Company Registration No. 00935949

Close Invoice Finance Limited

Annual Report and Financial Statements
31 July 2015

ANNUAL REPORT AND FINANCIAL STATEMENTS 2015

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D P Thomson (Chief Executive Officer)
A J Sainsbury
I M Steward
J M Brown
C R Gould
R A Frewer

SECRETARY

V A Bishop

REGISTERED OFFICE

10 Crown Place
London
EC2A 4FT

BANKERS

Barclays Bank plc
139/142 North Street
Brighton
West Sussex
BN1 1RU

Lloyds Bank plc
5 Bridge Street
Newbury
Berkshire
RG14 5BQ

NatWest Bank Plc
London Corporate Service Centre
PO Box 39952
2½ Devonshire Square
London
EC2M 4XJ

Close Brothers Limited
10 Crown Place
London
EC2A 4FT

Ulster Bank Limited
PO Box 145
33 College Green
Dublin 2
ROI

Danske Bank
Corporate Banking
1st Floor
Donegall Square West
Belfast
BT1 6JS

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

SOLICITORS

Squire Patton Boggs (UK) LLP
7 Devonshire Square
London
EC2M 4YH

STRATEGIC REPORT

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The company's ultimate parent is Close Brothers Group plc ("CBG" or the "Group") and it operates as part of CBG's banking division. Its immediate parent is Close Brothers Limited ("CBL").

The company's principal activity is debt factoring and invoice discounting. There have not been any significant changes in the company's principal activity during the year. The directors are not aware of any planned major changes in the company's activity in the next year.

RESULTS FOR THE YEAR

The profit for the year before taxation amounts to £13,399,657 (2014: profit of £10,601,964).

As shown in the company's profit and loss account on page 8, turnover has increased by 4% over the prior year and profit before tax has increased by 26% over the same period. The company benefited from a very low level of bad debt during the year. Key performance indicators for the business are profit and loan book. Profit is shown above and the net loan book is £350,236,694 (2014: £356,076,820) as shown in the Debtors note on page 16.

CBG manages its operations on a divisional basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of its development, performance or position. The performance of CBG's Banking division is presented in its annual report which does not form part of this report.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

The directors are pleased that the company achieved a £13,399,657 profit before taxation in what continues to be a competitive market. The improving trading conditions, reduced cost of funds, low bad debt and the tight controls over expenditure have contributed to the achievement of this profit figure.

The directors plan to continue with the present strategy of growing the existing business organically.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is subject to the risk management process of its ultimate parent company, CBG. These processes are described in the CBG Annual Report which does not form part of this report.

Liquidity risk

The company is financed mainly by a Treasury loan facility from its parent and has no third party debt.

Credit risk

The controls and procedures that the company has in place are designed to mitigate any credit risk. Before underwriting any deals, there are extensive checks on the credit-worthiness of directors and owners of the company involved. The company also takes certain forms of security from any new client. Cash is only advanced to clients within certain limits and within availability. The availability of funds can be limited if clients' sales invoices cannot be verified or if there is a concentration of invoices from clients' customers. In certain cases the company will also insure the debt through a policy held with Euler Trade Indemnity.

Reputational risk

Damage to the company's reputation and competitive pressure are continuing risks. The company mitigates these risks by providing added value services to its customers, having fast response times not only in supplying products and services but in handling all customer queries, and by maintaining strong relationships with customers.

Foreign exchange risk

The company hedges the majority of the currency exchange risk by funding foreign currency deals with borrowings in the same currency.

D P Thomson
Director
17 September 2015

10 Crown Place
London
EC2A 4FT

DIRECTORS REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2015.

DIRECTORS

The current directors are shown on page 1. The directors who served throughout the year and subsequently are listed below.

A J Sainsbury
I M Steward
D P Thomson
J M Brown (Appointed – 21st January 2015)
C R Gould (Appointed – 21st January 2015)
R A Frewer (Appointed – 6th July 2015)
R P Harris (Resigned – 16th December 2014)
H D Parkinson (Resigned – 19th December 2014)
N J Price (Resigned – 6th July 2015)

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2-3. In addition, included there are the company's objectives, policies and processes for managing its key risks including its exposure to credit risk.

