Registered number
02765607

Controlaccount Ltd

Report and Financial Statements

31 December 2022

Controlaccount Ltd

Report and accounts

Contents

	Page
Company information	1
Directors' report	2
Strategic report	5
Independent auditors' report	7
Income statement	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14

Controlaccount Ltd

Company Information

Directors

D Harvey

G A R Ball

I Mitchell

R Jefferies

J Crouch

C Knights

Secretary

D Harvey

Auditors

CK Audit

No4 Castle Court 2

Castlegate Way

Dudley

West Midlands

DY1 4RH

Registered office

Compass House Waterside

Hanbury Road

Bromsgrove

Worcestershire

B60 4FD

Registered number

02765607

Controlaccount Ltd

Registered number: 02765607

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2022.

Principal activities

During the year the Company continued to provide outsourced credit management solutions to customers in all industry sectors, including back-office administration, customer service support, on-line credit investigation services delivered under our separate brand Identeco along with software development. Services are designed to support customers operations with streamline processes and seamless system integration to improve efficiency and reduce cost, this can be as part or a whole solution or a short term temporary fix for difficult circumstances. Our business processes millions of back-office actions each year, provides positives outcomes to complex customer queries and disputes, builds and supports customers technology for easy collaboration and reduced workloads. We also provide services that improve risk analysis, data solutions, automate processes and keep cashflows positive. We are focused and methodical in our approach and committed to providing cost effective, supportive quality services that deliver outstanding performance.

Future developments

Controlaccount and Identeco our software development division are recognised quality brands, our business which has operated for 40 years has extensive knowledge of the markets we serve, combined with long standing contracted customer relationships. This enables the Company to apply its leading-edge technology to provide a range of end-to-end credit management solutions together with connected on-line services that deliver improved efficiency, limit risk and enhance cashflow whilst driving out unproductive cost. Our SAAS (Software As A Service) systems continue to develop and are becoming more of a feature of future growth. During 2022 our cloud based Human Resources and Payroll system, Identecohr has been thoroughly tested by HMRC and is now listed as recognised Payroll software on the HMRC website. This final stage of testing leads the way for a product release in 2023

Controlaccount was acquired by the Broadriver Group in 2008 since then building a future proof and sustainable business has been our focus through a continuous program of development across all areas from services, people and technology. The group, which includes Controlaccount, Datatrace Consumer Services (UK) Ltd, and Sinclair Taylor Management Services Ltd, has now transitioned to an employee-owned business model transferring majority ownership to the newly formed Employee Ownership Trust for the benefit of its employees

Having traded successfully and achieved considerable growth the Directors and Shareholders were keen to secure the business' future, recognise colleagues for the significant contribution they make to the group and put in place succession plans. The Directors believe that the move to an Employee-Owned structure was the best way to build on the company's success; protecting the Groups values and culture as well as creating the opportunity for a more rewarding future for those that work for the business, giving them both a say and stake in the future. Research demonstrates that the biggest benefits of employee ownership are the reduction in inequality and improved productivity, providing enhanced colleague engagement, recruitment, and retention

Protecting the values and integrity of the company was paramount when the Directors and Shareholders were considering succession options. Employee Ownership offers the best chance to do that for all employees across the group. The current directors will stay with the business and whilst the day-to-day operations are unlikely to change we believe that by sharing the financial success of the business, we will motivate our team further, helping them to play their part in building an even brighter and successful future for the business and themselves.

Whilst it will take some time for employee-ownership to become ingrained in the culture of the business this must be our key priority. When employees are the owners, the emphasis is different, they create environments in which people are able to develop and progress, and in

which they permanently focus on exceeding customer expectations. Employee-owned businesses think and plan for the very long term and are driven by the development of broad value rather than short-term financial gain. By doing so they retain the associated jobs, skills and wealth in local communities by redefining the company as much more than a set of liquid and fixed assets to be financially valued and cashed.

