
ADVANTIS CREDIT LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

FRIDAY



AB7SHN4Z

A04	08/07/2022	#53
	COMPANIES HOUSE	
A06	13/06/2022	#84
	COMPANIES HOUSE	

ADVANTIS CREDIT LIMITED

COMPANY INFORMATION

Directors	X Lu Y Ono B E Roscoe N S Tubbs M A Webb
Registered number	05223252
Registered office	Floor 9 Peninsular House 30-36 Monument Street London EC3R 8LJ
Accountants	Nexia Smith & Williamson Chartered Accountants Portwall Place Portwall Lane Bristol BS1 6NA

ADVANTIS CREDIT LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Statement of Comprehensive Income	4
Balance Sheet	5 - 6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 23

ADVANTIS CREDIT LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

Introduction

The directors present their strategic report for the period ended 31 December 2021.

Principal activity and business review

Advantis Credit is a subsidiary of CDER Group Limited, having joined the Group on 13 January 2020. Its principal activity is the collection of government, consumer and commercial debt for third parties. The services are provided as both first party BPO collections and third-party collections on a contingent basis where the company incurs the majority of its cost when the debt is placed and then receives a percentage of the collection as income.

Principal risks and uncertainties

The main financial risk is the volume and profitability of debts placed by clients. The company mitigates this by continuing to develop strong relationships with clients, ensuring leading collections performance is delivered in a flexible and compliant manner. Profitability is managed through a business model being created for each debt portfolio measuring actual and forecast performance.

The main operational risk relates to conduct where non-compliant actions could lead to contractual or regulatory breaches, which may result in lower volumes of debts being placed by clients. The risk is mitigated through staff training, coaching and management underpinned by a risk, audit and compliance framework which monitors and reports on activity to ensure compliance with all legal, regulatory and contractual obligations.

The current economic circumstances continue to provide both risks and opportunities for the company. The business has been well managed through the recent turbulence created by the COVID-19 pandemic which gives the directors confidence that it continues to be well placed in the medium and long term to support the recovery of the UK economy from the significant economic risks of the COVID-19 pandemic. The flexible cost base (low fixed costs), strong cash reserves and market access has enabled the directors to be nimble in their response to market pressures, this strategy will allow the business to recover quickly from the recent economic downturn and provide support to our clients to recover necessary funds whilst dealing fairly with our customers, many of whom will have been adversely impacted by the pandemic.

Financial key performance indicators

The key performance indicators considered by the directors relate to the value of debt collected and the volume of debts placed. During the 15-month period ended 31 December 2021, the company collected debts totalling £185,295,631 (2020: £148,690,704) and placed a total number of debts of 1,781,022 (2020: 1,393,392).

This report was approved by the board on 22 April 2022 and signed on its behalf.



M A Webb
Director

ADVANTIS CREDIT LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the period ended 31 December 2021.

Results and dividends

The profit for the 15 month period, after taxation, amounted to £1,531,264 (*12 month period to 30 Sept 2020 - £694,349*).

Dividends of £2,100,000 (2020: £2,500,000) were paid on the ordinary shares in the period.

Directors

The directors who served during the period were:

X Lu
Y Ono
B E Roscoe
N S Tubbs
M A Webb

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 101 'Reduced Disclosure Framework'. 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;
- 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.

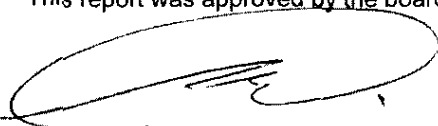
Post balance sheet events

There have been no significant events affecting the Company since the year end.

ADVANTIS CREDIT LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

This report was approved by the board on 22 April 2022 and signed on its behalf.



M A Webb
Director

ADVANTIS CREDIT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

		15 months ended 31 December 2021 £	<i>12 months ended 30 September 2020 £</i>
	Note		
Turnover	4	10,863,425	7,312,150
Cost of sales		(8,095,906)	(6,065,132)
Gross profit		2,767,519	1,247,018
Administrative expenses		(987,704)	(684,628)
Exceptional administrative expenses	13	-	(465,602)
Other operating income	5	143,011	762,081
Operating profit	6	1,922,826	858,869
Interest receivable and similar income	9	402	8,936
Interest payable and expenses	10	(25,374)	(6,012)
Profit before tax		1,897,854	861,793
Tax on profit	11	(366,590)	(167,444)
Profit for the financial period		1,531,264	694,349

The notes on pages 8 to 23 form part of these financial statements.