The balance sheet on page 9 shows net current liabilities of £142,671 (2014: £ 320,401). Whilst the company is in a net current liabilities position, this is simply a function of the dividend policy within CBG, where the company is capitalised at a level required to meet its business and regulatory needs and all remaining value is paid through dividend to its parent company.

The company remains profitable and anticipates ongoing profits in the next financial year. Where necessary, the company has appropriate borrowing facilities from its parent company Close Brothers Limited.

After making enquiries, the directors have a reasonable expectation that the company and its parent have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIVIDENDS

The directors paid interim ordinary dividends amounting to £10,800,000 (2014: £5,800,000) and final ordinary dividends amounting to £ Nil (2014: £ 2,100,000).

DIRECTOR'S REPORT

FINANCIAL RISK MANAGMENT OBJECTIVES AND POLICIES

Management's approach to financial risk management is outlined in the Strategic Report on page 2.

ENVIRONMENT

CBG recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The company operates within the Group's Corporate Social Responsibility statement, which is described in the Group's Annual Report. Initiatives designed to minimise the company's impact on the environment include recycling and reducing energy consumption.

EMPLOYEES

It is the policy of the company to provide equal opportunities to all employees and to consider all applications for employment. The company does not discriminate on the basis of race or religion, sex or sexual orientation, marital status, age or disability.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the company's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in CBG's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests. CBG's employee share scheme has been running successfully since its inception in 1993 and is open to all employees after a qualifying service period.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The company maintained directors' and officers' liability insurance throughout the year.

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board by:

D P Thomson
Director
17 September 2015

10 Crown Place
London
EC2A 4FT

DIRECTORS' RESPONSIBILITIES STATEMENT

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 then apply them consistently;
- make judgments 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; 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 CLOSE INVOICE FINANCE LIMITED

We have audited the financial statements of Close Invoice Finance Limited for the year ended 31 July 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 annual 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 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 July 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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.

Simon Stephens (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
17 September 2015

PROFIT AND LOSS ACCOUNT
Year ended 31 July 2015

	Note	2015 £	2014 £
PROFIT AND LOSS ACCOUNT	2	40,263,365	38,590,719
Administrative expenses		(22,243,045)	(22,572,862)
		18,020,320	16,017,857
Other operating income		3,286,990	3,703,314
OPERATING PROFIT	3	21,307,310	19,721,171
Interest payable and similar charges	6	(7,907,653)	(9,119,207)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,399,657	10,601,964
Tax on profit on ordinary activities	7	(2,846,273)	(2,375,678)
PROFIT FOR THE FINANCIAL YEAR		10,553,384	8,226,286

All activities derived from continuing operations.

There are no recognised gains and losses for the current or preceding financial year other than as stated above. Accordingly no statement of total recognised gains and losses is presented. The notes on page 10 to 21 form an integral part of these financial statements.

BALANCE SHEET
As at 31 July 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Intangible assets	9	1,122,939	1,297,935
Goodwill	9	1,471,516	1,622,819
Tangible assets	10	502,883	600,930
		3,097,338	3,521,684
CURRENT ASSETS			
Debtors	11	688,047,781	722,477,692
Cash at bank and in hand		7,839,644	14,686,921
		695,887,425	737,164,613
CREDITORS: amounts falling due within one year	12	(696,030,096)	(737,485,014)
NET CURRENT LIABILITIES		(142,671)	(320,401)
TOTAL ASSETS LESS CURRENT LIABILITIES; BEING NET ASSETS		2,954,667	3,201,283
CAPITAL AND RESERVES			
Called up share capital	14	190,941	190,941
Share premium account	15	667,687	667,687
Profit and loss account	15	2,096,039	2,342,655
SHAREHOLDERS' FUNDS		2,954,667	3,201,283

These financial statements of Close Invoice Finance Limited registered number 00935949 were approved by the Board of Directors and authorised for issue on 17 September 2015.

