

Financial Statements

County Business Finance Limited

For the Year Ended 31 August 2017

Registered number: 07355659



County Business Finance Limited

Company Information

Directors	C Malthouse D Tingay D Shaw
Company secretary	D Tingay
Registered number	07355659
Registered office	Unit 11 Midland Court Central Park Lutterworth Leicestershire LE17 4PN
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH
Bankers	The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT Siemens Financial Services Limited Sefton Park Bells Hill Stoke Poges Buckinghamshire SL2 4JS Hitachi Capital Business Finance Hitachi Capital House Thorpe Road Staines Upon Thames Surrey TW18 3HP

County Business Finance Limited

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County Business Finance Limited

Directors' Report

For the Year Ended 31 August 2017

The directors present their report and the financial statements for the year ended 31 August 2017.

Directors

The directors who served during the year were:

C Malthouse
D Tingay
D Shaw

Directors' responsibilities statement

The directors are responsible for preparing 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

County Business Finance Limited

Directors' Report (continued)

For the Year Ended 31 August 2017

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 15 March 2018 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D Tingay', with a stylized flourish at the end.

D Tingay
Director



Independent Auditor's Report to the Members of County Business Finance Limited

Opinion

We have audited the financial statements of County Business Finance Limited for the year ended 31 August 2017, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Independent Auditor's Report to the Members of County Business Finance Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.



Independent Auditor's Report to the Members of County Business Finance Limited (continued)

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report to the Members of County Business Finance Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

Thomas Copson (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Leicester

15 March 2018

County Business Finance Limited

Statement of Income and Retained Earnings
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Turnover		214,868	304,365
Administrative expenses		(25,812)	(123,248)
Operating profit		189,056	181,117
Interest payable and expenses		(81,312)	(104,605)
Profit before tax		107,744	76,512
Tax on profit	4	(31,817)	(39,400)
Profit after tax		75,927	37,112
Retained earnings at the beginning of the year		390,480	353,368
		390,480	353,368
Profit for the year		75,927	37,112
Retained earnings at the end of the year		466,407	390,480
The notes on pages 9 to 16 form part of these financial statements.			


Balance Sheet

As at 31 August 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due after more than one year	6	520,748	922,577
Debtors: amounts falling due within one year	6	448,281	546,641
Bank & cash balances		319,066	145,838
		<u>1,288,095</u>	<u>1,615,056</u>
Creditors: amounts falling due within one year	8	(241,233)	(454,545)
Net current assets		<u>1,046,862</u>	<u>1,160,511</u>
Total assets less current liabilities		<u>1,046,862</u>	<u>1,160,511</u>
Creditors: amounts falling due after more than one year			
- Loans (2016 : £269,674)		80,098	
- Share capital shown as debt 500,000	9	(580,098)	(769,674)
Net assets		<u><u>466,764</u></u>	<u><u>390,837</u></u>
Capital and reserves			
Called up share capital	10	307	307
Capital redemption reserve		50	50
Profit and loss account		466,407	390,480
		<u><u>466,764</u></u>	<u><u>390,837</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 were approved and authorised for issue by the board and were signed on its behalf on 15 March 2018.


D Tingay
Director

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Company information

The company is a private company limited by shares and is registered in England and Wales. Its registered office is Unit 11 Midland Court, Central Park, Leicester Road, Lutterworth, Leicestershire, LE17 4PN.

The principal activity of the company is the provision of asset finance for plant, equipment and vehicles.

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 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:

2.2 Going concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

2.3 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, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 20% straight line
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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.

Notes to the Financial Statements

For the Year Ended 31 August 2017

2. Accounting policies (continued)

2.4 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 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.

2.5 Net investments in finance leases and hire purchase contracts

Net investments in finance leases and hire purchase contracts comprise the total of the minimum lease payment or hire purchase installments receivable less finance charges allocated to future periods and are stated net of provisions for rental collections.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like loans receivable and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings. For amounts recoverable under finance leases, hire purchase contracts and other loans those amounts in arrears or with other objective evidence of impairment are considered on a case by case basis by reference to the customers' financial position.

Notes to the Financial Statements

For the Year Ended 31 August 2017

2. Accounting policies (continued)

2.6 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

2.7 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows considering all contractual terms of the financial instruments, such as early settlement options, but does not include an exception for future credit losses. The calculation includes all material fees charged to customers such as acceptance or similar fees, and direct and incremental transaction costs. Where there is objective evidence of impairment of interest income, an impairment loss is recognised in the Statement of Income and Retained Earnings.

3. Employees

The only employees in the year were the directors who received no remuneration in either year.

4. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	32,200	39,400
Adjustments in respect of previous periods	(383)	-
Taxation on profit on ordinary activities	<u>31,817</u>	<u>39,400</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.58% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	107,744	76,512
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.58% (2016 - 20%)	21,096	15,302
Effects of:		
Expenses not deductible for tax purposes	9,790	10,027
Deferred tax not recognised	931	14,071
Total tax charge for the year	31,817	39,400

Deferred tax assets of £26,600 (2016: £26,700) have not been recognised.

