

Company Registration No. 00034278 (England and Wales)

CONSUMER CREDIT TRADE ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONSUMER CREDIT TRADE ASSOCIATION

COMPANY INFORMATION

Directors	G P Stevens	
	J S Fellows	
	S Mee	
	A Claytor	
	N Leatherland	
	T J Merrick	
	P D Ross	
	F R Johnstone	
	J Burgess	
	R J Ashton	(Appointed 20 February 2019)
Company number	00034278	
Registered office	Unit G5, Spring Mill Main Street Wilsden Bradford BD15 0DX	
Auditor	BHP LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB	

CONSUMER CREDIT TRADE ASSOCIATION

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CONSUMER CREDIT TRADE ASSOCIATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Business review

2019 was probably the most difficult trading year that the CCTA has experienced in modern times. The negative impact of the harsh FCA regulation of the Consumer Credit market, combined with an equally over-zealous Financial Ombudsman Service created a perfect storm, that wreaked havoc on the Non-Banking SME's, and Alternative Lending Sectors. Many Lenders left the market, with some looking at providing unregulated credit products to consumers, as they see companies in the buy now pay later sector prosper.

Both the FCA & FOS come under Parliamentary scrutiny whose role is to ensure that appropriate regulation and dispute resolution are in place, the Consumer and the Market is well served, and that processes and business models enable vibrant competition and protect consumers rights. It is fair to say that the two well-funded and well-resourced behemoths have received precious little oversight, or probing from either of the two Houses, the Commons or Lords. That is despite the critical Public Policy & Affairs issues that the CCTA and Industry have been lobbying for on behalf of Members.

The overall political scene in 2019 was a farce from start to finish. The culmination of the disastrous two and a half years after the Brexit vote in 2016, resulted in a prostrate Parliament with internecine conflict in both of the main Parliamentary Parties, and also across all Parties. Financial Services and consumer credit in particular are bearing the political brunt as normal parliamentary processes were prostrate, with weak to no challenge of unwise, or even blatant over regulation.

Theresa May as Prime Minister, led a Party broken by the Brexit result in 2016 and struggled through, albeit held to ransom by the DUP MP's, and on occasions the SNP, both of them awkward bedfellows. Her resignation in 2019 was not a surprise after so many Machiavellian plots around Westminster. Boris Johnson was appointed Prime Minister in July 2019 after a Conservative Party National Leadership vote and inherited a festering Party ill at ease with itself, never mind the opposition.

The new Parliament was sworn in on the 17th December 2019 with a majority of 80 which allowed the 2016 Brexit Vote to leave the European Union to go forward, albeit with a 12 month Transition Agreement delay on actually leaving. The machinations and focus on this single issue meant that effectively that the normal scrutiny of regulation, laws, the Economy, and Markets was massively reduced.

During the Brexit political wasteland years in Parliament [2016-2019] the wider Consumer Credit Market consumer lobbying by Activists and fringe Consumer Groups, wholeheartedly supported by the FCA & FOS corralled the high ground against Banks & Lenders, as ' money lending ' was still seen by some consumer purists as bad, unfortunately for consumers it now leaves a legacy of decaying access to responsible credit. The CCTA has been at the forefront of challenging Parliament and the Establishment on the access to responsible credit issue.

The CCTA Conferences 2018/2019 focused on access to credit issues, and the disruptive harsh regulation by the FCA and FOS on the Non Banking and SME sector of consumer credit lending. Our central theme of protecting access to responsible credit [PARC] remains at the forefront of our Public Affairs approach. FOS issues have also been addressed throughout the year, and the CCTA & the Industry succeeded through the Treasury Select Committee in getting a partial Audit of FOS processes. The very small audit was completed by Richard Lloyd [former CEO Consumer Which], on the back of a ITV programme shaming the FOS on claims delays, and dissatisfied staff. Like all other Trade Associations within the Financial Services and Consumer Credit sectors we were pressing for a National Audit Office [NAO] full audit of their remit, scope, and processes.

Our current Public Affairs approach remains centred on the ongoing lobbying on Parliament and the Establishment [Civil Servants et al] for a root and branch audit of the FCA and FOS that is distorting the Market. The full weight of FCA regulation measured by complexity, human resources, and costs has continued to exert more negative financial pressure on SME's, more so than large firms. The increased financial burden in many cases causes closure or merger, as the respective business models struggle because of the increased costs. As the CCTA Members are mainly SME's the impact on the Association remains greater, than for those Associations with larger Members.

