

**Company no:
02765607**

**Controlaccount plc
Report and Accounts
31 December 2012**



**Collins
Chartered Accountants
West Midlands**

Controlaccount plc
Report and accounts
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Controlaccount plc
Company Information

Directors	D Harvey P Husband G A R Ball I Mitchell
Secretary	D Harvey
Auditors	Collins 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 2012

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 2012, during the year we continued to build strength in the business across all areas of activity to improve efficiency and drive performance. In the period our Midlands headquarters was flooded following freak weather, although our responses to the problems of storm water were swift with only minor disruption to systems whilst they were re-sited, the business was without 50% of its infrastructure for two and a half months whilst repairs and improvements were undertaken. This impacted on our ability to provide service a 100% capability with the resultant reduction in anticipated profits.

Although our profits are lower than forecast, our 2012 financial and operating results demonstrate the progress we are making. 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 2013 we aim to repeat and improve on the performance of 2012 and continue to look to the future with confidence.

Dividends

Dividends of £126,000 were declared and paid in the year on the Ordinary shares.

Directors

The following persons served as directors during the year

D Harvey	
P Husband	
G A R Ball	
S Lewis	(Resigned 31/1/2013)
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.

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Directors' Report

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 24 May 2013 and signed by its order

D Harvey
Secretary

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line and a small flourish at the end.

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 2012 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 2012 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.

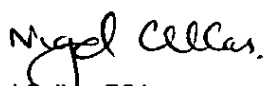
Opinion on other matters prescribed by the Companies Act 2006

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
Statutory Auditor
24 May 2013

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 2012

	Notes	2012 £	2011 £
Turnover	-	1,523,511	1,419,780
Cost of sales		(631,799)	(584,041)
Gross profit		891,712	835,739
Administrative expenses		(654,395)	(682,748)
Operating profit	3	237,317	152,991
Interest receivable		299	311
Interest payable	6	(5,832)	(6,129)
Profit on ordinary activities before taxation		231,784	147,173
Tax on profit on ordinary activities	7	(51,646)	(32,566)
Profit for the financial year		180,138	114,607

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 for the above two financial years

Controlaccount plc
Balance Sheet
As at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	8	61,664	68,004
Current assets			
Stocks	9	235,575	206,762
Debtors	10	442,648	312,136
Cash at bank and in hand		139,460	143,951
		<u>817,683</u>	<u>662,849</u>
Creditors' amounts falling due within one year	11	(584,000)	(488,426)
Net current assets		<u>233,683</u>	<u>174,423</u>
Total assets less current liabilities		<u>295,347</u>	<u>242,427</u>
Provisions for liabilities			
Deferred taxation	12	(3,346)	(4,564)
Net assets		<u>292,001</u>	<u>237,863</u>
Capital and reserves			
Called up share capital	13	139,901	139,901
Profit and loss account	14	152,100	97,962
Shareholders' funds	16	<u>292,001</u>	<u>237,863</u>

D Harvey

G A R Ball

Approved by the board on 24 May 2013

Directors


Controlaccount plc
Cash Flow Statement
For the year ended 31 December 2012

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		237,317	152,991
Depreciation and amortisation		37,112	39,134
(Increase)/decrease in stocks		(28,813)	26,444
Increase in debtors		(130,512)	(79,546)
Increase/(decrease) in creditors		39,155	(48,214)
Net cash inflow from operating activities		154,259	90,809
CASH FLOW STATEMENT			
Net cash inflow from operating activities		154,259	90,809
Returns on investments and servicing of finance	17	(5,533)	(5,818)
Taxation		-	(2,401)
Capital expenditure	17	(30,772)	(35,014)
		117,954	47,576
Equity dividends paid		(126,000)	(81,000)
		(8,046)	(33,424)
Financing	17	-	(4,925)
Decrease in cash		(8,046)	(38,349)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(8,046)	(38,349)
Decrease in debt and lease financing		-	4,925
Change in net debt	18	(8,046)	(33,424)
Net funds at 1 January		2,486	35,910
(Net debt)/net funds at 31 December		(5,560)	2,486

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2012

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 commitments

Rentals paid under operating leases are charged over the duration of the lease

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

2 Turnover

The turnover and profit of the company for the year has been derived from its principal activities

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2012

3 Operating profit	2012	2011
	£	£
This is stated after charging		
Depreciation of owned fixed assets	37,112	39,134
Operating lease rentals - plant and machinery	25,200	23,600
Operating lease rentals - land buildings	20,500	18,200
Auditors' remuneration for audit services	6,000	6,000
	<u> </u>	<u> </u>
4 Directors' emoluments	2012	2011
	£	£
Emoluments	75,950	77,333
	<u> </u>	<u> </u>
5 Staff costs	2012	2011
	£	£
Wages and salaries	697,870	697,235
Social security costs	56,681	61,231
Other pension costs	640	890
	<u>755,191</u>	<u>759,356</u>
Average number of employees during the year	Number	Number
Administration	11	11
Debt collectors	25	24
	<u>36</u>	<u>35</u>
6 Interest payable	2012	2011
	£	£
Bank overdrafts	4,232	3,729
Other loans	1,600	2,400
	<u>5,832</u>	<u>6,129</u>