5. Tangible fixed assets

	Fixtures & fittings £
Cost or valuation	
At 1 September 2016	4,600
At 31 August 2017	4,600
Depreciation	
At 1 September 2016	4,600
At 31 August 2017	4,600
Net book value	
At 31 August 2017	-
At 31 August 2016	-

County Business Finance Limited

Notes to the Financial Statements

For the Year Ended 31 August 2017

6. Debtors

	2017 £	2016 £
Due after more than one year		
Amounts recoverable under finance leases and hire purchase agreements	520,748	922,577
	<u>520,748</u>	<u>922,577</u>
Due within one year		
Other debtors	80,000	-
Amounts recoverable under finance leases and hire purchase agreements	368,281	546,641
	<u>448,281</u>	<u>546,641</u>

7. Net investments in finance leases and hire purchase contracts

	2017 £	2016 £
Finance Leases		
Total minimum lease payments receivable	418,841	1,069,844
Less: Finance charges allocated to future periods	(67,249)	(210,463)
	<u>351,592</u>	<u>859,381</u>
Hire purchase contracts		
Total minimum payments receivable	608,897	641,241
Less: Hire purchase charges allocated to future periods	(112,853)	(104,282)
	<u>496,044</u>	<u>536,959</u>
Loans		
Total minimum payments receivable	46,534	87,755
Less finance charges allocated to future periods	(5,141)	(14,877)
	<u>41,393</u>	<u>72,878</u>
Total	<u>889,029</u>	<u>1,469,218</u>

County Business Finance Limited

Notes to the Financial Statements

For the Year Ended 31 August 2017

	2017 £	2016 £
Due within one year		
Finance leases	125,477	252,170
Hire purchase contracts	216,290	265,898
Loans	26,514	28,573
	<u>368,281</u>	<u>546,641</u>
Due after more than one year		
Finance leases	226,115	607,211
Hire purchase contracts	279,753	271,061
Loans	14,880	44,305
	<u>520,748</u>	<u>922,577</u>
Total	<u>889,029</u>	<u>1,469,218</u>

Amounts due under finance leases and hire purchase contracts are secured on the relevant assets, certain loans are secured on other assets of the borrower.

At the year end there were provisions of £77,685 (2016: £140,981) against amounts recoverable under finance leases, hire purchase and loans. The charge to profit in the year was £17,508 (2016: £110,500) and provisions utilised/released in the year were £80,831 (2016: £nil).

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	186,355	406,543
Corporation tax	31,825	39,397
Other taxation and social security	18,915	4,587
Other creditors	4,138	4,018
	<u>241,233</u>	<u>454,545</u>

There is a floating charge in favour of the company's bankers over debts and assets purchased under Block Discounting Agreements in their name.

Notes to the Financial Statements

For the Year Ended 31 August 2017

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

	2017 £	2016 £
Bank loans	80,098	269,674
Share capital treated as debt	500,000	500,000
	<u>580,098</u>	<u>769,674</u>

Creditors include amounts not wholly repayable within 5 years of £500,000 (2016: £500,000).

10. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
181 A Ordinary shares of £1 each	181	181
19 B Ordinary shares of £1 each	19	19
96 C Ordinary shares of £1 each	96	96
11 D Ordinary shares of £1 each	11	11
	<u>307</u>	<u>307</u>

Shares classified as debt

Allotted, called up and fully paid

500,000 Preference shares of £1 each	<u>500,000</u>	<u>500,000</u>
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The A, B, C and D ordinary shares rank pari passu for voting rights and participating in a distribution arising from a winding up of the company. Each share is entitled pari passu to dividend payments or other distribution subject to the ability of the directors or shareholders to approve a dividend for each individual class of shares at different times and amounts at their absolute discretion.

The preference shares have no voting rights attached to them. The shares have a right to payment of a fixed cumulative preference dividend of 10% per annum in priority to dividends to other members. The shares have priority on capital distribution over the ordinary shares in the case of winding up of the company. A put and call option agreement exists and the shares are therefore classed as debt.

Notes to the Financial Statements

For the Year Ended 31 August 2017

11. Financial instruments

The Company's principal financial instruments are financial assets comprising cash and debt instrument receivables and financial liabilities comprising interest-bearing loans and borrowings, and short term creditors.

Credit risk

The Company is at risk to the extent that a customer may be unable to pay the debt on a specified due date. The exposure is mitigated by the assessment of the customers' creditworthiness, collateral value of assets financed and, where its deemed appropriate, other additional sources of security. Once funds are lent the Company carries out a programme of strong on-going customer relationship and monitoring.

Liquidity risk

The Company's objective in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows.

Current rate risk

The Company borrows from its funders on a fixed rate basis and lends on a fixed rate basis to manage interest rate risk.

12. Related party transactions

The ultimate controlling related party of the Company is C Malthouse as a result of his shareholding in the company.

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. The date of transition is 1 September 2015.