Signed on behalf of the Board of Directors by:

D P Thomson
Director

1. ACCOUNTING POLICIES

The financial statements are prepared under the historic cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Going Concern

As explained in the Directors' report on page 4-5 the financial statements have been prepared on the going concern basis.

Goodwill

Goodwill arising on acquisition has been capitalised and is written off in equal annual instalments over its useful life, which the directors estimate to be 20 years. Provision is made for any impairment.

Other Intangible Assets

Other intangible assets relate to the acquisition of a third party loan book. The company's policy is to amortise the intangible asset evenly in line with the length of the average customer relationship, that being 12 years.

Tangible fixed assets and depreciation

Leasehold improvements are recorded at cost to the company after deducting amounts received from the landlord.

Depreciation on fixed assets is calculated on a straight line basis at rates estimated to write off the cost of the relevant assets over their anticipated useful lives. The principal annual rates in use are:

Leasehold improvements	–	duration of lease
Motor vehicles	–	25%
Furniture and equipment	–	10% - 33%

Factored accounts receivable

Factored accounts receivable, classified as 'trade debtors' in the financial statements, are periodically reviewed by the directors and included in the financial statements net of provisions for doubtful debts. Where recovery of debts is being sought through legal actions, provisions are made against the amounts outstanding in accordance with legal advice. Legal costs are provided for in full. The charge in the profit and loss account represents the net increase in provisions less recoveries and write offs for the year. Amounts within factored accounts receivable that have not been paid on by the company are included within 'trade creditors'.

Revenue recognition

Income includes interest charges, service fees and additional service fees.

Interest revenue arises on invoice discounting and debt factoring charges. Interest is calculated on clients' outstanding loan balances and is recognised in the profit and loss account on a daily basis.

Service or administration fees are calculated daily on client sales invoices processed that day and are recognised in the profit and loss account at the same time.

Other operating income relates to sundry income and additional service fees. This income is not recognised immediately in the profit and loss account due to the uncertainty surrounding the revenue stream. Where charges relate to non performing debt, this income is held on the balance sheet until any monies have been recovered, and then it is released to the profit and loss account.

Interest payable and similar charges

Interest payable comprises interest charged on bank loans, overdrafts and other loans.

Pensions

Contributions within defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement since it is a wholly owned subsidiary of a parent company which has produced a cash flow statement and whose accounts are publicly available.

Foreign exchange

Foreign currency assets and liabilities are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions during the period expressed in foreign currencies are translated into sterling at the prevailing rate at each month end. Any differences arising from translation are dealt with in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Share-based payments

Close Brothers Group plc ("CBG"), the ultimate parent company, operates long term incentive arrangements in which group employees have participated. These include an annual bonus plan and four long term equity based incentive schemes ("Incentive Schemes"); the Share Matching Plan ("SMP"), the 2009 Long Term Incentive Plan ("LTIP"), the 1995 Executive Share Option Scheme ("ESOS") and the Inland Revenue approved Save As You Earn ("SAYE") scheme.

The costs of the annual bonus plan related awards ("DAB" / "DSA") are based on the salary of the individual at the time the award is made. The value of the share award at the grant date is charged to the company's income statement in the year to which the award relates.

The cost of the Incentive Schemes is based on the fair value of awards on the date of grant. Fair values are determined using a stochastic (Monte Carlo simulation) pricing model for the SMP and LTIP and the Black-Scholes pricing model for the others. Both models take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the CBG share price over the life of the option award and other relevant factors. The stochastic pricing model is also used to calculate the fair value of the market related element of the SMP and LTIP awards. Vesting conditions are not taken into account when measuring fair value, but are reflected by adjusting the number of shares in each award such that the amount recognised reflects the number that are expected to, and then actually do, vest. CBG expense the fair value of the awards, including recharges to subsidiary companies where applicable, in their income statement on a straight line basis over the vesting period, with a corresponding credit to the share-based awards reserve. At the end of the vesting period, or upon exercise, lapse or forfeit if earlier, this credit is transferred to retained reserves. Further information on the company's schemes is provided in note 19.

