

Registered number: 04342506

TEES FINANCIAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



TEES FINANCIAL LIMITED

COMPANY INFORMATION

DIRECTORS

D J Redfern
A W Hunt
A J N Bedford
J T V Appleby

COMPANY SECRETARY

G P R Bramley

REGISTERED NUMBER

04342506

REGISTERED OFFICE

Tees House
95 London Road
Bishop's Stortford
Hertfordshire
CM23 3GW

INDEPENDENT AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

BANKERS

Barclays Bank
1 Church Street
Peterborough
Cambridgeshire
PE1 1XE

TEES FINANCIAL LIMITED

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TEES FINANCIAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

INTRODUCTION

Tees Financial Limited is an FCA registered company. Its principal activity continued to be that of financial advisors and investment managers.

BUSINESS REVIEW

In order to develop opportunities to grow its business, the firm invested in senior management with the appointment of a managing director along with consultancy services, resulting in a strategic review.

The strategic review will be presenting separate enhanced propositions for both investment and advice services.

As a consequence of the investment year, whilst the income has remained broadly level, expenditure resulted in a reduced profit, albeit with further growth in the Balance Sheet.

The future changes in the business are designed to bring greater focus and increase long term profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

The operational and resource development have diminished any liquidity risk to a very low level and it is not perceived in the current global economic environment, that there will be any significant macro shift in interest rates that would cause any risk to the business.

The principal risks to the business are those affecting the macro-economic and global economy. The investor client base is diverse and generally protected in personal and business terms and it is not envisaged that there would be a risk of any significant downturn in business activity although a proportion of income will move in line with market values.

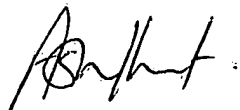
A stress testing of the business indicates that even an unpredicted downturn in income will not fundamentally affect the strength and resilience of the business which would still be able to produce a profitable return.

FINANCIAL AND OTHER KEY PERFORMANCE INDICATORS

The business produced income of £1,910k (2018 £1,905k). Expenditure resulted in a reduced EBITDA of £205k (11% of turnover).

The management changes and strategic review has placed the business in an excellent position to develop future opportunities.

This report was approved by the board and signed on its behalf.



A W Hunt
Director

Date: 16-7-19

TEES FINANCIAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

DIRECTORS

The directors who served during the year were:

D I Redfern
A W Hunt
A J N Bedford
M V P Allum
J T V Appleby
K J Follis

K J Follis resigned on 8 July 2018, M V P Allum resigned on 1 November 2018, A J N Bedford was appointed on 18 April 2018 and J T V Appleby was appointed on 10 December 2018.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £21,292 (2018 - £239,096).

CAPITAL REQUIREMENTS DIRECTIVE

The disclosures required under Pillar 3 of the Capital Requirements Directive are detailed on the Company website.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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;
- 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 to 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.

TEES FINANCIAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A.W Hunt
Director

Date: 16-7-19

TEES FINANCIAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TEES FINANCIAL LIMITED

OPINION

We have audited the financial statements of Tees Financial Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, 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 31 March 2019 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.

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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

TEES FINANCIAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TEES FINANCIAL LIMITED (CONTINUED)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINION 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.

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 in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 is 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.

TEES FINANCIAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TEES FINANCIAL LIMITED (CONTINUED)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 an Auditors' 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.



Howard Sears FCCA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date:

16-07-19

TEES FINANCIAL LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	3	1,910,110	1,904,636
GROSS PROFIT		<u>1,910,110</u>	<u>1,904,636</u>
Administrative expenses		(1,849,990)	(1,575,413)
OPERATING PROFIT	4	<u>60,120</u>	<u>329,223</u>
Interest payable	8	-	(43)
PROFIT BEFORE TAX		<u>60,120</u>	<u>329,180</u>
Tax on profit	9	(38,828)	(90,084)
PROFIT AFTER TAX		<u>21,292</u>	<u>239,096</u>
Retained earnings at the beginning of the year		464,435	225,339
Profit for the year		<u>21,292</u>	<u>239,096</u>
RETAINED EARNINGS AT THE END OF THE YEAR		<u>485,727</u>	<u>464,435</u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

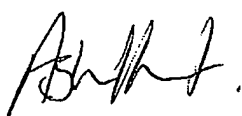
The notes on pages 9 to 17 form part of these financial statements.

TEES FINANCIAL LIMITED
REGISTERED NUMBER: 04342506

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	10	35,747	178,811
Tangible assets	11	3,475	5,618
		<u>39,222</u>	<u>184,429</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	1,291,527	906,098
Cash at bank and in hand		83,015	216,114
		<u>1,374,542</u>	<u>1,122,212</u>
Creditors: amounts falling due within one year	13	(708,037)	(622,206)
NET CURRENT ASSETS		666,505	500,006
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>705,727</u>	<u>684,435</u>
NET ASSETS		<u><u>705,727</u></u>	<u><u>684,435</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	220,000	220,000
Profit and loss account	15	485,727	464,435
		<u>705,727</u>	<u>684,435</u>

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



A W Hunt
Director

Date: 16-7-19.

The notes on pages 9 to 17 form part of these financial statements.

TEES FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Tees Financial is a private company limited by shares, incorporated in England and Wales. These financial statements are the individual financial statements of the company. The registered address and place of business of the company is Tees House, 95 London Road, Bishop's Stortford, Hertfordshire, CM23 3GW.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Trust Tees Limited as at 31 March 2019 and these financial statements may be obtained from Tees House, 95 London Road, Bishop's Stortford, Hertfordshire, CM23 3GW.