Managed by an experienced executive team the business sets the strategic direction of the Company and continuously seeks opportunities to enhance or extend the range of service offered, improve operational control, find new markets/technologies and develop employees promoting an inclusive culture of transparency, responsibility and accountability. These clear and consistent strategies have enabled strong and steady business performance while allowing expansion into areas of growth. We look to build further by using our key competitive strengths driving growth in both revenue and profitability. We measure our performance and the effectiveness of our strategy through robust governance controls and business key performance indicators.

Dividends

Dividends of £2,769,167 were declared and paid in the year on the Ordinary shares.

Directors

The following persons served as directors during the year:

D Harvey
G A R Ball
I Mitchell
R Jefferies
J Crouch
C Knights

Directors' responsibilities

The directors are responsible for preparing the 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 (Financial Reporting Standard 102 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

Auditor

In accordance with the company's articles a resolution proposing that CK Audit be reappointed as

auditor of the company will be put at a General Meeting.

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 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 28 June 2023 and signed on its behalf.

D Harvey
Director

Controlaccount Ltd

Strategic Report

The directors present their strategic report for the year ending 31 December 2022.

Review of the business

In 2022 the business performed well despite growing disruption in our main trading markets during the second half of the year. Overall it has been another successful year with progress made in all areas of the business, delivering solid financial performance in a challenging environment. Our results reflect the quality of our assets, our technology and unique capabilities developed over many years, supported by our executive management team and the hard work of our committed and capable employees. The pandemic and uncertain economic conditions throughout the last three years have and continue to be challenging in every way possible for every area of the business. In this extraordinary time our employees have worked tirelessly to overcome difficulties and deliver consistent results for Controlaccount and its customers. Strong market demand continued throughout the year from existing customers underpinned by new business sales.

Controlaccount was acquired by the Broadriver Group in 2008 with a board that included our chair and founding Director Graham Ball. Since then building a future proof and sustainable business has been our focus with a continuous program of development across all areas of the business from services, people, and technology. As Controlaccount celebrated its 40th year the Directors looked to ensure that the Company had the tools to put in place the building blocks for the next 40 years and find a solution that helped with succession planning, maintained stability and protected the team as well as providing opportunity and financial rewards. On the 17th January 2022 The Broadriver Group transitioned to an employee-owned business model. The group, which includes Controlaccount, Datatrace Consumer Services (UK) Ltd, and Sinclair Taylor Management Services Ltd, has now transferred majority ownership to the newly formed Employee Ownership Trust for the benefit of its employees. Day to day there will not be many changes to the way the business operates as it is our structure that has changed mostly. Our journey so far has focussed on putting in place the structure to support this new approach to management with the appointment of a Board of Directors and an employee council together with the election of an EOT Director. As a necessary requirement of the transition Controlaccount changed its legal status from a Public Limited Company to a Private Limited Company.

We are now at the start of an exciting new journey for the business and its employees, one which will see greater employee involvement in all activity over the coming years. Throughout these changes in structure, delivery of high-quality services remains our key focus, with the ability to respond to high and variable workloads, staff training and recruitment together with system development are vital areas that support growth. In a busy year we continued to invest and develop our software platforms "CogendaWorks" and "Identeco," these products support Controlaccount operations as well as offering customers a range of recovery and back-office administration solutions suitable for a variety of business applications. In IT we focused on developing cloud-based applications for greater third-party interaction and the expansion of the business through extended services.

Software innovation and control over IT development underpins our growth strategy helping operations and other areas of the business work smarter. This flexibility within systems provides the ability to respond quickly to new customer requirements, introduce new services or take advantage of emerging technologies. Maintaining a multi-disciplined software development team increases our knowledge base in an ever-changing landscape helping us find and take advantage of the latest advances in computing and incorporating these into systems for the benefit of the business and our customers. This approach strengthens our competitive advantage making us more productive and delivers the digital tools that customers need for effortless efficiency.

For more than 10 years the business has been ISO accredited and we are pleased to report that during the year we retained our ISO status once again. These accreditations through commitment strengthen operations and our IT security infrastructure providing a framework for continuous improvement.

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.