2. TURNOVER

Turnover arises from the company's principal activity and represents fees and interest charged on the single class of business being factoring of debts and invoice discounting, exclusive of VAT and intra-group transactions. Turnover arises predominantly in the United Kingdom therefore segmental analysis has not been provided.

3. OPERATING PROFIT

Operating profit is stated after charging/ (crediting) the following items:

	2015 £	2014 £
Depreciation (note 10)	312,314	326,178
Profit on sale of fixed assets	(270)	(7,840)
Loss on foreign exchange	41,425	29,076
Amortisation of goodwill and intangible assets (note 9)	326,299	326,300
Operating lease rentals payable – Leasehold property rentals	253,190	453,144
Operating lease rentals payable – Other	365,963	319,378
Auditor's remuneration (see below)	67,404	61,541

Auditor's remuneration

	2015 £	2014 £
Fees payable to the company's auditor for audit of the company's financial statements	66,770	57,718
Tax services	635	3,823
Total fees	67,405	61,541

4. DIRECTORS' EMOLUMENTS

	2015 £	2014 £
Emoluments	858,613	1,148,486
Amounts receivable under long term incentive scheme	178,187	131,575
Company contributions paid to pension schemes	58,247	66,420
	1,095,047	1,346,481

	2015 No.	2014 No.
Members of money purchase pension scheme	5	4

The amounts in respect of the highest paid director are as follows:

	2015 £	2014 £
Emoluments	410,076	399,374
Amounts receivable under long term incentive scheme	178,187	131,575
Company contributions paid to money purchase schemes	35,100	34,680
	623,363	565,629

During the year, the highest paid director was granted 5,947 shares under 2014 LTIP and did not exercise any share options.

5. STAFF COSTS

The staff costs during the year, including executive directors, were as follows:

	2015 £	2014 £
Wages and salaries	9,040,665	8,704,879
Social security costs	1,106,291	1,075,385
Pension costs	448,560	409,492
Share based awards	(3,673)	135,278
	10,591,843	10,325,034

The average number of employees for the year, including executive directors, was as follows:

	2015 No.	2014 No.
Management	39	39
Other	141	141
	180	180

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank loans and overdrafts	-	2,269
Payable to parent undertaking on intra-group loans	7,907,653	9,116,938
	7,907,653	9,119,207

7. TAXATION

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax:		
UK corporation tax	2,804,694	2,407,155
Adjustments in respect of previous periods	(669)	2,409
Double tax relief	(221,047)	(151,215)
	2,582,978	2,258,349
Foreign tax:		
Current	221,047	151,215
Adjustments in respect of previous periods	(8,521)	(223)
	212,526	150,992
Total current tax	2,795,504	2,409,341
Deferred tax:		
Current year charge:		
Timing differences, origination and reversal	60,043	(4,425)
Effect of changes in tax rate on opening liability	(9,274)	(29,238)
	50,769	(33,663)
Tax on profit on ordinary activities	2,846,273	2,375,678

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2014: higher) than the effective rate of corporation tax in the UK of 20.67% (2014: 22.33%). The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before tax	13,399,657	10,601,964
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 20.67% (2014: 22.33%)	2,769,146	2,367,578
Expenses not deductible for tax purposes	49,110	50,096
Depreciation in excess of capital allowances	14,419	9,062
Other timing differences	(27,981)	(19,580)
Adjustments in respect of previous periods	(9,190)	2,185
Total current tax	2,795,504	2,409,341

The Finance Bill 2013 introduced legislation to further reduce the main rate of corporation tax to 20% effective from 1 April 2015. The change to 20% was substantively enacted by the balance sheet date and therefore has been reflected in the deferred tax asset recognised.

