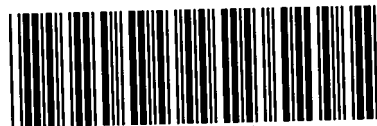


Moorcroft Debt Recovery Limited
Annual report and financial statements
for the year ended 31 July 2016

Registered number 1703704

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Moorcroft Debt Recovery Limited
Annual report and financial statements
for the year ended 31 July 2016

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Moorcroft Debt Recovery Limited

Registered Number 1703704

Directors and advisors for the year ended 31 July 2016

Directors

N G McRoberts

A J McRoberts

R N McRoberts

A J Martin-McRoberts

Company secretary

A J McRoberts

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Solicitors

Nelson Solicitors Limited

Pennine House

8 Stanford Street

Nottingham

NG1 7BQ

Registered office

Moorcroft House

2 Spring Gardens

Stockport

Cheshire

SK1 4AA

Registered number

1703704

Moorcroft Debt Recovery Limited

Registered Number 1703704

Strategic report for the year ended 31 July 2016

The directors present their Strategic Report for the year ended 31 July 2016.

Principal activity

The principal activity of the company during the year was the provision of debt recovery and related services to the credit industry.

Review of business and future developments

This is the first year that the financial statements have been prepared under FRS 102 and the retrospective impact of this accounting change is detailed in note 14. The level of business during the year and the financial position at 31 July 2016 was satisfactory. The company is continuing to expand in the provision of debt recovery and related services. As at 31 July 2016 the company had net assets of £12,647,073 (2015: £14,034,390). The profit for the year ended 31 July 2016 was £2,862,683 (2015: £3,029,522)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to be competition within the market and the additional cost of ensuring ongoing compliance. The directors attempt to mitigate these risks by maintaining close relationships with clients, industry bodies and where appropriate regulators. New risks when identified are recorded centrally and discussed at regular internal Risk Committee meetings.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk and interest rate risk.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of directors are implemented by the company's finance department. The department monitors circumstances to determine where it would be appropriate to use financial instruments to manage financial risks.

Credit risk

The company has implemented policies that require appropriate credit checks on potential commission clients before contracts are agreed.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances, all of which earn interest at variable rates. The company does not place cash on short term deposits.

Key performance indicators

Revenue shows an overall year on year decrease of 6% from £29,502,379 in 2015 to £27,587,325 in 2016. Profit for the financial year has fallen by 6% from £3,029,522 in 2015 to £2,862,683 in 2016.

The Strategic Report was approved by the Board of directors on 25 January 2017 and signed by its order by:



A J McRoberts
Company secretary

Moorcroft Debt Recovery Limited

Registered Number 1703704

Directors' report for the year ended 31 July 2016

The directors present their annual report and the audited financial statements of the company for the year ended 31 July 2016.

Future developments

The company is continuing to expand in the provision of debt recovery and related services. The company expects to continue with its current activities in future periods.

Results and dividends

The profit for the year ended 31 July 2016 was £2,862,683 (2015: £3,029,522)

The directors recommended the following should be paid by way of dividend:

	2016 £ per share	2016 £	2015 £ per share	2015 £
Interim paid 2 March 2016 (2015: 16 April 2015)	20.00	1,000,000	20.00	1,000,000
Interim paid 16 March 2016	45.00	2,250,000	-	-
Final paid 18 July 2016 (2015: 14 July 2015)	20.00	1,000,000	20.00	1,000,000
Total dividend paid	85.00	4,250,000	40.00	2,000,000

After payment of the dividend, the accumulated loss for the financial year of £1,387,317 (2015: profit £1,029,522) was transferred to reserves.

Creditor payment policy

For all trade creditors, it is the company's policy to:

- agree the terms of payment at the start of business with that supplier;
- ensure that suppliers are aware of the terms of payment; and
- pay in accordance with its contractual and other legal obligations.

Trade creditor days for the company for the year ended 31 July 2016 were 13 days (2015: 13 days).

Financial risk management

Details on financial risk are provided in the strategic report on page 2

Post balance sheet events

On 23 June 2016 a referendum was held and the outcome of the vote determined that the United Kingdom would leave the European Union. At the time of the signing of the statutory accounts the details of how and when the United Kingdom will leave the European Union, and its effect on the financial markets, are unclear and as such it is not possible to estimate the impact of this event. However, management do not foresee the impact on the company to be significant. The impact will be assessed by management on an ongoing basis.

