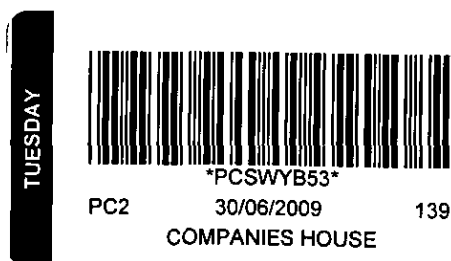


Company No: 2765607

Registrar of
Companies

CONTROLACCOUNT plc
REPORT AND FINANCIAL STATEMENTS
31 December 2008



COLLINS HART
CHARTERED ACCOUNTANTS
SUTTON COLDFIELD

CONTROLACCOUNT plc

Company Information

Directors
D Harvey
P Husband
L Bate
G A R Ball

Secretary
D Harvey

Company number
2765607

Registered office
Westec
Westgate
Ealing
London
W5 1YZ

Auditors
Collins Hart
Victoria House
437 Birmingham Road
Wylde Green
Sutton Coldfield
West Midlands
B72 1AX

CONTROLACCOUNT plc

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Report of the Directors

The directors present their report and the financial statements for the year ended 31 December 2008.

Directors' responsibilities

Company law requires us as directors to prepare financial statements for each financial year which 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 year. In preparing these financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

In the case of each person who is a director at the time this report is approved:-

- so far as the director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

Principal activity

The principal activity of the company is that of a debt collection agency, providing a range of credit management and debt recovery solutions to a diverse range of industry sectors.

Review Of the Business

On 23 October 2008 the Company was acquired by Broadriver Limited a Company owned by the management team.

During the year the Company stabilized operations in its recovery operation helped by the reinstatement of a major contract which had been lost in the previous year when the customer decided to perform the debt recovery function in-house. Following a successful tender process during the early part of 2008, the Company was awarded a lengthy contract which commenced in July 2008. In the later part of 2007 the Company introduced trace and legal recovery services to its customer base, provided in-house from its premises in Bromsgrove. These services have developed well over the year and provided significant additional revenue for the business

Future Prospects

The acquisition of the business has brought together a new management team with significant operational, financial, marketing and technical experience in the debt recovery sector. Following the buyout the business is undergoing a complete transformation with the introduction of a new debt recovery system planned to be operational by June 2009, a modernized website providing more on-line facilities and the addition of new service departments to support existing debt recovery operations and provide added benefit to customers. During the next year the Company will continue to focus on core services, improving performance from new and existing contacts and better utilization of human resources by the introduction of modern technology. The Company will continue to expand its customer base through re-energized sales activity, focusing on growth in both the public and private sector

Report of the Directors

Directors

Two new Directors, David Harvey and Paul Husband joined the Board during the year. One director, Ian Morris resigned in October 2008.

The directors who served during the year were as follows:

G.A.R. Ball
L. Bate (appointed 1 August 2008)
D. Harvey (appointed 23 October 2008)
P. Husband (appointed 23 October 2008)
I. Morris resigned as a Director on 24 October 2008.

The company is a wholly owned subsidiary of Broadriver Limited. The directors shareholdings in the parent company are disclosed in the accounts of Broadriver limited.

Auditors

In accordance with Section 385, Companies Act 1985, a resolution proposing that Collins Hart be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the board on 5 May 2009

On behalf of the board

D Harvey
Secretary

A handwritten signature in black ink, appearing to be 'D Harvey', written over a horizontal line.

CONTROLACCOUNT plc

Report of the Auditors

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

CONTROLACCOUNT PLC

We have audited the financial statements on pages 3 to 11 which have been prepared in accordance with the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements are set out in the statement of Directors Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Collins Hart

**Victoria House
437 Birmingham Road
Wylde Green
Sutton Coldfield
West Midlands
B72 1AX**

**Collins Hart
Chartered Accountants
Registered Auditors**

Date: 5 May 2009

CONTROLACCOUNT plc**Profit and Loss Account****For the year ended 31 December 2008**

	Notes	2008 £	2007 £
Turnover		1,428,634	1,622,291
Cost of sales		620,792	832,979
Gross profit		807,842	789,312
Administrative expenses		761,083	879,827
Operating profit/(loss)	3	46,759	(90,515)
Interest receivable		9,306	12,002
Income from fixed asset investment		-	208
Amounts written off investments		-	(2,706)
Interest payable		(327)	(280)
Profit/(Loss) on ordinary activities before taxation		55,738	(81,291)
Tax on profit/(loss) on ordinary activities	5	11,700	(14,666)
Profit/(Loss) for the financial year		44,038	(66,625)

The notes on pages 7 to 11 form part of these financial statements.