8. DIVIDENDS

	2015	2014
	£	£
Equity dividends on ordinary shares:		
Interim paid - £3.54 (2014: £9.77) per share	2,100,000	5,800,000
Interim paid - £4.55 (2014: Nil) per share	2,700,000	-
Interim paid - £5.06 (2014: Nil) per share	3,000,000	-
Interim paid - £5.06 (2014: Nil) per share	3,000,000	-
Final paid – Nil (2014: £3.54) per share	-	2,100,000
	10,800,000	7,900,000

9. INTANGIBLE ASSETS

	Goodwill	Other	Total
	£	£	£
Cost			
At 1 August 2014	3,060,953	2,100,000	5,160,953
Disposals	-	-	-
At 31 July 2015	3,060,953	2,100,000	5,160,953
Amortisation			
At 1 August 2014	1,438,134	802,065	2,240,199
Charge for the year	151,303	174,996	326,299
Disposals	-	-	-
At 31 July 2015	1,589,437	977,061	2,566,498
Net book value			
At 1 August 2014	1,622,819	1,297,935	2,920,754
At 31 July 2015	1,471,516	1,122,939	2,594,455

10. TANGIBLE ASSETS

	Leasehold office improvements £	Office furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2014	562,450	1,516,492	13,183	2,092,125
Additions	-	214,267	-	214,267
Disposals	-	-	-	-
At 31 July 2015	562,450	1,730,759	13,183	2,306,392
Depreciation				
At 1 August 2014	365,785	1,112,227	13,183	1,491,195
Charge for the year	35,691	276,623	-	312,314
Disposals	-	-	-	-
At 31 July 2015	401,476	1,388,850	13,183	1,803,509
Net book value				
At 1 August 2014	196,665	404,265	-	600,930
At 31 July 2015	160,974	341,909	-	502,883

11. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Finance receivables	350,236,694	356,076,820
Trade debtors	336,536,673	364,619,012
Prepayments and accrued income	603,602	1,025,673
Amounts due from other group companies	445,861	330,340
Other debtors	(774)	149,353
Deferred tax (note 13)	225,725	276,494
	688,047,781	722,477,692

The Finance receivables figure is net of provision for bad debt of £1,649,380 (2014: £4,995,250).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Bank loans and overdrafts	4,394,188	-
Trade creditors	336,384,575	364,619,012
Amounts owed to parent undertaking	350,923,104	368,984,104
Corporation tax	999,839	971,550
Other taxation and social security	299,021	61,621
Other creditors	277,978	188,008
Accruals and deferred income	2,425,483	2,514,785
Provisions	325,908	145,934
	696,030,096	737,485,014

The provision relates to:

	Deferred Share Awards £	Onerous Lease £	Dilapidation £	Total £
Included in creditors at 1 August 2014	51,601	94,333	-	145,934
Utilised during the year	(20,025)	(94,333)	-	(114,358)
Charged to P&L	-	-	294,332	294,332
Included in creditors at 31 July 2015	31,576	-	294,332	325,908

13. DEFERRED TAXATION

The deferred tax asset included in the balance sheet is as follows:

	£
Included in debtors at 1 August 2014 (note 11)	276,494
Credited to the profit and loss account in the year (note 7)	(52,840)
Adjustment in respect of prior years (note 7)	2,071
Included in debtors at 31 July 2015 (note 11)	225,725

	2015 £	2014 £
Accelerated capital allowances	155,735	139,709
Short-term and other timing differences	69,990	136,785
	225,725	276,494

The company anticipates future profits and as such expects to realise the benefit of this deferred tax asset in full.

14. CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid		
593,410 (2014: 593,410) Ordinary shares of 10p each	59,341	59,341
1,316,000 (2014: 1,316,000) Deferred shares of 10p each	131,600	131,600
	190,941	190,941

Only ordinary shares have voting rights. On a return of assets on liquidation or otherwise, the deferred shares would be paid first. The balance of the assets would be distributed among the holders of ordinary shares in proportion to the amounts paid up on the ordinary shares.