Directors

The directors who held office during the financial year and up to the date of the signing the financial statements are listed on page 1 of these financial statements.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Directors' report for the year ended 31 July 2016 (continued)

Qualifying third party and pension scheme indemnity provisions

The directors benefited from qualifying third party indemnity provision in place during the year and to the date of this report.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Directors' report for the year ended 31 July 2016 (continued)

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

The Directors' report was approved by the Board of directors on 25 January 2017 and signed on its order by:



A J McRoberts
Company secretary

Moorcroft Debt Recovery Limited

Registered Number 1703704

Independent auditors' report to the members of Moorcroft Debt Recovery Limited

Report on the financial statements

Our opinion

In our opinion, Moorcroft Debt Recovery Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2016 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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 July 2016;
- the statement of total comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Independent auditors' report to the members of Moorcroft Debt Recovery Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

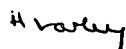
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Independent auditors' report to the members of Moorcroft Debt Recovery Limited (continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently 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 for our report.



Heather Varley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
25 January 2017

Moorcroft Debt Recovery Limited

Registered Number 1703704

Statement of total comprehensive income for the year ended 31 July 2016

	Note	2016 £	2015 £
Revenue			
Income from commissions revenue		24,465,158	26,081,715
Income from purchased loan portfolios		3,122,167	3,420,664
Total revenue	2	27,587,325	29,502,379
Administrative expenses	3	(24,091,182)	(25,694,758)
Profit on ordinary activities before taxation		3,496,143	3,807,621
Tax on profit on ordinary activities	4	(633,460)	(778,099)
Profit for the financial year		2,862,683	3,029,522
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2,862,683	3,029,522

The above results relate to continuing operations.

The accounting policies and notes on pages 12 to 20 form part of these financial statements.

Moorcroft Debt Recovery Limited
Registered Number 1703704

Balance sheet as at 31 July 2016

	Note	2016 £	2015 £
Current assets			
Purchased Loan portfolios	6	6,365,796	7,616,891
Debtors	7	3,703,738	3,225,247
Cash at bank and in hand		11,206,791	12,214,237
		21,276,325	23,056,375
Creditors: amounts falling due within one year	8	(8,140,490)	(8,404,244)
Net current assets		13,135,835	14,652,131
Provision for liabilities	9	(488,762)	(617,741)
Net Assets		12,647,073	14,034,390
Capital and reserves			
Called up share capital	11	50,000	50,000
Profit and loss account		12,597,073	13,984,390
Total shareholders' funds		12,647,073	14,034,390

The financial statements on pages 9 to 20 were approved by the Board of directors on 25 January 2017 and were signed on its behalf by:



N G McRoberts
Director

The accounting policies and notes on pages 12 to 20 form part of these financial statements.

Moorcroft Debt Recovery Limited
Registered Number 1703704

Statement of Changes in Equity for the year ended 31 July 2016

	Called up Share Capital	Profit and Loss Account	Total Shareholder's Funds
	£	£	£
Balance as at 1 August 2014	50,000	12,954,868	13,004,868
Profit for the financial year	-	3,029,522	3,029,522
Total comprehensive income for the year	-	3,029,522	3,029,522
Dividends	-	(2,000,000)	(2,000,000)
Balance as at 31 July 2015	50,000	13,984,390	14,034,390
Profit for the financial year	-	2,862,683	2,862,683
Total comprehensive income for the year	-	2,862,683	2,862,683
Dividends	-	(4,250,000)	(4,250,000)
Balance as at 31 July 2016	50,000	12,597,073	12,647,073

The above results relate to continuing operations.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016

1 Accounting Policies

General information

Moorcroft Debt Recovery Limited is a private company limited by shares. The company is incorporated in England. The address of its registered office is Moorcroft House, 2 Spring Gardens, Stockport, Cheshire, SK1 4AA

The principle activity of the company is recovery of debts and related services.

Statement of compliance

The financial statements of Moorcroft Debt Recovery Limited have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of transition are given in note 14.

(a) Basis of accounting

The financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, are set out below.

The financial statements are prepared in accordance with the historical cost convention.

(b) Revenue

All revenue arises from the company's principal activity, the provision of debt recovery and related services to the credit industry, and is earned in the UK.

Commission revenue represents commission received for the recovery of debts and is recognized when due.

Income from purchased loan portfolios represents the yield from acquired loan portfolios investments. Purchased loan portfolios are financial instruments that are accounted for under FRS102, section 11 and recognized at fair value at the purchase date that equals the price paid. They are subsequently measured at the amortised cost using the EIR method.