CONSUMER CREDIT TRADE ASSOCIATION

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Business review continued...

The CCTA Council remains dedicated to having a more distinctive and authoritative voice in the wider Industry, to attract larger firms to become Members, as the number of SME's in the marketplace recedes. It was agreed that reserves would be used to build the Public Policy & Public Affairs structure further during 2019 to finance the ongoing Public Affairs program going forward.

We continued our Public Policy and Communications programme with the large Consumer Groups, Charities, and other Trade Associations. We maintained our relationships with the Press & Media and had many successes in obtaining feature editorials in the Times, Telegraph, Guardian, and online publications. We increased column inches in other publications and further established the CCTA as a leading expert and commentator in the consumer credit space.

At our November Conference delegates voted overwhelmingly for the CCTA to continue to be a leading voice in consumer credit, and to continue the Public Affairs, Public Policy & Communications approach. We are taking a clear message to Government, Regulators, and Consumer Activists that the protection of access to responsible credit is a core need for consumers, and that the current regulatory thrust and certain redress processes are putting access to credit at risk.

Affordability is now a major problem alongside redress issues and we are pressing and challenging the FCA and FOS on their present line of attack, we expect that in 2020 these two items allied with credit scores will come to a head. We are also pressing the SCOR committee that overlooks credit scoring to be more active in the debate.

The CCTA Council has continued throughout the year to address the immediate and long term future of the CCTA, with several routes to market being addressed. Alongside the Public Affairs programme, we are looking at initiatives to collaborate with other Trade Associations to share expertise and costs. The imperative of the CCTA Council remains to protect the CCTA Members, brand and legacy, as well as embrace modernity and new ideas.

We appreciate the anguish and concern that Members have with regard to the future, we thank you for your ongoing support in these difficult times. The CCTA Team went the extra mile in 2019 to provide the best possible service on limited resources, and recognise that 2020 will be equally challenging.

It is an understatement that 2020 will be another extremely difficult year for Members. The FCA show no sign of any reduction in tinkering with the regulation, in fact towards the end of the year we saw an increase in changes and amendments. FOS as stated at Conference are potentially 'viewing' affordability complaints as a major issue for them.

There are many signs of a recession brewing prior to any post-Brexit trading issues, and the extent of consumer spending needed to prop up GDP is fast becoming an issue, as productivity falls. More Lenders will leave the market as the regulation increases and certain business models become unprofitable. Our main focus remains fighting for, and protecting our Members and consumers in an ever increasing inhospitable regulatory world.

Going concern

The Directors have considered the Impact of COVID-19 on the Company's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to assess the duration and extent of the disruption, the Directors are confident that they have in place plans to deal with any financial losses that may arise.

The Directors do however recognise that significant uncertainty exists surrounding the duration and impact of COVID-19 and hence there is an inherent risk regarding the success and sustainability of these plans.

This risk represents a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, however the Directors have concluded that the company remains a going concern whilst such viable options are available to it. The Directors therefore continue to adopt the going concern basis of preparation for these financial statements.

CONSUMER CREDIT TRADE ASSOCIATION

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G P Stevens
J S Fellows
S Mee
A Claytor
N Leatherland
T J Merrick
P D Ross
F R Johnstone
J Burgess
R J Ashton

(Appointed 20 February 2019)

Auditor

In accordance with the company's Articles of Association, a resolution proposing that BHP LLP be reappointed as auditors will be put at the annual general meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

G P Stevens

Director

5 October 2020

CONSUMER CREDIT TRADE ASSOCIATION

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible 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 surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSUMER CREDIT TRADE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSUMER CREDIT TRADE ASSOCIATION

Opinion

We have audited the financial statements of Consumer Credit Trade Association (the 'company') for the year ended 31 December 2019 which comprise the income and expenditure account, 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 December 2019 and of its deficit 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 *Auditor's 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 UK, including the FRC'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.

Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements which discusses the Directors' assessment of the impact of the COVID-19 pandemic on the Company. As stated in 1.2, these events or conditions, along with the other matters as set forth in 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other 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.

Opinions on other matters prescribed by the Companies Act 2006

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

CONSUMER CREDIT TRADE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONSUMER CREDIT TRADE ASSOCIATION

Matters on which we are required to report by exception

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.