Principal risks and uncertainties

Economic climate

Despite disruptions in our main markets, inflation and higher interest rates demand for services remains strong with a number of new opportunities secured that will underpin forecasts. The disruption in our main market is set to continue for the first half of 2023 and for this reason our forecast for the year projects lower levels of growth than those achieved during 2022 with a focus on consolidation and existing technology, building the infrastructure to support higher growth in the future. The Directors are confident in the Company's abilities to continue to support current and new customers by supplying an efficient quality service, whilst developing opportunities through technology and connected services.

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 they become due.

Retention of key people

Reducing uncontrolled employee turnover is a major strategic challenge for the business and an important factor in future growth. The Directors take a collaborative, supportive, and nurturing approach to the recruitment development and retention of staff at all levels which has resulted in low attrition rates for those employees that have been with the business for more than 12 months. In the earlier stages of employment attrition rates are higher due to suitability issues, which become apparent during training.

Competitor activity

The business works in a large and competitive marketplace that has a substantial number of high-profile players and significant numbers of medium size and smaller competitors. Our challenge in developing existing customers and attracting new business is how we deliver services that offer the opportunity for performance gains, are cost-effective, focussed and supportive and that have a number of unique features not readily available elsewhere. The Company has invested in services by the development of feature rich cloud-based software which keep customers connected to the service effortlessly, with speed and connectivity delivering both functionality and transparency. Within operations we focus on performance in every aspect to ensure Controlaccount operates to the highest standards. We constantly look to identify customers' needs that can be solved by our capabilities with pricing solutions that take account of competitor options and activity.

Key performance indicators

The Companies' business model is extensive and relies on the prompt 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 administration processes, enhance employee performance and to improve quality aspects of service delivery.

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 shows an increase in the year to December 2022 0f 10.8%. This improvement is connected with stronger performance across all areas of the business, greater employee engagement and the continued development of automated systems.

This report was approved by the board on 28 June 2023 and signed on its behalf.

D Harvey

Controlaccount Ltd

Independent auditors' report

to the members of Controlaccount Ltd

Opinion

We have audited the financial statements of Controlaccount Ltd(the 'company) for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 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 or 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report or 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.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The extent to which our procedures are capable of detecting Irregularities, including fraud, is detailed below.

We identified and assessed the risks of material misstatement of the financial statements, in respect of irregularities whether due to fraud or error, or non compliance with laws and regulations and then designed and performed audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company by discussion and enquiry with the directors and management team and our general knowledge and experience of the debt collection industry.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, employment, and health and safety legislation;

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing correspondence with relevant regulators

Audit responses to risks identified

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed included but were not limited to:

- Discussions with directors and management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Confirming our understanding of controls by performing a walk through test or observation and enquiry;
- Performing analytical procedures to identify any unusual or unexpected relationships;
- Challenging assumptions and judgements made by management in accounting for collections in progress at the year end, including estimation of success rate;
- Identifying and testing journal entries;
- Reviewing unusual or unexpected transactions; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material

misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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.

Frances Clapham
(Senior Statutory Auditor)
for and on behalf of
CK Audit
Accountants and Statutory Auditors
29 June 2023

No4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

Controlaccount Ltd

Income Statement

for the year ended 31 December 2022

	Notes	2022	2021
		£	£
Turnover	2	7,818,459	6,566,208
Cost of sales		(2,446,411)	(2,089,905)
Gross profit		5,372,048	4,476,303
Administrative expenses		(2,223,172)	(1,584,939)
Other operating income		-	6,394
Operating profit	3	3,148,876	2,897,758
Interest receivable		3,268	150
Interest payable	6	(85,279)	(46,984)
Profit on ordinary activities before taxation		3,066,865	2,850,924
Tax on profit on ordinary activities	7	(453,973)	(468,261)
Total comprehensive income for the financial year		**2,612,892**	**2,382,663**

The income statement has been prepared on the basis of all operations continuing.