The EIR method is a method of calculating the amortised cost of purchased loan portfolio and of allocating interest income over the expected life of the portfolio. The EIR is the rate that exactly discounts the estimated future cash receipts of the purchased portfolio asset to the net carrying amount at initial recognition (i.e. the price paid to acquire the portfolio)

(c) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016 (continued)

1 Accounting Policies (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

(d) Current taxation

Corporation tax payable is provided on taxable profits at the current rate. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(e) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Moorcroft Debt Recovery Limited is a qualifying entity as its results are consolidated into the financial statements of Moorcroft Group Plc which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

(f) Purchased Loan Portfolios

The company's purchased loan portfolios are classified as Basic Financial Assets and are measured at amortised cost using the Effective Interest Rate (EIR) method less any impairment. Purchased loan portfolios are acquired at a deep discount and as a result the estimated future cash flows reflect the credit losses within each portfolio. The purchased loan portfolios are initially recorded at their fair value, being their acquisition price, and are subsequently measured at amortised cost using the EIR method. They are valued based on discounted expected cashflows over 5 to 8 years dependent upon the portfolio make up, and assessed for impairment at period end.

(g) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned

(h) Cash and Cash equivalents

Cash and Cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016 (continued)

1 Accounting Policies (continued)

Critical accounting Estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Purchased Loan Portfolios

The purchased loan portfolios are initially recorded at their fair value, being their acquisition price, and are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. On acquisition they are valued on the basis of the discounted cash flows over typically 5 years but assessed on an individual basis. Once the portfolio is established the present value of future cash flows are monitored. The original effective interest rate remains unchanged and any adjustment to the present value is recognized as income or expense at the date of change. See note 6 for the carrying value of purchased loan portfolios.

(b) Impairment of Debtors

The company makes an estimate of the recoverable value of trade debtors and other debtors. When assessing impairment of trade and other debtors, management considers factors including current credit rating of the debtor, ageing profile of debtors and historical experience. See note 7 for the net carrying amount of the debtors and associated impairment provision.

2 Revenue

All revenue arises from the company's principal activity, the provision of debt recovery and related services to the credit industry, and is earned in the UK.

	2016 £	2015 £
Income from commissions revenue	24,465,158	26,081,715
Income from purchased loan portfolios	3,122,167	3,402,664
Total revenue	27,587,325	29,502,379

3 Administrative expenses

The parent company, Moorcroft Group Public Limited Company, holds all the fixed assets used by the company, pays all wages and salaries, audit fees and a proportion of other operating expenses. These costs are then recharged by means of an annual management charge. The directors did not receive any emoluments for their services to the company (2015: £nil). There are no employees of the company (2015: nil).

The audit fee of the company is borne by Moorcroft Group Public Limited Company, the total audit fee disclosed in those financial statements is £46,420 (2015: £45,000), of which £23,120 (2015: £22,500) is attributable to this company. Within the financial statements of Moorcroft Group Public Limited Company are disclosed £19,775 (2015: £34,275) payable to the company auditor for taxation services.

**Notes to the financial statements for the year ended 31 July 2016
(continued)**

4 Tax on profit on ordinary activities

	2016 £	2015 £
Current tax		
UK corporation tax on profits of the year	762,432	680,144
Adjustment in respect of previous periods	7	-
Total current tax	762,439	680,144
Deferred tax		
Origination and reversal of timing differences	(67,884)	101,236
Effect of changes in tax rates	(61,095)	(3,281)
Total deferred tax	(128,979)	97,955
Total tax on profit on ordinary activities	633,460	778,099

The actual tax charge is lower than (2015: is lower than) from the standard rate 20.00% (2015: 20.67%) for the reasons set out in the following reconciliation:

	2016 £	2015 £
Profit on ordinary activities before taxation	3,496,143	3,807,621
Tax on profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.67%):	699,229	787,035
Other timing differences		
Income not included for tax purposes	-	(5,508)
Transfer pricing adjustment	(4,681)	-
Adjustment from previous periods	7	-
Tax rate changes	(61,095)	(3,281)
Tax at marginal rates	-	(147)
Total tax charge	633,460	778,099

Factors affecting current and future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. The overall effect of that change, if it had applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax liability by an additional £30,548 and reduce the tax expense for the period by £30,548

Moorcroft Debt Recovery Limited

Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016 (continued)

5 Dividends

	2016 £	2015 £
Interim and final dividends of £85.00 per £1 ordinary share (2015: £40.00 per £1 ordinary share).	4,250,000	2,000,000
The dividends were fully paid in the year.		

