

TEES FINANCIAL LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022

TEES FINANCIAL LIMITED
REGISTERED NUMBER: 04342506

BALANCE SHEET
AS AT 31 MARCH 2022

| | Note | 2022 £ | 2021 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 880 | 1,490 |
| | | <u>880</u> | <u>1,490</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | 3,330,699 | 4,199,212 |
| Cash at bank and in hand | | 2,739,370 | 1,585,969 |
| | | <u>6,070,069</u> | <u>5,785,181</u> |
| Creditors: amounts falling due within one year | 6 | (271,903) | (104,943) |
| Net current assets | | <u>5,798,166</u> | <u>5,680,238</u> |
| Total assets less current liabilities | | <u>5,799,046</u> | <u>5,681,728</u> |
| Net assets | | <u><u>5,799,046</u></u> | <u><u>5,681,728</u></u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 220,000 | 220,000 |
| Profit and loss account | | 5,579,046 | 5,461,728 |
| | | <u><u>5,799,046</u></u> | <u><u>5,681,728</u></u> |

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.

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

A W Hunt

Director

Date: 20 July 2022

The notes on pages 2 to 7 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 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:

1.2 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (CONTINUED)**1.3 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 Statement of Income and Retained Earnings over its useful economic life.

1.4 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 |

1.5 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.

1.6 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.

1.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (CONTINUED)

1.8 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.

1.9 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.

1.10 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. EMPLOYEES

The average monthly number of employees, including directors, during the year was 21 (2021 - 21).

TEES FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3. INTANGIBLE ASSETS

| | Trail income £ | Goodwill £ | Total £ |
|-------------------------|-------------------|---------------|-------------|
| At 1 April 2021 | 715,291 | 450,000 | 1,165,291 |
| Disposals | (715,291) | (450,000) | (1,165,291) |
| At 31 March 2022 | - | - | - |
| At 1 April 2021 | 715,291 | 450,000 | 1,165,291 |
| On disposals | (715,291) | (450,000) | (1,165,291) |
| At 31 March 2022 | - | - | - |
| Net book value | | | |
| At 31 March 2022 | - | - | - |
| At 31 March 2021 | - | - | - |

4. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------------------|-------------------------------|----------------------------|------------|
| Cost or valuation | | | |
| At 1 April 2021 | 1,954 | 8,035 | 9,989 |
| At 31 March 2022 | 1,954 | 8,035 | 9,989 |
| Depreciation | | | |
| At 1 April 2021 | 976 | 7,523 | 8,499 |
| Charge for the year on owned assets | 98 | 512 | 610 |
| At 31 March 2022 | 1,074 | 8,035 | 9,109 |
| Net book value | | | |
| At 31 March 2022 | 880 | - | 880 |
| At 31 March 2021 | 978 | 512 | 1,490 |

TEES FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. DEBTORS

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 10,486 | 6,593 |
| Amounts owed by group undertakings | 2,984,420 | 3,183,237 |
| Other debtors | - | 25,745 |
| Prepayments and accrued income | 335,793 | 983,637 |
| | <u>3,330,699</u> | <u>4,199,212</u> |

6. CREDITORS: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 3,993 | 11,008 |
| Corporation tax | 19,075 | - |
| Other taxation and social security | 47,046 | 33,891 |
| Other creditors | 10,251 | - |
| Accruals and deferred income | 191,538 | 60,044 |
| | <u>271,903</u> | <u>104,943</u> |

7. FINANCIAL INSTRUMENTS

| | 2022 £ | 2021 £ |
|--|-----------|----------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | <u>-</u> | <u>700,000</u> |

Financial assets measured at fair value through profit or loss comprise accrued income in respect of the disposal of the subsidiary and are included in Prepayments and accrued income.

TEES FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

8. SHARE CAPITAL

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Allotted, called up and fully paid | | |
| 220,000 (2021 - 220,000) Ordinary shares of £1.00 each | <u>220,000</u> | <u>220,000</u> |

9. 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 2022, the potential liability under this cross guarantee relating to the debts to other group entities amounted to £2,160,813 (2021 - £1,694,350).

10. 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.

11. RELATED PARTY TRANSACTIONS

During the year, the company incurred consultancy expenditure of £NIL (2021 - £12,012) to a company under the control of a Director. At the year-end the company owed £NIL (2021 - £NIL).

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

12. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on 29 July 2022 by Darren Arnott (Senior Statutory Auditor) on behalf of Price Bailey LLP.

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.