

REGISTERED NUMBER: 06307657 (England and Wales)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019
FOR
RECODEBT LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2019**

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RECODEBT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2019

DIRECTORS:	G E Gilburd M J Harfield
SECRETARY:	Industrial & Commercial Consultancy Ltd
REGISTERED OFFICE:	Grosvenor House Prospect Hill Redditch Worcestershire B97 4DL
REGISTERED NUMBER:	06307657 (England and Wales)
SENIOR STATUTORY AUDITOR:	T P Curtis
INDEPENDENT AUDITORS:	Barrow LLP Jackson House Station Road Chingford London E4 7BU
BANKERS:	HSBC Bank plc 47 High Street Bromsgrove Worcestershire B61 8AW

BALANCE SHEET
30 APRIL 2019

	Notes	30.4.19 £	30.4.18 £
FIXED ASSETS			
Tangible assets	5	-	8,866
CURRENT ASSETS			
Debtors	6	94,592	171,630
Cash at bank		271	1,000
		<u>94,863</u>	<u>172,630</u>
CREDITORS			
Amounts falling due within one year	7	-	(86,633)
NET CURRENT ASSETS		<u>94,863</u>	<u>85,997</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>94,863</u>	<u>94,863</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,003	1,003
Share premium	10	366,720	366,720
Capital Contribution Reserve	10	207,367	207,367
Retained earnings	10	<u>(480,227)</u>	<u>(480,227)</u>
SHAREHOLDERS' FUNDS		<u>94,863</u>	<u>94,863</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors on 11 July 2019 and were signed on its behalf by:

G E Gilburd - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019**

1. STATUTORY INFORMATION

Recodebt 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Some of the items within these financial statements have been reclassified to improve the comparability, reliability and relevance of the financial statements.

Turnover

Turnover represents the value, net of value added tax and discounts, of work carried out in respect of services provided to group companies. It is recognised in line with the provision of the service.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase price less accumulated depreciation. Cost includes the original purchase price of the asset and the costs of bringing the asset to its working condition for its intended use.

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

Computer equipment - Straight line over 3 years

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instruments.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes, in effect, a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2019**

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Going concern

The Sigma Financial Group Limited's wholly owned subsidiary Clanchatton Birmingham Limited, which is the main trading company of the group, achieved operating profit of £623,660 and returned to profitability by achieving profit before tax of £94,876 for the year to 30 April 2019. In considering the appropriateness of the going concern basis for the preparation of these financial statements, the directors have considered the working capital requirements of the company for the short, medium and longer term. They have reviewed the cash flow forecasts and considered the future funding requirements which show that the company may require further financing to support near term trading performance. Based on the continued support from the company's immediate parent undertaking, the directors have formed a judgement that the business has access to adequate resources to continue in operation for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Impairment

At each reporting date, tangible fixed assets and investments are assessed to determine whether there is an indication that the carrying amount of an asset may be more than its recoverable amount and that the asset should be impaired. If there is an indication of possible impairment, the recoverable amount of an asset, which is the higher of its value in use and its net realisable value, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is written down to its estimated recoverable amount and an impairment loss is recognised in profit and loss.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remaining with the lessor are charged against profits on a straight line basis over the period of the lease.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2018 - NIL).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2019

5. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 May 2018	243,534
Disposals	(49,795)
At 30 April 2019	<u>193,739</u>
DEPRECIATION	
At 1 May 2018	234,668
Charge for year	8,866
Eliminated on disposal	(49,795)
At 30 April 2019	<u>193,739</u>
NET BOOK VALUE	
At 30 April 2019	<u>-</u>
At 30 April 2018	<u>8,866</u>

The directors have undertaken an impairment review, which takes into account future cash flows. This exercise has confirmed the "value in use" and supports the continued recognition of these assets, with sufficient headroom to accommodate any reasonably foreseeable events or changes in circumstances.

Fixed assets, included in the above, which are held under finance leases are as follows:

	Computer equipment £
COST	
At 1 May 2018	55,357
Transfer to ownership	(55,357)
At 30 April 2019	<u>-</u>
DEPRECIATION	
At 1 May 2018	46,491
Charge for year	8,866
Transfer to ownership	(55,357)
At 30 April 2019	<u>-</u>
NET BOOK VALUE	
At 30 April 2019	<u>-</u>
At 30 April 2018	<u>8,866</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2019

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.4.19	30.4.18
	£	£
Amounts owed by group undertakings	94,592	169,115
Other debtors	-	1,684
Prepayments and accrued income	-	831
	<u>94,592</u>	<u>171,630</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.4.19	30.4.18
	£	£
Finance leases (see note 8)	-	17,618
Amounts owed to group undertakings	-	69,015
	<u>-</u>	<u>86,633</u>

The hire purchase liability disclosed under creditors falling due within one year of £Nil (2018 - £17,618) is secured by the company.

8. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Finance leases	
	30.4.19	30.4.18
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>17,618</u>
	Non-cancellable operating leases	
	30.4.19	30.4.18
	£	£
Between one and five years	<u>-</u>	<u>4,673</u>

9. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.19	30.4.18
			£	£
1,000	Ordinary Shares	£1	1,000	1,000
3	Ordinary B Shares	£1	<u>3</u>	<u>3</u>
			<u>1,003</u>	<u>1,003</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2019

10. RESERVES

	Retained earnings £	Share premium £	Capital Contribution Reserve £	Totals £
At 1 May 2018	(480,227)	366,720	207,367	93,860
Profit for the year	-	-	-	-
At 30 April 2019	<u>(480,227)</u>	<u>366,720</u>	<u>207,367</u>	<u>93,860</u>

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

T P Curtis (Senior Statutory Auditor)
for and on behalf of Barrow LLP

12. ULTIMATE CONTROLLING PARTY

The controlling party is Sanclare (UK) Limited.

The ultimate controlling party is Digicall Holdings (Pty) Ltd.

The immediate parent undertaking is The Sigma Financial Group Limited.

The ultimate parent undertaking is Digicall Holdings (Pty) Ltd, a company incorporated in South Africa.

The Sanclare (UK) Ltd is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 April 2019. The consolidated financial statements of Sanclare (UK) Ltd are available from:

Grosvenor House
Prospect Hill
Redditch
B97 4DL

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