

Company no:
02765607

Controlaccount plc
Report and Accounts
31 December 2015

Collins
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
I Mitchell
R Jefferies

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 2015.

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 sectors.

Future developments

Controlaccount has a quality brand, extensive knowledge of the markets we serve combined with strong long term customer relationships, enabling the Company to apply its leading-edge technology and deliver bespoke recovery solutions to client applications that drive performance, whilst improving efficiency and cutting cost in customers own operations.

The business is managed by an experienced senior team which sets the strategic direction and continuously seeks opportunities to enhance and extend the range of service, improve operational controls, identify new markets and develop employees promoting a culture of transparency, responsibility and accountability.

Our clear and consistent strategy has enabled strong and steady business performance while allowing expansion into areas of growth. We look to build on this by leveraging our key competitive strengths through a focused corporate strategy that will deliver growth in both revenue and profitability. The key elements of the Controlaccount strategy include:

- Continuing to optimise our assets, offering excellent service to our customers and achieve our regulatory obligations;
- Through training and the development of talented people, we will continue to offer all our employees terms and conditions commensurate with other employers operating in our sector;
- Continued investment in technology that delivers competitive advantage and operational efficiencies;
- Consistently look to identify customers' needs that can be solved by our capabilities;
- Improving margins through a continuous drive for operational efficiencies;
- Delivering sales growth through investment in organic growth drivers such as new product/service development;

We manage the business to drive sales growth, improve margins, maximise cash-flows and enhance returns for our shareholders while promoting a culture of responsibility. We measure our performance and the effectiveness of our strategy through key performance indicators.

Dividends

Dividends of £262,503 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
I Mitchell
R Jefferies

Controlaccount plc

Directors' Report

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.

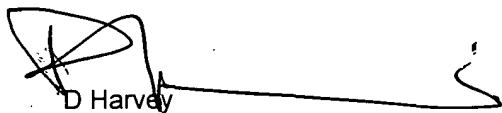
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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 irregularities.

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 May 2016 and signed on its behalf.


D Harvey
Director

Controlaccount plc

Strategic Report

The directors present their strategic report for the year ending 31 December 2015.

Review of the business

During 2015 Controlaccount Plc delivered another strong year, although sales growth has masked the loss of a substantial customer at the beginning of the financial year due to business failure; and this has slowed sales progress. In a busy year the business moved into larger premises providing the space for the expansion of new and existing contracts, improved its sales function with the addition of a telemarketing team and signed a new contract with a large existing customer with improved terms taking us through to 2018. We continued to invest in our software platform "CogendaWorks" to support multi-faceted collection models as well as developing cloud based applications for greater customer interaction with our service. Secure feature rich software defines our communication systems, strengthening our competitive advantage making us more productive and providing the digital tools that our customers require for effortless efficiency. Controlling IT development is therefore extremely important to the business as quality software helps us work better and stand out from the crowd, maintaining a multi-disciplined team ensures that planned development work is completed on time and within budget.

Delivering quality services continues to be a core strategy for the business and we remain focused on developing personnel and expertise to drive performance across all areas of the business; during the year we passed our first ISO 9001 external audit without any reported incidents and started to prepare for ISO27001 to strengthen existing IT security architecture. We also commenced work on a new range of credit ancillary support services that will be launched with a new brand during 2016.

The directors are satisfied with the performance of the company as reported in the financial statements and will continue to drive revenue growth, customer value and shareholder returns, while broadening the Company's offering and optimising efficiency for increased profitability. Re-negotiated terms with a large customer at the end of 2015 and the extension of another major contract during 2016 through to the end of 2020 will spearhead growth during the next trading year and beyond

Principal risks and uncertainties

Economic climate

Continued market confidence will lead to higher levels of debt available from existing and new customers. The directors are confident in the Company's abilities to continue to maintain current customers through innovative process which drives performance and develops opportunities through complementary services, creating the ability to recruit new business from both traditional and niche markets in the UK and Worldwide

Liquidity risk

The directors consider that the Company has sufficient current assets to enable it to continue to trade and to pay its liabilities as and when they become due.

Retention of key people

Reducing uncontrolled employee turnover is a major strategic challenge for the business as it's important that key people working at all levels are retained and developed. The directors take a collaborative, supportive, and nurturing approach to the recruitment and retention of staff which has resulted in low attrition rates.

Controlaccount plc

Strategic Report

Competitor activity

The business operates in a large and competitive market that has a substantial number of high profile and medium size competitors. Our challenge in developing existing customers and attracting new business is how we deliver services and improve our offering, the directors have invested in the service by the development of feature rich software that keep our customer connected to the service effortlessly across all boundaries, with speed and connectivity that delivers both functionality and total transparency. Within operations we focus on performance in every aspect to ensure Controlaccount operates to the highest standards, we look to identify customers' needs that can be solved by our capabilities and our pricing solutions take into account competitor options and activity.