Controlaccount Ltd

Registered number: 02765607

Statement of Financial Position

as at 31 December 2022

	Notes		2022		2021
			£		£
Fixed assets					
Intangible assets	8		31,009		32,500
Tangible assets	9		882,245		746,278
			913,254		778,778
Current assets					
Stocks	10	1,484,992		1,068,974	
Debtors	11	1,442,064		1,433,136	
Cash at bank and in hand		1,733,622		2,892,707	
		4,660,678		5,394,817	
Creditors: amounts falling due within one year	12	(1,729,044)		(2,044,288)	
Net current assets			2,931,634		3,350,529
Total assets less current liabilities			3,844,888		4,129,307
Creditors: amounts falling due after more than one year	13		(15,674)		(216,009)
Provisions for liabilities					
Deferred taxation	16		(208,540)		(136,349)
Net assets			**3,620,674**		**3,776,949**
Capital and reserves					
Called up share capital	17		50,000		50,000
Profit and loss account	18		3,570,674		3,726,949
Total equity			**3,620,674**		**3,776,949**

D Harvey

Director

Approved by the board on 28 June 2023

Controlaccount Ltd

Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2021	109,934	1,794,286	1,904,220
Profit for the financial year		2,382,663	2,382,663
Dividends		(450,000)	(450,000)
Shares redeemed	(59,934)		(59,934)
At 31 December 2021	50,000	3,726,949	3,776,949
At 1 January 2022	50,000	3,726,949	3,776,949
Profit for the financial year		2,612,892	2,612,892
Dividends		(2,769,167)	(2,769,167)
At 31 December 2022	50,000	3,570,674	3,620,674

Controlaccount Ltd

Statement of Cash Flows

for the year ended 31 December 2022

	Notes	2022	2021
		£	£
Operating activities			
Profit for the financial year		2,612,892	2,382,663
Adjustments for:			
Interest receivable		(3,268)	(150)
Interest payable		85,279	46,984
Tax on profit on ordinary activities		453,973	468,261
Depreciation		49,054	39,080
Amortisation of intangibles		3,250	-
Increase in stocks		(416,018)	(336,902)
Increase in debtors		(8,928)	(790,905)
(Decrease)/increase in creditors		(97,667)	236,844
		2,678,567	2,045,875
Interest received		3,268	150
Interest paid		(85,279)	(46,984)
Corporation tax paid		(414,442)	(147,749)
Cash generated by operating activities		2,182,114	1,851,292
Investing activities			
Payments to acquire intangible fixed assets		(1,759)	-
Payments to acquire tangible fixed assets		(185,021)	(242,269)
Cash used in investing activities		(186,780)	(242,269)
Financing activities			
Equity dividends paid		(2,769,167)	(450,000)
Payments to redeem shares		-	(59,934)
Repayment of loans		(14,046)	(12,470)
Capital element of finance lease payments		(371,206)	189,682
Cash used in financing activities		(3,154,419)	(332,722)
Net cash (used)/generated			
Cash generated by operating activities		2,182,114	1,851,292
Cash used in investing activities		(186,780)	(242,269)
Cash used in financing activities		(3,154,419)	(332,722)
Net cash (used)/generated		(1,159,085)	1,276,301
Cash and cash equivalents at 1 January		2,892,707	1,616,406

Cash and cash equivalents at 31 December	1,733,622	2,892,707
Cash and cash equivalents comprise:		
Cash at bank	1,733,622	2,892,707

Controlaccount Ltd

Notes to the Accounts

for the year ended 31 December 2022

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover comprises revenue earned from the rendering of services and is adjusted for the movement in work in progress.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any impairment losses. Amortisation is provided to write off the cost over periods expected to benefit from them, with amortisation beginning only when the underlying products have been brought to market.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

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

Work in progress

Work in progress is measured at the lower of cost and net realisable value. Cost comprises all services carried out towards debt recovery, and due to commission and fees being only receivable on successful recovery, the anticipated success rate is applied on each catergory of debt to these costs. Net realisable value is the commission and fees on the successful debt collection.

Judgements and key sources of estimation uncertainty

In preparing work in progress reports management use estimates to assess the likelihood of recovering cost outlaid during the year, held against uncompleted work at the year end. All such estimates are rigorously assessed and tested using extensive KPI reporting metrics within the business which include but are not limited to sector performance data, customer performance data, process success rates, the performance of legal providers and other external contractors. All KPI analysis is current and any change in performance is considered within all key estimates used.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are recognised at transaction price including any transaction costs.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are recognised at transaction price net of any transaction costs.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existance for the foreseeable future. Thus the directors continue to adopt the going concern basis in preparing the financial statements.