CONTROLACCOUNT plc**Balance sheet****At 31 December 2008**

		2008		2007	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		52,394		77,741
Current assets					
Work in progress		111,058		-	
Deferred Tax	8	1,776		-	
Debtors	9	313,754		367,917	
Cash at bank and in hand		402,749		356,792	
		<u>829,337</u>		<u>724,709</u>	
Creditors: amounts falling due within one year	10	<u>673,972</u>		<u>666,515</u>	
Net current assets			<u>155,365</u>		<u>58,194</u>
Total assets less current liabilities			<u>207,759</u>		<u>135,935</u>
Provisions for liabilities and changes			-		1,115
			<u>207,759</u>		<u>134,820</u>
Capital and reserves					
Called up share capital:	12				
Ordinary Shares			50,000		50,000
Preference Shares			89,901		-
Profit and loss account	13		67,858		84,820
Shareholders' funds	14		<u>207,759</u>		<u>134,820</u>

The financial statements have been prepared in accordance with the Companies Act 1985.

The financial statements were approved by the board on 5 May 2009

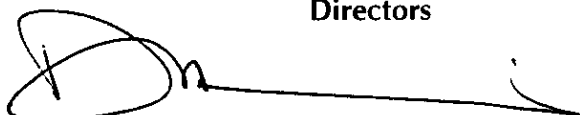
On behalf of the board

G. Ball



Directors

D. Harvey



The notes on pages 7 to 11 form part of these financial statements.

CONTROLACCOUNT plc**Cashflow Statement****For the year ended 31 December 2008**

	Notes	2008 £	2007 £
Net cash inflow from operating activities	1	(18,688)	253,985
Returns on investments and servicing of finance	2	8,979	11,930
Taxation		13,227	(27,047)
Capital expenditure and financial investment	2	(16,893)	(12,474)
Equity dividends paid		(61,000)	(91,994)
Issue of preference shares		89,901	-
Increase in cash in the period		<u>15,526</u>	<u>134,400</u>
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>15,526</u>	<u>134,400</u>
Change in net funds resulting from cash flows		<u>15,526</u>	<u>134,400</u>
Movement in net funds in the period		15,526	134,400
Net funds at 1 January		<u>314,673</u>	<u>180,273</u>
Net funds at 31 December		<u>330,199</u>	<u>314,673</u>

The notes on page 6 form part of the cashflow statement.

Notes to the Cash Flow Statements

For the year ended 31 December 2008

1 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2008	2007
	£	£
Operating profit/(loss)	46,759	(90,515)
Depreciation charges	42,240	41,600
Profit on disposal of fixed assets	-	(5,729)
Decrease in debtors	40,936	45,319
(Decrease)/Increase in creditors	(37,565)	263,310
(Increase) in work in progress	(111,058)	
Net cash (outflow)/inflow from operating activities	(18,688)	253,985

2 Analysis of cash flows for headings netted in the cash flow statement

	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	9,306	12,002
Interest paid	(327)	(280)
Dividends received	-	208
Net cash inflow for returns on investments and servicing of finance	8,979	11,930
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(16,893)	(29,025)
Sale of fixed asset investments	-	16,551
	(16,893)	12,474

3 Analysis of changes in net funds

	At 1.1.09	Cash Flow	At 31.12.08
	£	£	£
Net cash:			
Cash at bank and in hand	356,792	45,957	402,749
Bank overdraft	(42,119)	(30,431)	(72,550)
Total	314,673	15,526	330,199

1 Accounting policies

Accounting convention

These financial statements are prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for services provided in the year net of VAT and is inclusive of the net movement during the year in work in progress.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Motor vehicles	- 25% of cost
Fixtures and equipment	- 25% of cost
Computer equipment	- 25% of cost

Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost includes a relevant proportion of overheads.

Net realisable value is based on estimated selling prices less costs expected to be incurred to completion.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences that have originated but not reversed by the balance sheet date.

Leasing and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful economic life.

Payments are treated as consisting of capital and interest. The interest element is charged to the profit and loss accounts using the straight line method.

Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP24.

2 Turnover

The turnover and profit of the company for the year has been derived from its principal activities of which 2% (2007 2%) was derived from the USA.

Notes to the Financial Statements (continued)

At 31 December 2008

3	Operating Profit	2008 £	2007 £
	The operating profit is stated after charging:		
	Operating lease rentals:		
	Plant and machinery	5,193	4,156
	Depreciation of tangible assets:		
	Owned	42,240	41,600
	Profit on disposal of fixed assets	-	(5,729)
	Auditors' remuneration	5,000	6,750
	Directors' remuneration (excluding pension contributions)	92,000	114,021

During the year one director (2007 one) was accruing benefits under money purchase schemes.

