

Registration number: 07731478

SF11 Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2017



Sterlings Ltd
Chartered Accountants
Lawford House
Albert Place
London
N3 1QA

SF11 Limited

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SF11 Limited

Company Information

Directors	G L Benninger J H Margolis M D Chesler N C Epstein C C Chew
Company secretary	M Moses
Registered office	Kinetic Business Centre Theobald Street Elstree & Borehamwood Herts WD6 4PJ
Auditors	Sterlings Ltd Chartered Accountants Lawford House Albert Place London N3 1QA

SF11 Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and 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 enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime. 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.

SF11 Limited

Statement of Comprehensive Income for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Profit for the year		<u>1,073,866</u>	<u>871,093</u>
Total comprehensive income for the year		<u><u>1,073,866</u></u>	<u><u>871,093</u></u>

SF11 Limited


**(Registration number: 07731478)
Balance Sheet as at 30 June 2017**

	Note	2017 £	2016 £
Current assets			
Debtors due within one year	3	1,460,122	886,500
Debtors due after more than one year		20,622,091	19,483,214
Cash at bank and in hand		<u>1,137,668</u>	<u>537,757</u>
		23,219,881	20,907,471
Creditors: Amounts falling due within one year	4	<u>(12,085,010)</u>	<u>(10,007,481)</u>
Total assets less current liabilities		11,134,871	10,899,990
Creditors: Amounts falling due after more than one year	4	<u>(10,571,240)</u>	<u>(10,335,225)</u>
Net assets		<u>563,631</u>	<u>564,765</u>
Capital and reserves			
Called up share capital		500,100	500,100
Profit and loss account		<u>63,531</u>	<u>64,665</u>
Total equity		<u>563,631</u>	<u>564,765</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 30/6/17 and signed on its behalf by:



M D Chesler
Director

SF11 Limited

Statement of Changes in Equity for the Year Ended 30 June 2017

	Share capital £	Profit and loss account £	Total £
At 1 July 2016	500,100	64,665	564,765
Profit for the year	-	1,073,866	1,073,866
Total comprehensive income	-	1,073,866	1,073,866
Dividends	-	(1,075,000)	(1,075,000)
At 30 June 2017	500,100	63,531	563,631
	Share capital £	Profit and loss account £	Total £
At 1 July 2015	500,100	(46,428)	453,672
Profit for the year	-	871,093	871,093
Total comprehensive income	-	871,093	871,093
Dividends	-	(760,000)	(760,000)
At 30 June 2016	500,100	64,665	564,765

The notes on pages 6 to 13 form an integral part of these financial statements.

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Kinetic Business Centre
Theobald Street
Elstree & Borehamwood
Herts
WD6 4PJ

The principal place of business is:

Kinetic Business Centre
Theobald Street
Elstree & Borehamwood
Herts
WD6 4PJ

These financial statements were authorised for issue by the Board on 11 December 2017

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Pounds Sterling, which is also the functional currency of the Company. Rounding of amounts shown in the financial statements is to the nearest Pound.

Going concern

The financial statements have been prepared on a going concern basis.

Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 11 December 2017 was Gary Moss, who signed for and on behalf of Sterlings Ltd.

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Judgements

In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on judgement and experience together with any other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and any underlying assumptions used are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current period and subsequent periods.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for term loans secured by legal charges over land and buildings made in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Recognition and measurement

A financial instrument is recognised when the Company becomes a party to the contractual provisions of the instrument with initial measurement being at the transaction price.

Impairment

Financial assets are assessed for indications of impairment at the end of each accounting period. They are considered to be impaired when there is evidence that the estimated future cash flows of the asset have been affected.

On the basis of these financial statements no provision has been made for corporation tax.

The corporation tax charge of the company has been reduced to nil by group relief of losses of other companies under common control.

3 Debtors

	2017 £	2016 £
Trade debtors	21,638,754	19,900,214
Other debtors	443,459	469,500
	<u>22,082,213</u>	<u>20,369,714</u>
Less non-current portion	<u>(20,622,091)</u>	<u>(19,483,214)</u>
Total current trade and other debtors	<u>1,460,122</u>	<u>886,500</u>

Trade debtors are the amounts due from borrowers and are secured by legal charges held over land and buildings, in respect of which the group and company had received professional valuations. Trade debtors are shown net of provisions of £857,380 (2016 - £779,512).

Details of non-current trade and other debtors

£20,622,091 (2016 -£19,483,214) of Trade debtors is classified as non current.

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

4 Creditors

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	5	6,133,568	5,058,434
Amounts owed to group undertakings and undertakings in which the company has a participating interest	7	5,922,421	4,928,388
Other creditors		<u>29,021</u>	<u>20,659</u>
		<u>12,085,010</u>	<u>10,007,481</u>
Due after one year			
Loans and borrowings	5	<u>10,571,240</u>	<u>10,335,225</u>

5 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	<u>10,571,240</u>	<u>10,335,225</u>

The aggregate amount of creditors for which security has been given amounted to £10,571,240 (2016 - £10,335,225).

