumer Credit Trade Association

## Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

### Analysis of deferred tax

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	895	1,194
Tax losses available	19,105	18,806
	<u>20,000</u>	<u>20,000</u>

### 9 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	23,297	34,065
Obligations under finance lease and hire purchase contracts	4,882	-
Corporation tax	116	21
Other taxes and social security	11,903	20,647
Other creditors	412,749	371,136
	<u>452,947</u>	<u>425,869</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2014 £	2013 £
Obligations under finance lease and hire purchase contracts	<u>4,882</u>	<u>-</u>

### 10 Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Obligations under finance lease and hire purchase contracts	<u>8,544</u>	<u>-</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	2014 £	2013 £
Obligations under finance lease and hire purchase contracts	<u>8,544</u>	<u>-</u>



## Consumer Credit Trade Association

### Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

#### 11 Reserves

	Other reserves £	Profit and loss account £	Total £
At 1 January 2014	50,000	121,224	171,224
Profit for the year	-	140,609	140,609
At 31 December 2014	<u>50,000</u>	<u>261,833</u>	<u>311,833</u>

#### 12 Commitments

##### Operating lease commitments

As at 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Within one year	-	30,104
Within two and five years	<u>32,187</u>	<u>7,687</u>
	<u>32,187</u>	<u>37,791</u>

#### 13 Control

The company is controlled by the directors.