TEES FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

Commission income

Turnover from commissions is recognised on the following basis:

- A) Initial commissions are recognised at inception of the policy to which they relate.
- B) Trail commissions are recognised over the period to which they relate.

1.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Trail income

Trail income represents the intangible asset acquired through a business combination which has been classified separately from goodwill at fair value. The intangible asset is amortised on a straight line basis to the Profit and Loss Account over its useful economic life. The company expects to continue to receive trail income and will therefore amortise over the following period:

The estimated useful lives range as follows:

Trail income	-	5 years straight line
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TEES FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Fixtures and fittings	-	10% reducing balance
Computer equipment	-	25% straight line

1.6 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.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.8 Creditors

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.

1.9 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 non-puttable ordinary shares.

1.10 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 the Statement of Income and Retained Earnings 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.

TEES FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (CONTINUED)

1.11 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 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.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements in applying the above accounting policies are detailed in the individual policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors make estimates and assumptions concerning the future based on their knowledge of the business and the markets it operates in. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The most significant estimate within the financial statements relates to the estimated useful life of trail income. The Directors have assessed the useful life of the intangible asset to be five years based on the trail income expected from the purchase of another entity in 2014. This is re-assessed at each year end to ensure that the period remains appropriate. The asset held at the year-end was £35,747.

3. TURNOVER

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Financial advisory	1,411,359	1,380,260
Investment management	498,751	524,376
	<u>1,910,110</u>	<u>1,904,636</u>

All turnover arose within the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Amortisation of intangible assets, including goodwill	143,064	143,064
Depreciation of tangible fixed assets	2,143	1,645
Defined contribution pension cost	31,692	26,691
	<u></u>	<u></u>

TEES FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	12,895	12,895

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	1,021,684	847,460
Social security costs	102,070	83,819
Cost of defined contribution scheme	31,692	26,691
	<u>1,155,446</u>	<u>957,970</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Financial Advisors	14	12
Administration	11	10
	<u>25</u>	<u>22</u>

7. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	134,225	228,526
Company contributions to defined contribution pension schemes	3,342	7,250
	<u>137,567</u>	<u>235,776</u>

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

TEES FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest payable	-	43
	<u> </u>	<u> </u>

9. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	39,012	90,084
Adjustments in respect of previous periods	(184)	-
TOTAL CURRENT TAX	<u>38,828</u>	<u>90,084</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	60,120	329,180
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	11,423	62,544

EFFECTS OF:

Expenses not deductible for tax purposes, including amortisation of trail income	27,182	27,060
Depreciation in excess of capital allowances	407	480
Adjustments to tax charge in respect of prior periods	(184)	-
TOTAL TAX CHARGE FOR THE YEAR	<u>38,828</u>	<u>90,084</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

TEES FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

10. INTANGIBLE ASSETS

	Trade income £	Goodwill £	Total £
COST			
At 1 April 2018	715,291	450,000	1,165,291
At 31 March 2019	715,291	450,000	1,165,291
AMORTISATION			
At 1 April 2018	536,480	450,000	986,480
Charge for the year	143,064	-	143,064
At 31 March 2019	679,544	450,000	1,129,544
NET BOOK VALUE			
At 31 March 2019	35,747	-	35,747
At 31 March 2018	178,811	-	178,811

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION			
At 1 April 2018	1,954	8,035	9,989
At 31 March 2019	1,954	8,035	9,989
DEPRECIATION			
At 1 April 2018	613	3,758	4,371
Charge for the year on owned assets	134	2,009	2,143
At 31 March 2019	747	5,767	6,514
NET BOOK VALUE			
At 31 March 2019	1,207	2,268	3,475
At 31 March 2018	1,341	4,277	5,618

TEES FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. DEBTORS

	2019 £	2018 £
Trade debtors	4,964	8,824
Amounts owed by group undertakings	998,823	578,150
Prepayments and accrued income	287,740	319,124
	<u>1,291,527</u>	<u>906,098</u>

13. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,226	15,975
Amounts owed to group undertakings	562,051	382,134
Corporation tax	39,012	90,084
Other taxation and social security	43,620	28,944
Other creditors	7,965	50,000
Accruals and deferred income	48,163	55,069
	<u>708,037</u>	<u>622,206</u>

14. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
220,000 (2018 - 220,000) Ordinary Class A shares of £1.00 each	<u>220,000</u>	<u>220,000</u>

TEES FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

15. RESERVES

Profit and loss account

The profit and loss account represents cumulative distributable profits and losses net of dividends and other adjustments.

16. CONTINGENT LIABILITIES

Cross guarantee

The company has entered into a cross guarantee agreement with its parent, Trust Tees Limited, and its sister entity, Stanley Tee LLP.

Under the terms of the agreement and the guarantees, the bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debtor balances.

At 31 March 2019, the potential liability under this cross guarantee relating to the debts to other group entities amounted to £2,999,874 (2018 - £2,426,478).

17. CONTROLLING PARTY

Tees Financial Limited is wholly owned by Trust Tees Limited. There is no ultimate controlling party. Trust Tees Limited is registered at Tees House, 95 London Road, Bishops Stortford, Hertfordshire, CM23 3GW.

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from disclosing transactions with wholly owned entities within the group.