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	<u>6,133,568</u>	<u>5,058,434</u>

The aggregate amount of creditors for which security has been given amounted to £6,133,568 (2016 - £5,058,434).

The bank loans are secured by fixed and floating charges over the assets of the company.

6 Dividends

	2017 £	2016 £
Interim dividend	1,075,000	760,000

The directors are proposing no final dividend. No dividend has been accrued in the Balance Sheet.

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

7 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Spring Finance Limited

(Parent company)

During the year, title to a bank account for the trade being operated by the company was held in trust for the benefit of the company by Spring Finance Limited, the immediate parent company. SF11 Limited holds a charge in its favour over this bank account and the operation of this account and management of loan funds raised is carried out by Spring Finance Limited as trustee for SF11 Limited in accordance with a management and trust deed.

The audit fees of SF11 Limited are paid for by Spring Finance Limited.

SF11 Limited received funds of £974,842 (2016 - £630,000) from Spring Finance Limited and paid funds of £nil (2016 - £665,000) to this company during the year.

The cost of funding incurred on loans previously transferred with the consent of creditors of £657,141 (2016 - £629,258) has been recharged by Spring Finance Limited to SF11 Limited.

Dividends paid to Spring Finance Limited were £1,075,000 (2016 - £760,000). At the balance sheet date the amount due to Spring Finance Limited was £5,919,603 (2016 - £4,928,388).

SF13 Limited

(Associated company)

The company received loan book collections on behalf of SF13 Limited of £12,030 (2016 - £20,032) and admin fee income of £18,310 (2016 - £13,265) and paid across to SF13 Limited £27,522 (2016 - £33,297). At the balance sheet date the amount due to SF13 Limited was £2,818 (2016 - £nil).

8 Parent and ultimate parent undertaking

The company's immediate parent is Spring Finance Limited, incorporated in England and Wales.

The ultimate parent is Spring Finance Limited, incorporated in England and Wales.

These financial statements are available upon request from the registered office at:

Kinetic Business Centre
Theobald Street
Elstree & Borehamwood
Herts
WD6 4PJ

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

9 APB Ethical Standards relevant circumstances

In common with many businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

10 Transition to FRS 102

The company is presenting its financial statements under Financial Reporting Standard 102 for the first time. The reconciliations to show all adjustments for reclassification and remeasurement on adoption of the new standard are set out below.

Balance Sheet at 1 July 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Current assets					
Debtors		15,920,819	-	-	15,920,819
Cash at bank and in hand		464,967	-	-	464,967
		<u>16,385,786</u>	-	-	<u>16,385,786</u>
Creditors: Amounts falling due within one year		<u>(9,310,852)</u>	-	-	<u>(9,310,852)</u>
Total assets less current liabilities		7,074,934	-	-	7,074,934
Creditors: Amounts falling due after more than one year		<u>(6,621,262)</u>	-	-	<u>(6,621,262)</u>
Net assets		<u>453,672</u>	-	-	<u>453,672</u>
Capital and reserves					
Called up share capital		(500,100)	-	-	(500,100)
Profit and loss account		<u>46,428</u>	-	-	<u>46,428</u>
Total equity		<u>(453,672)</u>	-	-	<u>(453,672)</u>

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Balance Sheet at 30 June 2016

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Current assets					
Debtors		20,369,714	-	-	20,369,714
Cash at bank and in hand		<u>537,757</u>	<u>-</u>	<u>-</u>	<u>537,757</u>
		20,907,471	-	-	20,907,471
Creditors: Amounts falling due within one year		<u>(10,007,481)</u>	<u>-</u>	<u>-</u>	<u>(10,007,481)</u>
Total assets less current liabilities		10,899,990	-	-	10,899,990
Creditors: Amounts falling due after more than one year		<u>(10,335,225)</u>	<u>-</u>	<u>-</u>	<u>(10,335,225)</u>
Net assets		<u><u>564,765</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>564,765</u></u>
Capital and reserves					
Called up share capital		(500,100)	-	-	(500,100)
Profit and loss account		<u>(64,665)</u>	<u>-</u>	<u>-</u>	<u>(64,665)</u>
Total equity		<u><u>(564,765)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(564,765)</u></u>

SF11 Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Profit and Loss Account for the year ended 30 June 2016

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		2,861,397	-	-	2,861,397
Cost of sales		<u>(226,188)</u>	<u>-</u>	<u>-</u>	<u>(226,188)</u>
Gross profit		2,635,209	-	-	2,635,209
Administrative expenses		<u>(55,577)</u>	<u>-</u>	<u>-</u>	<u>(55,577)</u>
Operating profit		<u>2,579,632</u>	<u>-</u>	<u>-</u>	<u>2,579,632</u>
Interest payable and similar expenses		<u>(1,708,539)</u>	<u>-</u>	<u>-</u>	<u>(1,708,539)</u>
		<u>(1,708,539)</u>	<u>-</u>	<u>-</u>	<u>(1,708,539)</u>
Profit before tax		<u>871,093</u>	<u>-</u>	<u>-</u>	<u>871,093</u>
Profit for the financial year		<u><u>871,093</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>871,093</u></u>