

**CREDO ASSET FINANCE LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

TUESDAY



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COMPANIES HOUSE

**CREDO ASSET FINANCE LIMITED**  
**REGISTERED NUMBER:06473303**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	4,750	-
Tangible assets	5	59,935	67,276
Investments	6	3,225	3,225
		<u>67,910</u>	<u>70,501</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	805,390	654,233
Cash at bank and in hand		133,446	8,534
		<u>938,836</u>	<u>662,767</u>
Creditors: amounts falling due within one year	8	(268,724)	(189,563)
<b>Net current assets</b>		<u>670,112</u>	<u>473,204</u>
<b>Total assets less current liabilities</b>		<u>738,022</u>	<u>543,705</u>
Creditors: amounts falling due after more than one year	9	(4,614)	(13,712)
<b>Provisions for liabilities</b>			
Deferred tax		(4,207)	(6,564)
		<u>(4,207)</u>	<u>(6,564)</u>
<b>Net assets</b>		<u><u>729,201</u></u>	<u><u>523,429</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,500	1,500
Share premium account		101,550	101,550
Profit and loss account		626,151	420,378
		<u>729,201</u>	<u>523,428</u>

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**CREDO ASSET FINANCE LIMITED**  
**REGISTERED NUMBER: 06473303**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of 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 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:

**S Gray**  
Director



Date: 25.07.2017

The notes on pages 3 to 12 form part of these financial statements.

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## **CREDO ASSET FINANCE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **1. General information**

Credo Asset Finance Limited is a private company limited by shares and registered in England, registration number 06473303. The registered office is 85 Yarmouth Road, Norwich, Norfolk, NR7 0HF.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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 significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### **2.2 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.

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## CREDO ASSET FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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## 2. Accounting policies (continued)

### 2.3 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 its 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.

#### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

### 2.4 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, on both a straight line and a reducing balance basis.

Depreciation is provided on the following basis:

Improvements to properties	- 10% straight line
General equipment	- 15% reducing balance
Motor vehicles	- 15% reducing balance
Office equipment	- 25% reducing balance
Computer software	- 25% 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 the Statement of income and retained earnings.

### 2.5 Valuation of investments

Investments held as fixed assets are measured at cost less accumulated impairment.

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## **CREDO ASSET FINANCE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **2. Accounting policies (continued)**

##### **2.6 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.

##### **2.7 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.

##### **2.8 Financial instruments**

The Company only enters into basic financial instruments 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.

##### **2.9 Creditors**

Short term 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.

##### **2.10 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

##### **2.11 Finance costs**

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.12 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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**CREDO ASSET FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Accounting policies (continued)**

**2.13 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

**2.14 Leased assets: the Company as lessee**

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.15 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

**2.16 Interest income**

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

**2.17 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

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## **CREDO ASSET FINANCE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

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#### **2. Accounting policies (continued)**

##### **2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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 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.

#### **3. Employees**

The average monthly number of employees, including directors, during the year was 13 (2016 - 12).



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CREDO ASSET FINANCE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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4. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 April 2016	170,000
Additions	5,000
At 31 March 2017	<u>175,000</u>
<b>Amortisation</b>	
At 1 April 2016	170,000
Charge for the year	250
At 31 March 2017	<u>170,250</u>
<b>Net book value</b>	
At 31 March 2017	<u><u>4,750</u></u>
At 31 March 2016	<u><u>-</u></u>

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**CREDO ASSET FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**5. Tangible fixed assets**

	Property Improvement £	General equipment £	Motor vehicles £	Office equipment £	Computer software £
<b>Cost or valuation</b>					
At 1 April 2016	23,733	16,449	26,745	31,611	18,392
Additions	1,110	850	-	5,658	-
At 31 March 2017	<u>24,843</u>	<u>17,299</u>	<u>26,745</u>	<u>37,269</u>	<u>18,392</u>
<b>Depreciation</b>					
At 1 April 2016	4,762	6,992	4,012	23,048	10,840
Charge for the year on owned assets	2,638	1,547	3,410	3,561	3,803
At 31 March 2017	<u>7,400</u>	<u>8,539</u>	<u>7,422</u>	<u>26,609</u>	<u>14,643</u>
<b>Net book value</b>					
At 31 March 2017	<u><u>17,443</u></u>	<u><u>8,760</u></u>	<u><u>19,323</u></u>	<u><u>10,660</u></u>	<u><u>3,749</u></u>
At 31 March 2016	<u><u>18,971</u></u>	<u><u>9,457</u></u>	<u><u>22,733</u></u>	<u><u>8,563</u></u>	<u><u>7,552</u></u>

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**CREDO ASSET FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**5. Tangible fixed assets (continued)**

	Total £
<b>Cost or valuation</b>	
At 1 April 2016	116,930
Additions	7,618
At 31 March 2017	<u>124,548</u>
<b>Depreciation</b>	
At 1 April 2016	49,654
Charge for the year on owned assets	14,959
At 31 March 2017	<u>64,613</u>
<b>Net book value</b>	
At 31 March 2017	<u>59,935</u>
At 31 March 2016	<u>67,276</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
General equipment	2,476	2,913
Motor vehicles	19,323	22,733
Office equipment	910	1,215
Computer software	2,126	4,253
	<u>24,835</u>	<u>31,114</u>

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**CREDO ASSET FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Fixed asset investments**

	Trade investments £
At 1 April 2016	3,225
At 31 March 2017	<u>3,225</u>
At 31 March 2016	<u>3,225</u>

**7. Debtors**

	2017 £	2016 £
Trade debtors	110,741	78,087
Amounts owed by group undertakings	519,537	350,426
Other debtors	171,951	222,559
Prepayments and accrued income	3,161	3,161
	<u>805,390</u>	<u>654,233</u>

**8. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank overdrafts	-	8,021
Trade creditors	108,391	68,569
Corporation tax	101,139	69,735
Other taxation and social security	13,538	10,171
Obligations under finance lease and hire purchase contracts	9,098	11,681
Other creditors	7,509	8,160
Accruals and deferred income	29,049	13,226
	<u>268,724</u>	<u>189,563</u>

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**CREDO ASSET FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**9. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	4,614	13,712
	<u>4,614</u>	<u>13,712</u>

**Secured loans**

The finance lease and hire purchase balances are secured on the assets to which they relate.

**10. Contingent liabilities**

The company together with Credo (Holdings) Limited and Credo Capital Finance Limited has given a guarantee to R Dell in respect of monies due to him by Credo (Holdings) Limited. The guarantee is secured by a debenture with a fixed and floating legal charge covering all the property and undertaking of the company. At 31 March 2017, the contingent liability in respect of this agreement amounted to £365,867 (2015 - £253,130).

**11. Directors' personal guarantees**

S Gray, a director, has provided a personal guarantee of £50,000 in respect of the company's borrowings.

**12. Post balance sheet events**

On 13 April 2017 the company paid an interim dividend of £154,000.

On 30 June 2017 the company paid an interim dividend of £31,500.

**13. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.