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2012

7 Taxation	2012 £	2011 £
Analysis of charge in period		
Current tax		
Corporation tax at 22% (2011 22%)	52,864	29,242
Deferred tax		
Origination and reversal of timing differences	(1,218)	3,324
Tax on profit on ordinary activities	51,646	32,566

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2012 £	2011 £
Profit on ordinary activities before tax	231,784	147,173
Standard rate of corporation tax in the UK	22%	22%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	50,992	32,378
Effects of		
Expenses not deductible for tax purposes	533	257
Capital allowances for period in excess of depreciation	1,339	(1,645)
Utilisation of tax losses	-	(1,748)
Adjustments to tax charge in respect of previous periods	-	-
Current tax charge for period	52,864	29,242

Factors that may affect future tax charges

The provision for deferred tax is calculated based on the tax rates enacted or substantially enacted at the balance sheet date. The Chancellor of the Exchequer announced in his budget on 20 March 2013 that the rate of corporation tax of 24% will be reduced by 1% with effect from 1 April 2013 and by 2% to 21% from April 2014 and a further percent to 2015. It is expected that the deferred tax will unwind at the small companies rate of 20%.

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2012

8 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2012	9,130	130,129	139,259
Additions	5,687	28,038	33,725
Disposals	(5,353)	-	(5,353)
At 31 December 2012	<u>9,464</u>	<u>158,167</u>	<u>167,631</u>
Depreciation			
At 1 January 2012	7,344	63,911	71,255
Charge for the year	1,611	35,501	37,112
On disposals	(2,400)	-	(2,400)
At 31 December 2012	<u>6,555</u>	<u>99,412</u>	<u>105,967</u>
Net book value			
At 31 December 2012	<u>2,909</u>	<u>58,755</u>	<u>61,664</u>
At 31 December 2011	<u>1,786</u>	<u>66,218</u>	<u>68,004</u>

9 Stocks

	2012 £	2011 £
Work in progress	<u>235,575</u>	<u>206,762</u>
	235,575	206,762

The difference between purchase price or production cost of stocks and their replacement cost is not material

10 Debtors

	2012 £	2011 £
Trade debtors	156,690	65,330
Amounts owed by group undertakings	167,810	121,081
Prepayments and accrued income	<u>118,148</u>	<u>125,725</u>
	442,648	312,136

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2012

11 Creditors: amounts falling due within one year	2012 £	2011 £
Bank overdrafts	105,020	101,465
Trade creditors	128,927	95,230
Client ledger	138,753	143,951
Directors loans	40,000	40,000
Corporation tax	79,705	26,841
Other taxes and social security costs	81,577	71,039
Accruals and deferred income	10,018	9,900
	584,000	488,426

The bank overdrafts are secured by a debenture over all of the company's assets

12 Deferred taxation	2012 £	2011 £
Accelerated capital allowances	3,346	4,564
Undiscounted provision for deferred tax	3,346	4,564

	2012 £	2011 £
At 1 January	4,564	1,240
Deferred tax charge in profit and loss account	(1,218)	3,324
At 31 December	3,346	4,564

13 Share capital	Nominal value	2012 Number	2012 £	2011 £
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 must be redeemed if the company is sold

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Notes to the Accounts
For the year ended 31 December 2012

14 Profit and loss account	2012	
	£	
At 1 January 2012	97,962	
Profit for the financial year	180,138	
Dividends	(126,000)	
At 31 December 2012	152,100	
15 Dividends	2012	2011
	£	£
Dividends for which the company became liable during the year		
Dividends paid	126,000	81,000
16 Reconciliation of movement in shareholders' funds	2012	2011
	£	£
At 1 January	237,863	204,256
Profit for the financial year	180,138	114,607
Dividends	(126,000)	(81,000)
At 31 December	292,001	237,863
17 Gross cash flows	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	299	311
Interest paid	(5,832)	(6,129)
	(5,533)	(5,818)
Capital expenditure		
Payments to acquire tangible fixed assets	(33,725)	(35,014)
Receipts from sales of tangible fixed assets	2,953	-
	(30,772)	(35,014)
Financing		
Loan repayments	-	(4,925)

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2012

18 Analysis of changes in net debt

	At 1 Jan 2012 £	Cash flows £	Non-cash changes £	At 31 Dec 2012 £
Cash at bank and in hand	143,951	(4,491)		139,460
Overdrafts	(101,465)	(3,555)		(105,020)
		(8,046)		
Debt due within 1 year	(40,000)	-		(40,000)
Total	2,486	(8,046)	-	(5,560)

19 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 £640 (2011 £890).

20 Other financial commitments

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

	Land and buildings 2012 £	Land and buildings 2011 £	Other 2012 £	Other 2011 £
Operating leases which expire within one year	-	-	7,638	16,997
within two to five years	20,500	18,200	23,466	9,747
	20,500	18,200	31,104	26,744

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Notes to the Accounts
For the year ended 31 December 2012

21 Related party transactions	2012 £	2011 £
D Harvey		
Director of the company		
Loan made to the company		
Amount due to the related party	20,000	20,000
P Husband		
Director of the company		
Loan made to the company		
Amount due to the related party	20,000	20,000

22 Ultimate controlling party

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