2 **Analysis of turnover**	**2022**	**2021**
	£	**£**
Services rendered	7,818,459	6,566,208

By geographical market:

UK	7,122,724	6,351,568
Europe	695,276	214,640
Rest of world	459	-
	7,818,459	6,566,208

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

3 **Operating profit**	**2022**	**2021**
	£	**£**
This is stated after charging:		
Depreciation of owned fixed assets	38,526	33,815
Depreciation of assets held under finance leases and hire purchase contracts	10,528	5,265
Amortisation of intangile assets	3,250	-
Operating lease rentals - plant and machinery	10,328	17,714
Operating lease rentals - land and buildings	140,409	118,679
Auditors' remuneration for audit services	12,000	7,650

4 **Directors' emoluments**	**2022**	**2021**
	£	**£**
Emoluments	507,703	127,961
Company contributions to defined contribution pension plans	12,645	3,628
	520,348	131,589
Highest paid director:		
Emoluments	168,840	49,720
Company contributions to defined contribution pension plans	4,673	1,448
	173,513	51,168

Number of directors to whom retirement benefits accrued:	**2022**	**2021**
	Number	**Number**
Defined contribution plans	5	5

5 **Staff costs**	**2022**	**2021**
	£	**£**
Wages and salaries	2,077,236	1,533,331
Social security costs	210,076	128,497

Other pension costs	54,624	36,723
Furlough receipts	-	(6,394)
	2,341,936	1,692,157

Average number of employees during the year	Number	Number
Administration	28	26
Collectors	58	54
	86	80

6 Interest payable

	2022	2021
	£	£
Bank loans and overdrafts	83,232	46,984
Other loans	2,047	-
	85,279	46,984

7 Taxation

	2022	2021
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	394,549	427,210
Adjustments in respect of previous periods	(12,767)	-
	381,782	427,210
Deferred tax:		
Origination and reversal of timing differences	29,133	41,051
Effect of increased tax rate on opening liability	43,058	-
	72,191	41,051
Tax on profit on ordinary activities	453,973	468,261

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:

	2022	2021
	£	£
Profit on ordinary activities before tax	3,066,865	2,850,924
Standard rate of corporation tax in the UK	19.00%	19.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of		

corporation tax	582,704	541,676
Effects of:		
Expenses not deductible for tax purposes and intergroup surrender	(79,134)	3,868
Enhanced research and development	(80,357)	(67,589)
Capital allowances for period in excess of depreciation	(28,664)	(50,745)
Adjustments to tax charge in respect of previous periods	(12,767)	-
Current tax charge for period	381,782	427,210

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 2021 is 19%. It is expected that the deferred tax will unwind at the rate of 25%.

8 Intangible fixed assets

P R Branding	£
Cost	
At 1 January 2022	32,500
Additions	1,759
At 31 December 2022	34,259
Amortisation	
Provided during the year	3,250
At 31 December 2022	3,250
Carrying amount	
At 31 December 2022	31,009
At 31 December 2021	32,500

9 Tangible fixed assets

	Computer Equipment	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2022	821,390	35,107	856,497
Additions	182,928	2,093	185,021
At 31 December 2022	1,004,318	37,200	1,041,518
Depreciation			
At 1 January 2022	92,733	17,486	110,219
Charge for the year	43,060	5,994	49,054
At 31 December 2022	135,793	23,480	159,273

Carrying amount			
At 31 December 2022	868,525	13,720	882,245
At 31 December 2021	728,657	17,621	746,278

	2022	2021
	£	£
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	26,319	36,847

10 Stocks

	2022	2021
	£	£
Work in progress	1,484,992	1,068,974

11 Debtors

	2022	2021
	£	£
Trade debtors	984,279	933,056
Amounts owed by group undertakings	359,224	48,391
Directors loans	-	362,750
Prepayments and accrued income	98,561	88,939
	1,442,064	1,433,136

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	-	12,949
Obligations under finance lease and hire purchase contracts	21,682	193,650
Trade creditors	164,579	151,470
Amounts owed to group undertakings	-	28,203
Client ledger	736,115	889,016
Corporation tax	394,550	427,210
Other taxes and social security costs	320,088	270,290
Accruals and deferred income	92,030	71,500
	1,729,044	2,044,288

The bank loans and overdraft are secured by a debenture over all the company's assets.