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 31 July 2014	190,941	667,687	2,342,655	3,201,283
Profit for the year	-	-	10,553,384	10,553,384
Dividends paid (note 8)	-	-	(10,800,000)	(10,800,000)
At 31 July 2015	190,941	667,687	2,096,039	2,954,667

16. FINANCIAL COMMITMENTS

The annual commitment under non-cancellable operating leases was as follows:

	2015		2014	
	Leasehold Property	Other	Leasehold Property	Other
	£	£	£	£
Expiry date:				
Within 1 year	-	143,858	109,241	25,891
Between 2 and 5 years	32,000	236,659	32,000	295,589
More than five years	221,190	-	221,190	-
	253,190	380,517	362,431	321,480

17. RELATED PARTY TRANSACTIONS

Close Invoice Finance Limited is taking advantage of an exemption conferred by FRS 8 which provides exemption for disclosure of transactions between two or more members of a group, provided that all subsidiaries which are party to the transaction are wholly owned by the group.

18. PARENT UNDERTAKING

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Close Brothers Group plc, the ultimate parent undertaking, which is a listed company registered in England and Wales. The parent undertaking of the smallest such group is Close Brothers Limited, registered in England and Wales. Copies of the financial statements of both Close Brothers Group plc and Close Brothers Limited may be obtained from 10 Crown Place, London EC2A 4FT.

19. SHARE BASED AWARDS

Share-based awards have been granted under the following Close Brothers Group plc share schemes: Save As You Earn ("SAYE") Scheme, 2009 Long Term Incentive Plans ("LTIP"), Share Matching Plan ("SMP"), and the annual bonus plan satisfied by deferred shares ("DSA"):

Option Short Description:	Option Grant Date:	Exercise Price:	Opening Balance:	Granted Shares:	Exercised Shares:	Lapsed Shares:	Cancelled Shares:	Closing Balance:	Ex Wt Av Mkt Val
Executive Awards:									
04 H Unapproved	06-Oct-2004	654.48 pence	**12,892**	0	0	12,892	0	**0**	
2011 LTIP	04-Oct-2011	0.00 pence	**12,417**	0	11,797	620	0	**0**	13.31
2012 DAB	02-Oct-2012	0.00 pence	**30,052**	0	30,052	0	0	**0**	14.13
2012 LTIP	02-Oct-2012	0.00 pence	**10,124**	0	0	0	0	**10,124**	
2013 DAB	01-Oct-2013	0.00 pence	**10,411**	0	0	7,277	0	**3,134**	
2013 LTIP	01-Oct-2013	0.00 pence	**7,277**	0	0	0	0	**7,277**	
2014 DAB	30-Sep-2014	0.00 pence	**0**	8,726	0	5,150	0	**3,576**	
2014 LTIP	30-Sep-2014	0.00 pence	**0**	5,947	0	0	0	**5,947**	
SAYE Options:									
2010 5Yr	27-Oct 2010	590.00 pence	**825**	0	0	0	0	**825**	
2011 3Yr	26-Oct-2011	547.00 pence	**28,678**	0	26,902	1,645	131	**0**	15.09
2011 5Yr	26-Oct-2011	547.00 pence	**1,206**	0	0	0	0	**1,206**	
2012 3 Yr	26-Oct-2012	672.00 pence	**13,630**	0	0	1,070	0	**12,560**	
2012 5 Yr	26-Oct-2012	672.00 pence	**803**	0	0	0	0	**803**	
2013 3Yr	24-Oct-2013	931.00 pence	**15,645**	0	0	0	773	**14,872**	
2013 5Yr	24-Oct-2013	931.00 pence	**1,449**	0	0	0	0	**1,449**	
2014 3Yr	29-Apr-2014	1155.00pence	**17,584**	0	0	310	2,337	**14,937**	
2014 5Yr	29-Apr-2014	1155.00 pence	**207**	0	0	0	0	**207**	
2014 3Yr Autumn	24-Oct-2014	1143.00 pence	**0**	22,114	0	471	424	**21,219**	
2014 5Yr Autumn	24-Oct-2014	1143.00 pence	**0**	1,166	0	0	0	**1,166**	

None of the directors exercised any share options in the current year.

19. SHARE BASED AWARDS (CONTINUED)

Close Brothers Group plc (the "Group") operates long-term performance related [delete if SAYE only] incentive arrangements. These include the SMP, LTIP, the 1995 Executive Share Option Scheme ("ESOS"), the DSA and the SAYE Schemes. Grants under the SMP, LTIP, DSA arrangement and the SAYE Scheme are made annually and are expected to continue for the foreseeable future.

