

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
COMPASS BUSINESS FINANCE LIMITED**

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For The Year Ended 31 December 2022

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COMPASS BUSINESS FINANCE LIMITED

COMPANY INFORMATION
For The Year Ended 31 December 2022

DIRECTORS:

J D Nelson
M D Nelson
D M Bunker

SECRETARY:

M D Nelson

REGISTERED OFFICE:

Compass House
Medway Wharf Road
Tonbridge
Kent
TN9 1GH

REGISTERED NUMBER:

05649414 (England and Wales)

ACCOUNTANTS:

Fortus North Limited
Equinox House
Clifton Park, Shipton Road
York
Yorkshire
YO30 5PA

BALANCE SHEET
31 December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	4		16,365		29,700
CURRENT ASSETS					
Debtors	5	49,890,818		53,261,622	
Cash at bank and in hand		<u>1,218,216</u>		<u>425,473</u>	
		51,109,034		53,687,095	
CREDITORS					
Amounts falling due within one year	6	<u>22,785,104</u>		<u>18,379,980</u>	
NET CURRENT ASSETS			<u>28,323,930</u>		<u>35,307,115</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>28,340,295</u>		<u>35,336,815</u>
CREDITORS					
Amounts falling due after more than one year	7		(22,175,305)		(29,519,595)
PROVISIONS FOR LIABILITIES			<u>(5,427)</u>		<u>(1,591)</u>
NET ASSETS			<u><u>6,159,563</u></u>		<u><u>5,815,629</u></u>
CAPITAL AND RESERVES					
Called up share capital			9,999		9,999
Retained earnings			<u>6,149,564</u>		<u>5,805,630</u>
			<u><u>6,159,563</u></u>		<u><u>5,815,629</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31 December 2022

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 25 September 2023 and were signed on its behalf by:

J D Nelson - Director

D M Bunker - Director

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 December 2022

1. STATUTORY INFORMATION

Compass Business Finance Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accrual for clawbacks: The company receives commission when clients are introduced to the ultimate funder. However, where the client withdraws from the deal within a set period, the funder can claw back some of the commission already paid. This is an area of estimation whereby the directors use their knowledge and experience to estimate the amount of commission that will be clawed back as at the year end.

Turnover

Turnover represents amounts receivable for commissions and operating lease rentals net of VAT and trade discounts. In addition, turnover includes finance funding interest which is accounted for on an accrual basis.

Finance lease and instalment credit agreements: Income from assets leased to customers and from instalment credit agreements is determined by spreading interest and charged over the period of repayment in proportion to the net cash investment. Amounts due from customers under finance lease and instalment credit agreements are included in debtors.

Operating lease assets: Operating lease rental income is recognised on a straight line basis over the term of the related hire agreement.

Other income: Fees and commission income are recognised on an accruals basis and are stated net of VAT where applicable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Operating lease assets - Straight line over period of lease
Fixtures, fittings and equipment - 50% Straight line

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 21 (2021 - 18) .

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022

4. TANGIBLE FIXED ASSETS

	Operating lease assets £	Plant and machinery etc £	Totals £
COST			
At 1 January 2022	79,792	71,745	151,537
Additions	-	18,703	18,703
Disposals	(79,792)	-	(79,792)
At 31 December 2022	-	90,448	90,448
DEPRECIATION			
At 1 January 2022	74,755	47,082	121,837
Charge for year	5,037	27,001	32,038
Eliminated on disposal	(79,792)	-	(79,792)
At 31 December 2022	-	74,083	74,083
NET BOOK VALUE			
At 31 December 2022	-	16,365	16,365
At 31 December 2021	5,037	24,663	29,700

5. DEBTORS

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	404,214	2,110,900
Amounts owed by group undertakings	-	390
Amounts receivable in respect of finance leases	17,650,826	14,625,797
Other debtors	1,522,658	463,961
	<u>19,577,698</u>	<u>17,201,048</u>
Amounts falling due after more than one year:		
Amounts receivable in respect of finance leases	30,313,120	36,060,574
	<u>49,890,818</u>	<u>53,261,622</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Hire purchase contracts	13,902	15,648
Trade creditors	370,310	1,442,210
Amounts owed to group undertakings	2,585,610	-
Taxation and social security	859,754	740,779
Other creditors	18,955,528	16,181,343
	<u>22,785,104</u>	<u>18,379,980</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2022

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

Other creditors includes block discount financing agreements of £17,126,946 (2021 - £14,923,047), which are secured by fixed charges over the underlying finance agreements.

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Hire purchase contracts	-	12,495
Other creditors	22,175,305	29,507,100
	<u>22,175,305</u>	<u>29,519,595</u>

Other creditors includes block discount financing agreements of £21,581,555 (2021 - £28,512,209), which are secured by fixed charges over the underlying finance agreements.

8. **RELATED PARTY DISCLOSURES**

The company is a wholly owned subsidiary of CBF Holdings Limited, a company registered in England and Wales, which is the immediate and ultimate parent undertaking. CBF Holdings Limited is not required to prepare group accounts.

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.