Key performance indicators

The Companies business model is extensive and relies on the timely execution of key tasks, high quality actions and early identification of problems. To ensure consistent performance the Company employs a range of key performance indicators to measure and refine the recovery process, drive employee performance and to improve quality aspects of service delivery in all areas of activity

Whilst many of these KPI's have little significance on their own when relating them to year end accounts, together they make a substantial contribution to the overall results and can be seen in the ratio of earnings per productive employee which show an increase of 15% during the year from £53,534 to £61,574

This report was approved by the board on 18 May 2016 and signed on its behalf.

D Harvey
Director

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a long horizontal line that ends in a small flourish.

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 2015 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 accounts 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. In addition, we read all the financial and non financial information in the Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

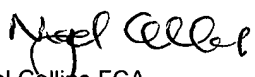
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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
18 May 2016

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 2015

	Notes	2015 £	2014 £
Turnover		2,586,099	2,355,510
Cost of sales		(1,280,093)	(1,154,325)
Gross profit		1,306,006	1,201,185
Administrative expenses		(904,703)	(828,583)
Operating profit	3	401,303	372,602
Interest receivable		203	201
Interest payable	6	(10,090)	(11,018)
Profit on ordinary activities before taxation		391,416	361,785
Tax on profit on ordinary activities	7	(78,769)	(73,047)
Profit for the financial year		312,647	288,738

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 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	8	263,845	244,641
Current assets			
Stocks	9	371,006	309,966
Debtors	10	446,969	356,038
Cash at bank and in hand		401,321	266,663
		<u>1,219,296</u>	<u>932,667</u>
Creditors: amounts falling due within one year	11	(965,313)	(718,643)
Net current assets		<u>253,983</u>	<u>214,024</u>
Total assets less current liabilities		<u>517,828</u>	<u>458,665</u>
Provisions for liabilities			
Deferred taxation	12	(29,181)	(20,162)
Net assets		<u>488,647</u>	<u>438,503</u>
Capital and reserves			
Called up share capital	13	139,901	139,901
Profit and loss account	14	348,746	298,602
Shareholders' funds	16	<u>488,647</u>	<u>438,503</u>

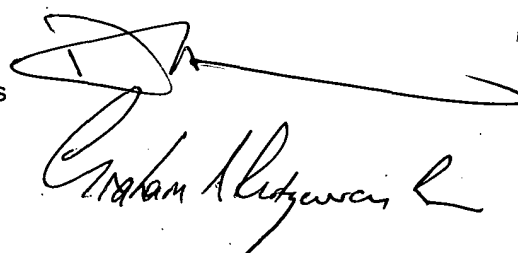
D Harvey

G A R Ball

Company number 02765607

Approved by the board on 18 May 2016

Directors



Controlaccount plc
Cash Flow Statement
For the year ended 31 December 2015

	Notes	2015 £	2014 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		401,303	372,602
Depreciation and amortisation		53,801	51,213
Increase in stocks		(61,040)	(25,816)
(Increase)/decrease in debtors		(90,931)	15,128
Increase/(decrease) in creditors		185,321	(86,641)
Net cash inflow from operating activities		<u>488,454</u>	<u>326,486</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		488,454	326,486
Returns on investments and servicing of finance	17	(9,887)	(10,817)
Taxation		(121,257)	(52,864)
Capital expenditure	17	<u>(73,005)</u>	<u>(47,546)</u>
		284,305	215,259
Equity dividends paid		<u>(262,503)</u>	<u>(214,460)</u>
		21,802	799
Financing	17	51,296	-
Increase in cash		<u>73,098</u>	<u>799</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		73,098	799
Increase in debt and lease financing		(51,296)	-
Change in net debt	18	<u>21,802</u>	<u>799</u>
Net funds at 1 January		<u>95,262</u>	<u>94,463</u>
Net funds at 31 December		<u>117,064</u>	<u>95,262</u>

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2015

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:

Fixtures and fittings	25% of cost
Computer equipment	25% and 20% 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 2015

3 Operating profit	2015	2014
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	53,801	51,213
Operating lease rentals - plant and machinery	45,250	38,200
Operating lease rentals - land buildings	71,896	36,760
Auditors' remuneration for audit services	8,000	7,500
	<u> </u>	<u> </u>
4 Directors' emoluments	2015	2014
	£	£
Emoluments	63,616	45,539
	<u> </u>	<u> </u>
5 Staff costs	2015	2014
	£	£
Wages and salaries	1,028,388	957,227
Social security costs	68,003	69,638
Other pension costs	2,581	2,946
	<u> </u>	<u> </u>
	1,098,972	1,029,811
	<u> </u>	<u> </u>
Average number of employees during the year	Number	Number
Administration	22	21
Debt collectors	42	38
	<u> </u>	<u> </u>
	64	59
	<u> </u>	<u> </u>
6 Interest payable	2015	2014
	£	£
Bank overdrafts	3,483	5,068
Other loans	5,745	4,000
Other interest	862	1,950
	<u> </u>	<u> </u>
	10,090	11,018
	<u> </u>	<u> </u>