We have nothing to report in respect of the following matters where 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' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CONSUMER CREDIT TRADE ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONSUMER CREDIT TRADE ASSOCIATION

Use of our report

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.

Lesley Kendrew (Senior Statutory Auditor)
for and on behalf of BHP LLP

5 October 2020

Chartered Accountants
Statutory Auditor

New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

CONSUMER CREDIT TRADE ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Income	561,390	583,032
Cost of sales	(182,104)	(224,825)
	<hr/>	<hr/>
Gross surplus	379,286	358,207
Administrative expenses	(479,133)	(465,284)
	<hr/>	<hr/>
Operating deficit	(99,847)	(107,077)
Interest receivable and similar income	763	418
	<hr/>	<hr/>
Deficit before taxation	(99,084)	(106,659)
Tax on deficit	-	-
	<hr/>	<hr/>
Deficit for the financial year	<u>(99,084)</u>	<u>(106,659)</u>

CONSUMER CREDIT TRADE ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		9,785		9,627
Current assets					
Debtors	4	138,899		81,792	
Cash at bank and in hand		304,661		446,304	
		<u>443,560</u>		<u>528,096</u>	
Creditors: amounts falling due within one year	5	<u>(346,957)</u>		<u>(332,251)</u>	
Net current assets			96,603		195,845
Total assets less current liabilities			<u>106,388</u>		<u>205,472</u>
Reserves					
Other reserves			50,000		50,000
Income and expenditure account			56,388		155,472
Members' funds			<u>106,388</u>		<u>205,472</u>

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

The financial statements were approved by the board of directors and authorised for issue on 5 October 2020 and are signed on its behalf by:

G P Stevens
Director

Company Registration No. 00034278

CONSUMER CREDIT TRADE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Consumer Credit Trade Association is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit G5, Spring Mill, Main Street, Wilsden, Bradford, BD15 0DX.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The Directors have considered the impact of COVID-19 on the Company's trade, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the Directors are confident that they have in place plans to deal with any financial losses that may arise.

The Directors do however recognise that significant uncertainty exists surrounding the duration and impact of COVID-19 and hence there is inherent risk regarding the success and sustainability of these plans. This risk represents a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, however the Directors have concluded that the Company remains a going concern whilst such viable options are available to it. The Directors therefore continue to adopt the going concern basis of preparation for these financial statements.

1.3 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where applicable as the company cannot reclaim it.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvement	Over the remaining lease term
Plant and machinery	25% straight line
Fixtures, fittings & equipment	33.3% straight line
Computer equipment	Enter depreciation rate via StatDB - cd198

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

CONSUMER CREDIT TRADE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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.

1.7 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 balance sheet 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 and cash and bank balances, 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.

CONSUMER CREDIT TRADE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.8 Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CONSUMER CREDIT TRADE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

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

	2019 Number	2018 Number
Total	6	5

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2019	7,500	42,559	50,059
Additions	-	9,171	9,171
Disposals	-	(18,865)	(18,865)
At 31 December 2019	7,500	32,865	40,365
Depreciation and impairment			
At 1 January 2019	6,953	33,479	40,432
Depreciation charged in the year	547	8,466	9,013
Eliminated in respect of disposals	-	(18,865)	(18,865)
At 31 December 2019	7,500	23,080	30,580
Carrying amount			
At 31 December 2019	-	9,785	9,785
At 31 December 2018	547	9,080	9,627

CONSUMER CREDIT TRADE ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Service charges due	129,988	76,011
Other debtors	8,911	5,781
	<u>138,899</u>	<u>81,792</u>

5 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	47,627	28,506
Taxation and social security	29,853	35,404
Other creditors	269,477	268,341
	<u>346,957</u>	<u>332,251</u>

6 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

7 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2019	2018
£	£
8,493	11,561

8 Events after the reporting date

As part of their assessment of the going concern basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the Company's trade, workforce, supply chain and the wider economies in which it operates, see note 1.2. It is the view of the Directors that the events which have significantly impacted the Company are the direct result of Government and international policy in response to the pandemic (for example restrictions on travel, trade and personal interactions) and such policy only arose after the balance sheet date. The Directors therefore consider the impact of the COVID-19 on the business to be a non-adjusting post-balance sheet event.

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.