

Company Registration No. 11543971 (England and Wales)

CPF Two Limited

**Unaudited financial statements
for the year ended 30 September 2020**

Pages for filing with the Registrar

CPF Two Limited

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CPF Two Limited

Statement of financial position
As at 30 September 2020

		2020		2019	
	Notes	£	£	£	£
Current assets					
Debtors	3	10,087,210	13,071,427		
Cash at bank and in hand		134,453	15,400		
		<u>10,221,663</u>	<u>13,086,827</u>		
Creditors: amounts falling due within one year	4	<u>(10,162,859)</u>	<u>(12,931,476)</u>		
Net current assets			58,804		155,351
Creditors: amounts falling due after more than one year	5		<u>(47,500)</u>		-
Net assets			<u>11,304</u>		<u>155,351</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>11,204</u>		<u>155,251</u>
Total equity			<u>11,304</u>		<u>155,351</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

CPF Two Limited

Statement of financial position (continued)

As at 30 September 2020

The financial statements were approved by the board of directors and authorised for issue on 11 June 2021 and are signed on its behalf by:

Chris Fairfax
Director

Company Registration No. 11543971

Notes to the financial statements
For the year ended 30 September 2020

1 Accounting policies

Company information

CPF Two Limited is a private company limited by shares incorporated in England and Wales. The registered office is Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Reporting period

The financial statements have been prepared for a period which is longer than 12 months as this is the first set of financial statements post incorporation.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided for providing finance facilities to real estate investment trusts. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the financial statements (continued)
For the year ended 30 September 2020

1 Accounting policies (continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the financial statements (continued)
For the year ended 30 September 2020

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CPF Two Limited

Notes to the financial statements (continued)

For the year ended 30 September 2020

1 Accounting policies (continued)

1.10 Financing assets and liabilities

The company acts as principal in providing short term commercial loans and bears the significant risks and rewards of providing such services. As such the company recognises the interest received gross as turnover with a corresponding cost of sale representing interest paid to any third party funding obtained.

The funding received and provided are also recognised gross being shown separately within debtors and creditors on the company statement of financial position.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	2	2

3 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	8,918,239	12,546,052
Amounts owed by group undertakings	-	100
Other debtors	1,168,971	525,275
	<u>10,087,210</u>	<u>13,071,427</u>

CPF Two Limited

Notes to the financial statements (continued)
For the year ended 30 September 2020

4 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	2,500	-
Trade creditors	15,271	32,745
Amounts owed to group undertakings	425,857	163,946
Corporation tax	111,643	36,417
Other creditors	9,607,588	12,698,368
	<u>10,162,859</u>	<u>12,931,476</u>

Included in other creditors are debenture agreements which contain fixed and floating charges and negative pledges which is secured by all of the property, undertaking, assets and rights of the company relating solely and specifically to the onward loans.

5 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	47,500	-
	<u>47,500</u>	<u>-</u>

Included in bank loans is a Bounceback loan received in the period as part of the Governments Coronavirus support scheme. The loan has an initial interest free and capital repayment holiday period of 12 months. An interest rate will be fixed at 2.5% following this initial 12 months.

6 Events after the reporting date

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK market activity is being impacted in all sectors and the current response to COVID 19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the future impact to the finance sector is unknown and we cannot reliably estimate its effect on trading in the short term.

In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic, and have assessed that the directors have sufficient resources to allow it to trade through this period without any additional working capital funding required.

7 Parent company

The ultimate controlling party by way of shareholding is We Are Catalyst Limited, a company that is jointly controlled by Mr C Fairfax.

CPF Two Limited

Notes to the financial statements (continued)

For the year ended 30 September 2020

8 Related party transactions

Disclosures need not be given of 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.

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.