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2015

7 Taxation	2015 £	2014 £
Analysis of charge in period		
Current tax:		
Corporation tax at 20.06% (2014: 20.21%)	69,750	67,704
Deferred tax:		
Origination and reversal of timing differences	9,019	5,343
	<u>78,769</u>	<u>73,047</u>
Tax on profit on ordinary activities		

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:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>391,416</u>	<u>361,785</u>
Standard rate of corporation tax in the UK	20.07%	20.21%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	78,557	73,117
Effects of:		
Expenses not deductible for tax purposes	243	226
Capital allowances for period in excess of depreciation	(9,050)	(5,639)
Utilisation of tax losses	-	-
Adjustments to tax charge in respect of previous periods	-	-
Current tax charge for period	<u>69,750</u>	<u>67,704</u>

Factors that may affect future tax charges

The provision for deferred tax is calculated based on tax rates enacted or substantially enacted at the balance sheet date. The rate of corporation tax at 1 April 2015 is 20%. 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 2015

8 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2015	23,529	334,061	357,590
Additions	10,529	62,476	73,005
Disposals	-	(61,227)	(61,227)
At 31 December 2015	<u>34,058</u>	<u>335,310</u>	<u>369,368</u>
Depreciation			
At 1 January 2015	14,257	98,692	112,949
Charge for the year	6,835	46,966	53,801
On disposals	-	(61,227)	(61,227)
At 31 December 2015	<u>21,092</u>	<u>84,431</u>	<u>105,523</u>
Net book value			
At 31 December 2015	<u>12,966</u>	<u>250,879</u>	<u>263,845</u>
At 31 December 2014	<u>9,272</u>	<u>235,369</u>	<u>244,641</u>

9 Stocks

	2015 £	2014 £
Work in progress	<u>371,006</u>	<u>309,966</u>
	371,006	309,966

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

10 Debtors

	2015 £	2014 £
Trade debtors	302,742	222,683
Prepayments and accrued income	<u>144,227</u>	<u>133,355</u>
	446,969	356,038

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2015

11 Creditors: amounts falling due within one year	2015 £	2014 £
Bank overdrafts	192,961	131,401
Other loans	56,296	-
Trade creditors	110,533	73,705
Client ledger	400,562	266,005
Directors loans	35,000	40,000
Corporation tax	69,750	121,257
Other taxes and social security costs	80,373	75,118
Accruals	19,838	11,157
	965,313	718,643

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

12 Deferred taxation	2015 £	2014 £
Accelerated capital allowances	29,181	20,162
Undiscounted provision for deferred tax	29,181	20,162

	2015 £	2014 £
At 1 January	20,162	14,819
Deferred tax charge in profit and loss account	9,019	5,343
At 31 December	29,181	20,162

13 Share capital	Nominal value	2015 Number	2015 £	2014 £
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.

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2015

14 Profit and loss account	2015	
	£	
At 1 January 2015	298,602	
Profit for the financial year	312,647	
Dividends	(262,503)	
At 31 December 2015	<u>348,746</u>	
15 Dividends	2015	2014
	£	£
Dividends for which the company became liable during the year:		
Dividends paid	<u>262,503</u>	<u>214,460</u>
16 Reconciliation of movement in shareholders' funds	2015	2014
	£	£
At 1 January	438,503	364,225
Profit for the financial year	312,647	288,738
Dividends	(262,503)	(214,460)
At 31 December	<u>488,647</u>	<u>438,503</u>
17 Gross cash flows	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	203	201
Interest paid	(10,090)	(11,018)
	<u>(9,887)</u>	<u>(10,817)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>(73,005)</u>	<u>(47,546)</u>
Financing		
New loans raised	67,554	-
Loan repayments	(16,258)	-
	<u>51,296</u>	<u>-</u>

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2015

18 Analysis of changes in net debt

	At 1 Jan 2015 £	Cash flows £	Non-cash changes £	At 31 Dec 2015 £
Cash at bank and in hand	266,663	134,658		401,321
Overdrafts	(131,401)	(61,560)		(192,961)
		73,098		
Debt due within 1 year	(40,000)	(51,296)		(91,296)
Total	95,262	21,802	-	117,064

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 £2,581 (2014 £2,946)

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 2015 £	Land and buildings 2014 £	Other 2015 £	Other 2014 £
Operating leases which expire:				
within one year	-	-	14,755	-
within two to five years	88,760	36,760	30,271	39,205
	88,760	36,760	45,026	39,205

Controlaccount plc
Notes to the Accounts
For the year ended 31 December 2015

21 Related party transactions	2015 £	2014 £
D Harvey		
Director of the company		
Loan made to the company		
Amount due to the related party	15,000	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.