
Genesis Asset Finance Limited

Unaudited

Financial statements

Information for filing with the registrar

For the year ended 30 November 2021

Genesis Asset Finance Limited
Registered number: 04065418

Balance Sheet
As at 30 November 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due after more than one year	4	1,430,645	1,544,732
Debtors: amounts falling due within one year	4	1,023,199	844,346
Cash at bank and in hand		232,258	92,562
		<u>2,686,102</u>	<u>2,481,640</u>
Creditors: amounts falling due within one year	5	(1,153,624)	(1,034,494)
Net current assets		<u>1,532,478</u>	<u>1,447,146</u>
Total assets less current liabilities		<u>1,532,478</u>	<u>1,447,146</u>
Creditors: amounts falling due after more than one year	6	(992,405)	(980,757)
Provisions for liabilities			
Deferred tax		(46,419)	(33,151)
		<u>(46,419)</u>	<u>(33,151)</u>
Net assets		<u><u>493,654</u></u>	<u><u>433,238</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		492,654	432,238
		<u><u>493,654</u></u>	<u><u>433,238</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

Genesis Asset Finance Limited
Registered number: 04065418

Balance Sheet (continued)
As at 30 November 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A D Frost
Director

E D Frost
Director

Date: 26 May 2022

The notes on pages 3 to 10 form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 November 2021

1. General information

Genesis Asset Finance Limited is a private company limited by shares incorporated in England. The address of the registered office is 60 Surrey Street, Glossop, SK13 7AJ. The company's registered number is 04065418.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis of which the directors have reached their conclusion.

The Company has Total assets less current liabilities of £1,532,478 (2020: £1,447,146), and net assets of £493,654 (2020: £433,238) at 30 November 2021.

The Covid-19 virus outbreak has had a significant impact on the majority of UK businesses. During the period, the directors carried out a variety of immediate actions, including applying for the Coronavirus Business Loan Scheme (CBIL), as well as taking advantage of the Furlough Grant Scheme, to ensure the company continued to be a going concern and the ability to continue trading profitably in future years.

The Company currently meets its working capital requirements through its cash balances and government backed loan funding. The directors believe they have sufficient facilities to trade through the next 12 month period.

Therefore, the directors believe it is appropriate to prepare the accounts to 30 November 2021 on a going concern basis and there will be no adverse effect on solvency for more than 12 months after the date of approval of the financial statements.

Notes to the Financial Statements
For the year ended 30 November 2021

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Leased assets: the Company as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

Notes to the Financial Statements
For the year ended 30 November 2021

2. Accounting policies (continued)

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements
For the year ended 30 November 2021

2. Accounting policies (continued)

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Net investments in finance leases are calculated by discounting the gross investment in the lease by the interest rate implicit in the lease. The gross investment in the lease is the aggregate of the minimum lease payments receivable and any unguaranteed residual value accruing to the Company as lessor.

2.12 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

Genesis Asset Finance Limited

Notes to the Financial Statements
For the year ended 30 November 2021

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2020 - 5).

4. Debtors

	2021 £	2020 £
Due after more than one year		
Net investment in finance leases, hire purchase & loan agreements	1,430,645	1,544,732
	<u>1,430,645</u>	<u>1,544,732</u>
	2021 £	2020 £
Due within one year		
Net investment in finance leases, hire purchase & loan agreements	845,190	647,688
Trade debtors	36,783	56,492
Other debtors	41,816	53,420
Prepayments and accrued income	99,410	86,746
	<u>1,023,199</u>	<u>844,346</u>

Genesis Asset Finance Limited

Notes to the Financial Statements
For the year ended 30 November 2021

5. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	22,578	-
Loans from block discounters	908,705	854,271
Trade creditors	21,809	17,817
Corporation tax	23,266	19,576
Other taxation and social security	10,826	8,455
Other creditors	26,415	1,537
Accruals and deferred income	140,025	132,838
	<u>1,153,624</u>	<u>1,034,494</u>

Bank loans represent a government backed bank loan. The loan attracts interest at 3.125% over Bank of England Base Rate per annum, is repayable over a 5.5 years term after an initial 6 month period of no repayments required and is secured along with the bank overdraft by way of guarantee from Genesis Asset Finance Holdings Limited.

6. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	95,441	-
Loans from block discounters	896,964	980,757
	<u>992,405</u>	<u>980,757</u>

Bank loans represent a government backed bank loan. The loan attracts interest at 3.125% over Bank of England Base Rate per annum, is repayable over a 5.5 years term after an initial 6 month period of no repayments required and is secured along with the bank overdraft by way of guarantee from Genesis Asset Finance Holdings Limited.

Genesis Asset Finance Limited

Notes to the Financial Statements
For the year ended 30 November 2021

7. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	22,578	-
Loans from block discounters	908,705	854,271
	<u>931,283</u>	<u>854,271</u>
Amounts falling due 1-2 years		
Bank loans	22,906	-
Loans from block discounters	896,964	980,757
	<u>919,870</u>	<u>980,757</u>
Amounts falling due 2-5 years		
Bank loans	68,718	-
	<u>68,718</u>	<u>-</u>
Amounts falling due after more than 5 years		
Bank loans	3,817	-
	<u>3,817</u>	<u>-</u>
	<u>1,923,688</u>	<u>1,835,028</u>

Secured loans

The loans from block discounters are secured against £1,297,012 (2020: £1,635,193) of the net investment in finance leases, hire purchase & loan agreements.

The directors have personally guaranteed the bank overdraft and certain loans from the block discounters. These guarantees are limited.

Bank loans represent a government backed bank loan. The loan attracts interest at 3.125% over Bank of England Base Rate per annum, is repayable over a 5.5 years term after an initial 6 month period of no repayments required and is secured along with the bank overdraft by way of guarantee from Genesis Asset Finance Holdings Limited.

Notes to the Financial Statements
For the year ended 30 November 2021

8. Pension commitments

The Company operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,862 (2020: £4,662). Contributions totalling £1,649 (2020: £nil) were payable to the fund at the balance sheet date and are included in other creditors.

9. Transactions with directors

At the balance sheet date, 2 directors owe the Company in total £41,674 (2020: £53,420) in respect of loans. The loans are interest free, provided in the ordinary course of the Company's business on standard commercial terms (save for the interest rate applicable) with the repayment of each loan on a fully amortising basis over a maximum period of 60 months from drawdown.

10. Controlling party

The controlling party until 4 December 2020 was J & K Frost. From that date, the company's ultimate holding company and immediate controlling party is Genesis Asset Finance Holdings Limited. The address of the registered office is 60 Surrey Street, Glossop, SK13 7AJ.

There is now no overall controlling party.

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