Annual bonus plan related awards (DSA) are at the discretion of the Committee, and are determined in the light of the factors described in the Remuneration Policy set out in the Annual Report of Close Brothers Group plc. A proportion of an employee's performance related award may be deferred and satisfied in ordinary shares of the company ("shares"). Performance related awards up to 100% of salary will be paid in cash without deferral. Awards in excess of 100% of salary will be deferred in cash and shares which vest after two years for non-code staff and in yearly tiers for three years for code staff ("the Deferred Element"). The Deferred Element will be forfeited if the employee leaves employment in certain circumstances or is dismissed for cause before the relevant vesting date. The number of shares comprised in the Deferred Element will be determined by reference to the market value of a share shortly following the announcement of the Close Brothers Group plc results for the relevant financial year. Following vesting DSA shares are called for within twelve months. When the shares are called for, the employee is entitled to the value of dividends in respect of the shares under the Deferred Element accumulated over the period of deferral. The exercise price of each Deferred Share Award issue is 0.0p.

For each SAYE, SMP and LTIP issue, the last exercise date is six months, twelve months and twelve months respectively after the exercise start date. All eligible employees are entitled to participate in the SAYE Scheme on the same terms and options are granted for a fixed contract period of three or five years, usually at an exercise price at a discount of 20 per cent to the mid-market price at the date of invitation to participate. The exercise price of each SMP and LTIP issue is 0.0p.

The LTIP Awards are made in the form of nil cost options or conditional shares. Awards vest after three years subject to achieving absolute total shareholder return, adjusted earnings per share growth and risk management objectives. On vesting, participants receive an amount (in cash or shares) equal to the dividends which would have been paid on vested shares during the period from the beginning of the performance period to the time that the participant calls for the award. Participants are eligible to receive an annual award of shares with a face value of up to 200% of base salary, excluding dividend equivalents.

Participants can choose to invest up to a maximum value of 100% of base salary from their bonus into Close Brothers Group plc shares ("Invested Shares") for three years. Invested Shares are matched with free matching shares ("Matching Shares") for every Invested Share. The Invested Shares are released in full at the end of the three year deferral. The Matching Shares are subject to performance conditions over the three year deferral period. On vesting, participants receive an amount (in cash or shares) equal to the dividends which would have been paid on vested shares during the period from the beginning of the performance period to the time that the participant calls for the award. The maximum matching ratio will be two Matching Shares for each Invested Share.

Please refer to the Group's Annual Report 2015 for full details of the schemes.

For the share-based awards granted during the year, the weighted average fair value of those options at 31st July, 2015 was 643.4p (2014: 502.2p).

19. SHARE BASED AWARDS (CONTINUED)

The range of exercise prices and weighted average remaining contractual life of awards and options outstanding are as follows:

Exercise period	Share price at issue	Exercise price	Expected volatility	Expected option life in years	Dividend yield	Risk free interest rate
SAYE						
1 Dec 2017 to 31 May 2018	1428.0p	1143.0p	21.0%	3	3.4%	1.0%
1 Dec 2019 to 31 May 2020	1428.0p	1143.0p	22.0%	5	3.4%	1.5%
LTIP						
1 Oct 2017 to 30 Sep 2018	1431.0p	-	21.0%	3	3.4%	1.3%
30 Sep 2019 to 29 Sep 2020	1446.0p	-	0.0%	4	0.0%	0.0%
30 Sep 2020 to 29 Sep 2021	1446.0p	-	0.0%	5	0.0%	0.0%
DSA						
1 Oct 2015 to 30 Sep 2018	1431.0p	-	-	-	-	-
15 Mar 2016 to 15 Mar 2018	1446.0p	-	-	-	-	-
15 Jun 2016 to 15 Jun 2019	1446.0p	-	-	-	-	-
SMP						
1 Oct 2017 to 30 Sep 2018	1431.0p	-	21.0%	3	3.4%	1.3%

Expected volatility was determined mainly by reviewing share price volatility for the expected life of each option up to the date of grant.