

Company no:
02765607

Controlaccount plc
Report and Accounts
31 December 2011

Collins Hart
Chartered Accountants
West Midlands

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Controlaccount plc
Report and accounts
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Controlaccount plc
Company Information

Directors	D Harvey P Husband G A R Ball S Lewis I Mitchell
Secretary	D Harvey
Auditors	Collins Hart The Lodge, Castle Bromwich Hall Chester Road Castle Bromwich B36 9DE
Registered office	Waterside Hanbury Road Bromsgrove Worcestershire B60 4FD
Company number	02765607

Controlaccount plc

Directors' Report

The directors present their Directors Report and financial statements for the year ended 31 December 2011

Principal activities

The company's principal activity during the year continued to be that of a debt collection agency, providing a range of credit management and debt recovery solutions to a diverse range of industry

Review of the business

The Directors present their Annual Report for 2011, during the year we continued to build strength in the business across all areas of activity and look for further ways to improve efficiency and drive performance. In the period we undertook a major re-organisation of our operations, transferring all activity to our new Midlands based headquarters. This transfer which was completed by the end of May 2011, has given the business a more cost effective base of operations and delivered many benefits from streamlined management to more focused processing.

Our 2011 financial and operating results demonstrate the progress we are making and the momentum we have built up. The Directors consider the financial results for the year satisfactory.

Future developments

The Directors are confident that the Company's technologies and the business model have the capacity to perform well and create value for Shareholders. In 2012 we aim to repeat and improve on the performance of 2011 and continue to look to the future with confidence.

Controlaccount plc

Directors' Report

Directors

The following persons served as directors during the year

D Harvey
P Husband
G A R Ball
S Lewis
I Mitchell

Directors' responsibilities

The directors are responsible for preparing the Directors Report and 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board on 18 June 2012 and signed by its order

D Harvey
Secretary



Controlaccount plc
Independent auditors' report
To the shareholders of Controlaccount plc

We have audited the financial statements of Controlaccount plc For the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

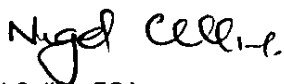
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Nigel Collins FCA
(Senior Statutory Auditor)
for and on behalf of
Collins Hart
Accountants and Statutory Auditors
18 June 2012

The Lodge, Castle Bromwich Hall
Chester Road
Castle Bromwich
West Midlands
B36 9DE

Controlaccount plc
Profit and Loss Account
For the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover		1,419,780	1,372,209
Cost of sales		(549,041)	(596,039)
Gross profit		870,739	776,170
Administrative expenses		(717,748)	(799,275)
Operating profit/(loss)	3	152,991	(23,105)
Interest receivable		311	500
Interest payable		(6,129)	(7,585)
Profit/(loss) on ordinary activities before taxation		147,173	(30,190)
Tax on profit/(loss) on ordinary activities	6	(32,566)	5,178
Profit/(loss) for the financial year		114,607	(25,012)

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit/(loss) for the above two financial years

Controlaccount plc
Balance Sheet
As at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	7	68,004	72,124
Current assets			
Stocks		206,762	233,206
Debtors	8	312,136	232,590
Cash at bank and in hand		143,951	154,946
		<u>662,849</u>	<u>620,742</u>
Creditors amounts falling due within one year	9	(488,426)	(487,370)
Net current assets		<u>174,423</u>	<u>133,372</u>
Total assets less current liabilities		<u>242,427</u>	<u>205,496</u>
Provisions for liabilities			
Deferred taxation	10	(4,564)	(1,240)
Net assets		<u>237,863</u>	<u>204,256</u>
Capital and reserves			
Called up share capital	11	139,901	139,901
Profit and loss account	12	97,962	64,355
Shareholders' funds	14	<u>237,863</u>	<u>204,256</u>

D Harvey

G A R Ball

Directors

Approved by the board on 18 June 2012

Controlaccount plc
Cash Flow Statement
For the year ended 31 December 2011

	Notes	2011 £	2010 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit/(loss)		152,991	(23,105)
Depreciation and amortisation		39,134	38,527
Decrease/(increase) in stocks		26,444	(16,718)
(Increase)/decrease in debtors		(79,546)	19,384
(Decrease)/increase in creditors		(48,214)	22,629
Net cash inflow from operating activities		<u>90,809</u>	<u>40,717</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		90,809	40,717
Returns on investments and servicing of finance	15	(5,818)	(7,085)
Taxation		(2,401)	-
Capital expenditure	15	<u>(35,014)</u>	<u>(7,617)</u>
		47,576	26,015
Equity dividends paid		<u>(81,000)</u>	<u>-</u>
		(33,424)	26,015
Financing	15	(4,925)	(39,886)
Decrease in cash		<u>(38,349)</u>	<u>(13,871)</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(38,349)	(13,871)
Decrease in debt and lease financing		4,925	39,886
Change in net debt	16	<u>(33,424)</u>	<u>26,015</u>
Net funds at 1 January		<u>35,910</u>	<u>9,895</u>
Net funds at 31 December		<u>2,486</u>	<u>35,910</u>

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2011

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Turnover

Turnover represents the amounts receivable for services provided in the year net of value added tax and inclusive of the net movement during the year in work in progress

Depreciation

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

Short leasehold	25% of cost
Fixtures and fittings	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 to be incurred to completion

Deferred taxation

Deferred tax 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 commitments

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

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

Rentals paid under operating leases are charged to income as incurred

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2011

2 Turnover

The turnover and profit of the company for the year has been derived from it's principal activities