13 Creditors: amounts falling due after one year

	2022	2021
	£	£
Bank loans	-	1,097
Obligations under finance lease and hire purchase contracts	15,674	214,912
	15,674	216,009

14 Loans

	2022	2021
	£	£
Analysis of maturity of debt:		
Within one year or on demand	-	12,949
Between one and two years	-	1,097
	-	14,046

The bank loan and overdraft are secured on all of the company's assets.

15 Obligations under finance leases and hire purchase contracts

	2022	2021
	£	£
Amounts payable:		
Within one year	21,682	193,650
Within two to five years	15,674	214,912
	37,356	408,562

16 Deferred taxation

	2022	2021
	£	£
Accelerated capital allowances	208,540	136,349

	2022	2021
	£	£
At 1 January	136,349	95,298
Charged to the profit and loss account	72,191	41,051
At 31 December	208,540	136,349

17 Share capital

	Nominal value	2022 Number	2022 £	2021 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	50,000	50,000	50,000

18 Profit and loss account

	2022	2021
	£	£
At 1 January	3,726,949	1,794,286
Profit for the financial year	2,612,892	2,382,663
Dividends	(2,769,167)	(450,000)

At 31 December	3,570,674	3,726,949

19 Dividends

	2022	2021
	£	£
Dividends on ordinary shares (note 18)	2,769,167	450,000

20 Defined contribution pension plans

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 £54,624 (2021 £36,723)

21 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2022	Land and buildings 2021	Other 2022	Other 2021
	£	£	£	£
Falling due:				
within one year	78,129	140,774	8,504	9,009
within two to five years	127,850	210,479	9,921	17,476
	205,979	351,253	18,425	26,485

22 Analysis of changes in net debt

	At 1 January 2022	Cash flows	Other non cash changes	At 31 December 2022
	£	£	£	£
Cash and cash equivalents				
Cash	2,892,707	(1,159,085)		1,733,622
Borrowings				
Debt due within one year	(206,599)	184,917		(21,682)
Debt due after one year	(216,009)	200,335		(15,674)
	(422,608)	385,252	-	(37,356)
Total	2,470,099	(773,833)	-	1,696,266

23 Loans to directors

Description and conditions	B/fwd	Paid	Repaid	C/fwd
	£	£	£	£

D Harvey				
Loan	152,084		(152,084)	-
G A R Ball				
Loan	52,000		(52,000)	-
I Mitchell				
Loan	79,333		(79,333)	-
R Jefferies				
Loan	79,333		(79,333)	-
	362,750	-	(362,750)	-

All loans on interest free basis and repayable on demand.

24 Related party transactions

Controlaccount ltd during the year traded on normal commercial terms with related companies as follows:-

G Ball who is a director was also a trustee of The New Victoria Hospital.

Turnover £4,520

Year end Debtor £592

D Harvey who is a director is also a shareholder and director of Alloygator Ltd

Turnover £366

Year end Debtor £ nil

Broadriver (Holdings) Ltd, the ultimate holding company for Controlaccount plc repaid loans in the year resulting in a year end outstanding balance of £0 included as a creditor.

25 Controlling party

The company is a wholly owned subsidiary of Broadriver Ltd. In the opinion of the directors the ultimate holding company at the year end was Broadriver Eot Ltd a company incorporated in England and Wales. The results are included in the consolidated accounts of Broadriver Eot Ltd and copies of the consolidated accounts can be obtained from the registered office.

26 Presentation currency

The financial statements are presented in Sterling.

27 Legal form of entity and country of incorporation

Controlaccount Ltd is a private company limited by shares and incorporated in England.

28 Principal place of business

The address of the company's principal place of business and registered office is:

Compass House Waterside
Hanbury Road
Bromsgrove
Worcestershire
B60 4FD

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.