ADVANTIS CREDIT LIMITED
REGISTERED NUMBER: 05223252

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	30 September 2020 £
Fixed assets			
Tangible assets	14	764,002	1,043,482
		<u>764,002</u>	<u>1,043,482</u>
Current assets			
Debtors: amounts falling due within one year	15	1,477,263	1,215,938
Cash at bank and in hand	16	8,164,706	15,943,291
		<u>9,641,969</u>	<u>17,159,229</u>
Creditors: amounts falling due within one year	17	(6,691,088)	(13,647,529)
Net current assets		<u>2,950,881</u>	<u>3,511,700</u>
Total assets less current liabilities		<u>3,714,883</u>	<u>4,555,182</u>
Creditors: amounts falling due after more than one year	18	(451,449)	(718,080)
Deferred taxation	19	(27,336)	(32,268)
		<u>(27,336)</u>	<u>(32,268)</u>
Net assets		<u><u>3,236,098</u></u>	<u><u>3,804,834</u></u>
Capital and reserves			
Called up share capital	20	104	104
Share premium account	21	17,635	17,635
Profit and loss account	21	3,218,359	3,787,095
		<u><u>3,236,098</u></u>	<u><u>3,804,834</u></u>

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A 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 were approved and authorised for issue by the board and were signed on its behalf on

12 May 2022
Page 5

ADVANTIS CREDIT LIMITED
REGISTERED NUMBER: 05223252

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021



M A Webb
Director

The notes on pages 8 to 23 form part of these financial statements.

ADVANTIS CREDIT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2019	100	-	5,065,933	5,066,033
Comprehensive income for the year				
Profit for the year	-	-	694,349	694,349
Share option charge	-	-	465,602	465,602
Tax credit on exercise of options	-	-	61,211	61,211
Total comprehensive income for the year	-	-	1,221,162	1,221,162
Dividends: Equity capital	-	-	(2,500,000)	(2,500,000)
Shares issued during the year	4	17,635	-	17,639
At 1 October 2020	104	17,635	3,787,095	3,804,834
Comprehensive income for the period				
Profit for the period	-	-	1,531,264	1,531,264
Total comprehensive income for the period	-	-	1,531,264	1,531,264
Dividends: Equity capital	-	-	(2,100,000)	(2,100,000)
At 31 December 2021	104	17,635	3,218,359	3,236,098

The notes on pages 8 to 23 form part of these financial statements.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. General information

Advantis Credit Limited ("the company") is a private company limited by shares and incorporated in England and Wales with the registration number 05223252. The address of the registered office is Floor 9, Peninsular House, 30-36 Monument Street, London, EC3R 8LJ.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

During the period the company changed its year end to 31 December to align with the wider group. The current period is the 15 months to 31 December 2021, whilst the comparative period is the 12 months to 30 September 2020.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The company reported a profit for the period and has cash balances of £8,164,706 at 31 December 2021. Based on approved cash flow forecasts and the availability of group support, the directors are satisfied that the company continues to be a going concern and have prepared accounts on that basis.

2.4 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:

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

2.5 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Leases (continued)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.6 Government grants

Government grants represents amounts receivable under the Coronavirus Job Retention Scheme. Amounts are recognised on an accruals basis, with any claims made but not received being included in debtors.

2.7 Interest income

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

2.8 Interest payable

Interest payable represents amounts charged on right of use assets. Interest is charged on the lease liability, based on the underlying rate of interest in the lease.

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.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period 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.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 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.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Right of use property	-	20% straight line over the lease term
Long-term leasehold property	-	20% straight line
Plant and machinery	-	20% to 50% straight line
Fixtures and fittings	-	25% straight line
Office equipment	-	20% to 50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 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.

2.14 Cash

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

Cash balances are held by the company on behalf of clients. In such instances, a creditor is reflected to depict the related liability to clients.

2.15 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.16 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 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 at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors do not consider that there are any significant estimates or judgements required in the preparation of these financial statements.

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Government grants receivable	143,011	762,081
	<u>143,011</u>	<u>762,081</u>

The above grants represent amounts recoverable under the Government's Coronavirus Job Retention Scheme.

6. Operating profit

The operating profit is stated after charging:

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Depreciation of tangible fixed assets	324,092	142,295
Share based payment charge	-	465,602
Defined contribution pension cost	86,973	67,487
	<u>86,973</u>	<u>67,487</u>

ADVANTIS CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

7. Employees

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

	15 months ended 31 December 2021 £	<i>12 months ended 30 September 2020 £</i>
Wages and salaries	5,116,059	4,143,258
Social security costs	395,144	293,852
Cost of defined contribution scheme	86,973	67,487
	<u><u>5,598,176</u></u>	<u><u>4,504,597</u></u>

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

	15 months ended 31 December 2021 No.	<i>12 months ended 30 September 2020 No.</i>
Administration and support	<u><u>222</u></u>	<u><u>218</u></u>

8. Directors' remuneration

	15 months ended 31 December 2021 £	<i>12 months ended 30 September 2020 £</i>
Directors' emoluments	340,246	244,112
Company contributions to defined contribution pension schemes	3,294	2,629
	<u><u>343,540</u></u>	<u><u>246,741</u></u>

During the period retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £201,987 (2020 - £146,378).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,647 (2020 - £1,314).