3 Operating profit	2011	2010
	£	£
This is stated after charging		
Depreciation of owned fixed assets	39,134	38,527
Operating lease rentals - plant and machinery	23,600	8,016
Auditors' remuneration for audit services	<u>6,000</u>	<u>6,000</u>

4 Directors' emoluments	2011	2010
	£	£
Emoluments	<u>77,333</u>	<u>77,297</u>

5 Staff costs	2011	2010
	£	£
Wages and salaries	697,235	773,518
Social security costs	61,231	69,187
Other pension costs	<u>890</u>	<u>1,140</u>
	<u>759,356</u>	<u>843,845</u>

Average number of employees during the year	Number	Number
Administration	11	11
Debt collectors	<u>24</u>	<u>37</u>
	<u>35</u>	<u>48</u>

6 Taxation	2011	2010
	£	£
Analysis of charge in period		
Current tax		
Corporation tax at 20% (2010 21%)	29,242	-
Deferred tax		
Origination and reversal of timing differences	3,324	(5,178)
	<u>32,566</u>	<u>(5,178)</u>
Tax on profit/(loss) on ordinary activities		

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2011

7 Tangible fixed assets

	Short Leasehold £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2011	1,103	18,706	242,309	262,118
Additions	-	1,427	33,587	35,014
Disposals	-	(11,003)	(145,767)	(156,770)
At 31 December 2011	<u>1,103</u>	<u>9,130</u>	<u>130,129</u>	<u>140,362</u>
Depreciation				
At 1 January 2011	874	15,316	173,804	189,994
Charge for the year	229	3,031	35,874	39,134
On disposals	-	(11,003)	(145,767)	(156,770)
At 31 December 2011	<u>1,103</u>	<u>7,344</u>	<u>63,911</u>	<u>72,358</u>
Net book value				
At 31 December 2011	<u>-</u>	<u>1,786</u>	<u>66,218</u>	<u>68,004</u>
At 31 December 2010	<u>229</u>	<u>3,390</u>	<u>68,505</u>	<u>72,124</u>

8 Debtors

	2011 £	2010 £
Trade debtors	65,330	125,302
Amounts owed by group undertakings and undertakings in which the company has a participating interest	121,081	40,221
Prepayments and accrued income	125,725	64,666
Corporation tax	-	2,401
	<u>312,136</u>	<u>232,590</u>

9 Creditors' amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	101,465	89,036
Trade creditors	95,230	70,009
Client ledger	143,951	164,174
Directors loans	40,000	30,000
Corporation tax	26,841	-
Other taxes and social security costs	71,039	82,951
Other creditors	-	19,000
Accruals and deferred income	9,900	32,200
	<u>488,426</u>	<u>487,370</u>

The bank loan and overdrafts are secured

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2011

10 Deferred taxation	2011 £	2010 £
Accelerated capital allowances	4,564	2,829
Tax losses carried forward	-	(1,589)
Undiscounted provision for deferred tax	4,564	1,240

	2011 £	2010 £
At 1 January	1,240	6,418
Deferred tax charge in profit and loss account	3,324	(5,178)
At 31 December	4,564	1,240

11 Share capital	Nominal value	2011 Number	2011 £	2010 £
Allotted, called up and fully paid				
Ordinary shares	£1 each	50,000	50,000	50,000
Redeemable preference shares	£1 each	89,901	89,901	89,901
			139,901	139,901

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

12 Profit and loss account	2011 £
At 1 January 2011	64,355
Profit for the financial year	114,607
Dividends	(81,000)
At 31 December 2011	97,962

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2011

13 Dividends	2011 £	2010 £
Dividends for which the company became liable during the year		
Dividends paid	<u>81,000</u>	<u>-</u>

14 Reconciliation of movement in shareholders' funds	2011 £	2010 £
At 1 January	204,256	229,268
Profit/(loss) for the financial year	114,607	(25,012)
Dividends	(81,000)	-
	<u>237,863</u>	<u>204,256</u>
At 31 December		

15 Gross cash flows	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	311	500
Interest paid	<u>(6,129)</u>	<u>(7,585)</u>
	<u>(5,818)</u>	<u>(7,085)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>(35,014)</u>	<u>(7,617)</u>
Financing		
Loan repayments	<u>(4,925)</u>	<u>(39,886)</u>

16 Analysis of changes in net debt	At 1 Jan 2011 £	Cash flows £	Non-cash changes £	At 31 Dec 2011 £
Cash at bank and in hand	154,946	(10,995)		143,951
Overdrafts	(74,111)	(27,354)		(101,465)
		<u>(38,349)</u>		
Debt due within 1 year	(44,925)	4,925		(40,000)
Total	<u>35,910</u>	<u>(33,424)</u>	<u>-</u>	<u>2,486</u>

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2011

17 Pension commitments

The company offers a defined contribution scheme for the benefit of 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 £890 (2010 £1,140).

18 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2011 £	Land and buildings 2010 £	Other 2011 £	Other 2010 £
Operating leases which expire within one year	-	-	26,744	6,000
within two to five years	18,200	14,000	-	-
	<u>18,200</u>	<u>14,000</u>	<u>26,744</u>	<u>6,000</u>

19 Personal guarantees

Two of the directors, D Harvey and P Husband, have given personal guarantees to Nat West Bank plc limited to £75,000.

20 Ultimate controlling party

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