4	Staff Costs	2008 £	2007 £
	Wages and salaries	785,993	899,595
	Social Security costs	66,759	80,147
	Pension costs	1,172	1,577
		<u>853,924</u>	<u>981,319</u>

The average number of employees during the year was as follows:

Administration	12	14
Debt Collectors	27	25
	<u>39</u>	<u>39</u>

5	Tax on profit on ordinary activities	2008 £	2007 £
	Based on the profit for the year:		
	Corporation tax at 20.75% (2007 19%)	14,591	(13,227)
	Deferred tax	(2,891)	(1,439)
		<u>11,700</u>	<u>(14,666)</u>

6	Dividends		
	Dividends on ordinary shares		
	Interim	<u>61,000</u>	<u>91,994</u>

Notes to the Financial Statements (continued)

At 31 December 2008

7 Tangible fixed assets	Short leasehold £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 31 December 2007	1,103	16,711	108,724	206,661	333,199
Additions	-	-	4,524	12,369	16,893
Disposals	-	(16,711)	(97,721)	(60,894)	(175,326)
At 31 December 2008	<u>1,103</u>	<u>-</u>	<u>15,527</u>	<u>158,136</u>	<u>174,766</u>
Depreciation					
At 31 December 2007	46	12,163	103,246	140,003	255,458
Provided during year	276	4,548	3,235	34,181	42,240
Eliminated on disposals	-	(16,711)	(97,721)	(60,894)	(175,326)
At 31 December 2008	<u>322</u>	<u>-</u>	<u>8,760</u>	<u>113,290</u>	<u>122,372</u>
Net book value					
At 31 December 2008	<u>781</u>	<u>-</u>	<u>6,767</u>	<u>44,846</u>	<u>52,394</u>
At 31 December 2007	<u>1,057</u>	<u>4,548</u>	<u>5,478</u>	<u>66,658</u>	<u>77,741</u>

8 Deferred taxation

Deferred taxation is provided at 21% (2007 20%) analysed over the following

	2008 £	2,007 £
Capital allowances in advance of depreciation - liability		<u>1,115</u>
Depreciation in advance of capital allowances - asset	<u>1,776</u>	

9 Debtors

Trade debtors	287,303	322,573
Other debtors	-	14,196
Prepayments	26,451	17,921
Corporation tax repayable	-	13,227
	<u>313,754</u>	<u>367,917</u>

CONTROLACCOUNT plc**Notes to the Financial Statements (continued)****At 31 December 2008**

10	Creditors: amounts falling due within one year	2008	2007
		£	£
	Trade creditors	78,197	76,888
	Client ledger	376,868	355,688
	Other creditors	1,668	80,465
	Corporation tax	14,591	
	Social security and other taxes	62,204	62,162
	Accruals	67,894	49,193
	Bank overdraft	72,550	42,119
		673,972	666,515

11 Leasing Commitments**Operating leases:**

At 31 December 2008 the company has annual commitments under non-cancellable operating leases for land and buildings as set out below:

	2008	2007
	£	£
Operating leases which expire:		
In two to five years	56,000	56,000

12	Called up share capital	2008	2007
		£	£
	Authorised		
	Ordinary shares of £1 each	250,000	250,000
	Redeemable preference shares of £1 each		
	Allotted, called up and fully paid		
	Ordinary shares of £1 each	50,000	50,000
	Redeemable preference shares of £1 each	89,901	-
		139,901	50,000

During the year 89901 £1 redeemable preference shares were issued.

The preference shares are non-interest bearing and are redeemable if the company is sold or if consideration payable to the previous company owner, prior to the acquisition by Broadriver Limited exceeds £250,000 under the agreed earn-out formula.

Notes to the Financial Statements (continued)

At 31 December 2008

13 Profit and loss account	£
At 31 December 2007	84,820
Profit for the year	44,038
Dividends	(61,000)
At 31 December 2008	67,858

14 Reconciliation of movements in shareholders funds	2008	2007
	£	£
Profit for/(loss) for the year	44,038	(66,625)
Dividends	(61,000)	(91,994)
	<u>(16,962)</u>	<u>(158,619)</u>
Preference shares issued	89,901	-
Net additon/(reduction) to shareholder funds	<u>72,939</u>	<u>(158,619)</u>
Opening shareholder funds	134,820	293,439
Closing shareholder funds	<u>207,759</u>	<u>134,820</u>

15 Pension costs

The company operates a defined contribution scheme for the benefit of the directors and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,172 (2007 £1,577).

16 Ultimate holding company

In the opinion of the directors the ultimate holding company is Broadriver Ltd a company incorporated in England and Wales