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

9. Interest receivable

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Bank and other interest receivable	402	8,936
	402	8,936

10. Interest payable and similar expenses

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Interest on right of use asset leases	25,374	6,012
	25,374	6,012

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

11. Taxation

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Corporation tax		
Current tax on profits for the period/year	371,522	153,190
Total current tax	371,522	153,190
Deferred tax		
Origination and reversal of timing differences	(15,122)	12,135
Changes to tax rates	10,190	2,119
Total deferred tax	(4,932)	14,254
Taxation on profit for the period/year	366,590	167,444

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Profit before tax	1,897,854	861,793
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	360,592	163,741
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1,584
Remeasurement of deferred tax due to change in tax rates	6,561	2,119
Fixed asset differences	(563)	-
Total tax charge for the period/year	366,590	167,444

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

11. Taxation (continued)

Factors that may affect future tax charges

The Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. Whilst the Finance Bill 2021 was substantively enacted by the year end, Corporation Tax continues to be provided at 19%. However, deferred tax has been provided at 25%.

12. Dividends

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Dividends	2,100,000	2,500,000
	<u>2,100,000</u>	<u>2,500,000</u>

13. Exceptional administrative expense

	15 months ended 31 December 2021 £	12 months ended 30 September 2020 £
Share option charge	-	465,602
	<u>-</u>	<u>465,602</u>

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

14. Tangible fixed assets

	Right of use property £	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 October 2020	873,772	30,293	1,023,126	149,733	3,302	2,080,226
Additions	-	4,520	35,202	4,890	-	44,612
Disposals	-	-	(87,820)	-	(1,411)	(89,231)
At 31 December 2021	873,772	34,813	970,508	154,623	1,891	2,035,607
Depreciation						
At 1 October 2020	29,126	19,571	887,367	98,993	1,687	1,036,744
Charge for the period on owned assets	-	3,465	81,655	19,348	1,181	105,649
Charge for the period on right-of-use assets	218,443	-	-	-	-	218,443
Disposals	-	-	(87,820)	-	(1,411)	(89,231)
At 31 December 2021	247,569	23,036	881,202	118,341	1,457	1,271,605
Net book value						
At 31 December 2021	626,203	11,777	89,306	36,282	434	764,002
At 30 September 2020	844,646	10,722	135,759	50,740	1,615	1,043,482

Included above are Right of Use property assets of £626,023 (2020: £844,646) capitalised on adoption of IFRS 16. The lease obligations in respect of these assets are disclosed in notes 17 and 18.

ADVANTIS CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

15. Debtors

	31 December 2021 £	30 September 2020 £
Trade debtors	828,662	578,428
Amounts owed by group undertakings	74,975	-
Other debtors	141,704	32,144
Prepayments and accrued income	431,922	605,366
	<u>1,477,263</u>	<u>1,215,938</u>

16. Cash and cash equivalents

	31 December 2021 £	30 September 2020 £
Cash at bank and in hand	8,164,706	15,943,291
	<u>8,164,706</u>	<u>15,943,291</u>

17. Creditors: Amounts falling due within one year

	31 December 2021 £	30 September 2020 £
Payments received on account	5,721,157	12,326,555
Trade creditors	272,356	329,320
Amounts owed to group undertakings	50,000	-
Other taxation and social security	346,023	481,286
Lease liabilities	174,754	126,566
Other creditors	-	149,065
Accruals and deferred income	126,798	234,737
	<u>6,691,088</u>	<u>13,647,529</u>

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

	31 December 2021 £	30 September 2020 £
Lease liabilities	451,449	718,080
	<u>451,449</u>	<u>718,080</u>

Lease liabilities include £276,694 (2020: £580,203) that falls due between two and five years. Cash outflows in respect of these leases in the period were £194,879 (2020: £40,733), and the lease liability was derived using an incremental borrowing rate of 3.1%.

ADVANTIS CREDIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

19. Deferred taxation

	2021 £
At beginning of year	(32,268)
Charged to profit or loss	4,932
At end of year	(27,336)

The provision for deferred taxation is made up as follows:

	31 December 2021 £	30 September 2020 £
Accelerated capital allowances	(28,866)	(33,340)
Short term timing differences	1,530	1,072
	(27,336)	(32,268)

20. Share capital

	31 December 2021 £	30 September 2020 £
Allotted, called up and fully paid		
10,418 (2020 - 10,418) Ordinary shares of £0.01 each	104	104

21. Reserves

Share premium account

Amounts subscribed for share capital in excess of nominal value.

Profit and loss account

The profit and loss account represents accumulated profits and losses less dividends.

ADVANTIS CREDIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

22. Controlling party

The immediate parent company is CDER Group Limited. The ultimate parent company is Outsourcing Inc., a company registered in Japan. There is not considered to be an ultimate controlling party of Outsourcing Inc.

Consolidated financial statements are prepared by Outsourcing Inc. in accordance with International Financial Reporting Standards (IFRS). Copies of these financial statements are available from the registered office address of Outsourcing Inc. (1-8-3 Marunouchi, Chiyoda-ku, Tokyo). Consolidated financial statements will also be prepared by CDER Group Limited for the period ended 31 December 2021.