6 Purchased loan portfolios

	2016 £	2015 £
Amounts falling due within one year		
Purchased loan portfolios	6,365,796	7,616,891
	6,365,796	7,616,891

The movement in purchased loan portfolios were as follows:

	2016 £	2015 £
As at 1 August	7,616,891	6,245,378
Purchased loan portfolios acquired in the year	1,816,552	4,693,829
Portfolios cash collections in the year	(6,189,814)	(6,742,980)
Income from purchased loan portfolios	3,122,167	3,420,664
As at 31 July	6,365,796	7,616,891

7 Debtors

	2016 £	2015 £
Amounts falling due within one year		
Trade debtors	3,462,654	2,641,024
Prepayments and accrued income	241,084	584,223
	3,703,738	3,225,247

Trade debtors are stated after provision for impairment of £90,563 (2015: £90,611). The impairment expense charged was £48 (2015: £3,911).

Moorcroft Debt Recovery Limited
Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016
(continued)

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,817,495	4,334,682
Amounts owed to parent undertaking	2,599,826	3,208,456
Amounts owed to fellow subsidiaries	169,415	169,415
Corporation tax	312,828	330,540
Deferred tax	61,095	61,095
Other taxation and social security	40,181	97,370
Accruals and deferred income	139,650	202,686
	8,140,490	8,404,244

Amounts owed to parent undertaking and fellow subsidiaries are unsecured, interest free and repayable on demand.

9 Provisions for liabilities

	2016 £	2015 £
Deferred tax	488,762	617,741
	488,762	617,741

10 Deferred taxation liability

	2016 £	2015 £
Short term timing differences	549,857	678,836
	549,857	678,836

There was no un-provided deferred tax at 31 July 2016 (2015 : £nil)

	2016 £	2015 £
Deferred taxation liability at start of period	678,836	580,881
Deferred Taxation charge/(credit) to profit and loss account	(128,979)	97,955
Provision at end of period	549,857	678,836

Moorcroft Debt Recovery Limited

Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016 (continued)

11 Called up share capital

	2016 £	2015 £
Authorised		
1,000,000 (2015: 1,000,000) ordinary shares of £1 each	1,000,000	1,000,000
Allotted, and fully paid		
50,000 (2015: 50,000) ordinary shares of £1 each	50,000	50,000

12 Ultimate parent company and controlling party

The directors regard Moorcroft Group Public Limited Company, a company registered in England and Wales, as the immediate and ultimate parent company. According to the register kept by the company, Moorcroft Group Public Limited Company had a 100% interest in the equity capital of Moorcroft Debt Recovery Limited at 31 July 2016. Moorcroft Group Public Limited Company is the smallest and largest group to consolidate the financial statements of the company and their financial statements are available at Moorcroft House, 2 Spring Gardens, Stockport, Cheshire, SK1 4AA.

N G McRoberts is the controlling party of Moorcroft Group Public Limited Company by virtue of his controlling interest in that company's equity capital and therefore the ultimate controlling party of Moorcroft Debt Recovery Limited.

13 Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

Moorcroft Debt Recovery Limited

Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016 (continued)

14 First time adoption of FRS102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 July 2015. The date of transition to FRS 102 was 1 August 2014.

The main impact of the FRS102 adoption was in the change of accounting treatment of purchased loan portfolios. In the previous reporting UK GAAP the cost of bought debt were charged to administrative expenses such that profit was only recognised when cash collected exceeded the cost of the related bought debt. Under the new account policy the purchased loan portfolios are initially recorded at their fair value, being their acquisition price, and are subsequently measured at amortised cost using the EIR method. The impact of this change is laid out below.

In accordance with the requirements of FRS102 a reconciliation of the prior year profit and opening balances is provided.

Reconciliation of profit for the financial year	£	2015 £
Profit for the financial year as previously reported under UK GAAP		2,637,703
EIR adjustment on purchased loan portfolios	489,774	
Total adjustments to profit before tax for the financial year		489,774
Deferred tax impact of adjustments		
EIR adjustment on purchased loan portfolios	(97,955)	
Total adjustment to tax expense		(97,955)
Total Adjustment to profit for the financial year		391,819
Profit for the financial year as reported under FRS 102		3,029,522

Reconciliation of other comprehensive income for the year	2015 £
Other comprehensive income as previously reported under UK GAAP	-
Total adjustments on transition	-
Other comprehensive income as reported under FRS 102	-

Moorcroft Debt Recovery Limited

Registered Number 1703704

Notes to the financial statements for the year ended 31 July 2016 (continued)

14 First time adoption of FRS102 (continued)

Reconciliation of shareholders' funds	1 August 2014 £	31 July 2015 £
Total Shareholders' funds as reported under UK GAAP	10,681,346	11,319,049
EIR adjustment on purchased loan portfolios	2,904,403	3,394,177
Deferred tax impact of adjustments		
EIR adjustment on purchased loan portfolios	(580,881)	(678,836)
Total Shareholders' funds as reported under FRS 102	13,004,868	14,034,390