

**Moorcroft Debt Recovery Limited**  
**Annual report and financial statements**  
**for the year ended 31 July 2017**

**Registered number 1703704**



Moorcroft Debt Recovery Limited

Annual report and financial statements

for the year ended 31 July 2017

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# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

## **Directors and advisors for the year ended 31 July 2017**

### **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 2017**

The directors present their Strategic Report for the year ended 31 July 2017.

### **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**

The level of business during the year and the financial position at 31 July 2017 was satisfactory. The company is continuing to expand in the provision of debt recovery and related services. As at 31 July 2017 the company had net assets of £12,868,213 (2016: £12,647,073). The profit for the financial year ended 31 July 2017 was £3,221,140 (2016: £2,862,683)

### **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 increase of 2.9% from £27,587,325 in 2016 to £28,380,563 in 2017. Profit for the financial year has increased by 12.5% from £2,862,683 in 2016 to £3,221,140 in 2017.

The Strategic Report was approved by the Board of directors on 17 November 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 2017

The directors present their annual report and the audited financial statements of the company for the year ended 31 July 2017.

### 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 financial year ended 31 July 2017 was £3,221,140 (2016: £2,862,683)

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

	2017 £ per share	2017 £	2016 £ per share	2016 £
Interim paid 12 April 2017 (2016: 2 March 2016 )	40.00	2,000,000	20.00	1,000,000
Interim paid (2016: 16 March 2016)	-	-	45.00	2,250,000
Final paid 5 July 2017 (2016: 18 July 2016)	20.00	1,000,000	20.00	1,000,000
Total dividend paid	60.00	3,000,000	85.00	4,250,000

After payment of the dividend, the accumulated profit for the financial year of £221,140 (2016: loss £1,387,317) 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 2017 were 13 days (2016: 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 2017 (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 in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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 2017 (continued)**

### **Statement of disclosure of information to auditors**

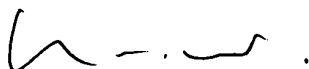
Each of the persons who is a director at the date of approval of this report confirms that:

- (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 17 November 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 audit of the financial statements**

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#### **Opinion**

In our opinion, Moorcroft Debt Recovery Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



# **Moorcroft Debt Recovery Limited**

Registered Number 1703704

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

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

#### ***Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Moorcroft Debt Recovery Limited**

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

#### *Use of this report*

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.

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#### **Other required reporting**

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##### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*H Varley*

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

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Statement of comprehensive income for the year ended 31 July 2017

	Note	2017 £	2016 £
<b>Revenue</b>			
Income from commissions revenue		26,108,852	24,465,158
Income from purchased loan portfolios		2,271,711	3,122,167
<b>Total revenue</b>	2	<b>28,380,563</b>	<b>27,587,325</b>
Administrative expenses	3	(24,379,847)	(24,091,182)
<b>Profit before taxation</b>		<b>4,000,716</b>	<b>3,496,143</b>
Tax on profit	4	(779,576)	(633,460)
<b>Profit for the financial year</b>		<b>3,221,140</b>	<b>2,862,683</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>3,221,140</b>	<b>2,862,683</b>

The above results relate to continuing operations.

The accounting policies and notes on pages 12 to 18 form part of these financial statements.

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Balance sheet as at 31 July 2017

	Note	2017 £	2016 £
<b>Current assets</b>			
Purchased Loan portfolios	6	4,497,049	6,365,796
Debtors	7	2,983,873	3,703,738
Cash at bank and in hand		14,312,884	11,206,791
		21,793,806	21,276,325
<b>Creditors: amounts falling due within one year</b>	8	(8,510,378)	(8,140,490)
<b>Net current assets</b>		13,283,428	13,135,835
<b>Provisions for liabilities</b>	9	(415,215)	(488,762)
<b>Net Assets</b>		12,868,213	12,647,073
<b>Capital and reserves</b>			
Called up share capital	11	50,000	50,000
Profit and loss account		12,818,213	12,597,073
<b>Total shareholders' funds</b>		12,868,213	12,647,073

The financial statements on pages 9 to 18 were approved by the Board of directors on 17 November 2017 and were signed on its behalf by:



N G McRoberts  
Director

The accounting policies and notes on pages 12 to 18 form part of these financial statements.

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Statement of Changes in Equity for the year ended 31 July 2017

	Called up Share Capital	Profit and Loss Account	Total Shareholders' Funds
	£	£	£
<b>Balance as at 1 August 2015</b>	<b>50,000</b>	<b>13,984,390</b>	<b>14,034,390</b>
Profit for the financial year	-	2,862,683	2,862,683
Total comprehensive income for the financial year	-	2,862,683	2,862,683
Dividends	-	(4,250,000)	(4,250,000)
<b>Balance as at 31 July 2016</b>	<b>50,000</b>	<b>12,597,073</b>	<b>12,647,073</b>
Profit for the financial year	-	3,221,140	3,221,140
Total comprehensive income for the financial year	-	3,221,140	3,221,140
Dividends	-	(3,000,000)	(3,000,000)
<b>Balance as at 31 July 2017</b>	<b>50,000</b>	<b>12,818,213</b>	<b>12,868,213</b>

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 2017**

### **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.

##### **(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). Where estimated future cash flows change, any upwards revaluation is recognised in income from purchased loan portfolios in revenue, where any downwards revaluations exceed previous upwards revaluation then an impairment is recognised as an expense within the comprehensive income statement.

##### **(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**

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## **Notes to the financial statements for the year ended 31 July 2017 (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

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## Notes to the financial statements for the year ended 31 July 2017 (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 Total 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.

	2017 £	2016 £
Income from commissions revenue	26,108,852	24,465,158
Income from purchased loan portfolios	2,271,711	3,122,167
<b>Total revenue</b>	<b>28,380,563</b>	<b>27,587,325</b>

### 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 (2016: £nil). There are no employees of the company (2016: 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 £47,800 (2016: £46,420), of which £23,900 (2016: £23,120) is attributable to this company. Within the financial statements of Moorcroft Group Public Limited Company are disclosed £23,165 (2016: £19,775) payable to the company auditors for taxation services.



# Moorcroft Debt Recovery Limited

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## Notes to the financial statements for the year ended 31 July 2017 (continued)

### 4 Tax on profit

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits of the financial year	850,126	762,432
Adjustment in respect of previous periods	(396)	7
<b>Total current tax</b>	<b>849,730</b>	<b>762,439</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(66,750)	(67,884)
Effect of changes in tax rates	(3,404)	(61,095)
<b>Total deferred tax</b>	<b>(70,154)</b>	<b>(128,979)</b>
<b>Total tax on profit</b>	<b>779,576</b>	<b>633,460</b>

The actual tax charge is lower than (2016: is lower than) from the standard rate 19.67% (2016: 20.00%) for the reasons set out in the following reconciliation:

	2017 £	2016 £
Profit before taxation	4,000,716	3,496,143
Tax on profit before taxation multiplied by standard rate of corporation tax in the UK of 19.67% (2016: 20.00%):	786,941	699,229
Transfer pricing adjustment	(3,394)	(4,681)
Adjustment in respect of previous periods	(396)	7
Tax rate changes	(3,404)	(61,095)
Tax rate rounding	(171)	-
<b>Total tax charge</b>	<b>779,576</b>	<b>633,460</b>

### Factors affecting current and future tax charges

Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 were substantively enacted on 26 October 2015. A further reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 July 2017 has been calculated based on these rates.

# Moorcroft Debt Recovery Limited

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## Notes to the financial statements for the year ended 31 July 2017 (continued)

### 5 Dividends

	2017 £	2016 £
Interim and final dividends of £60.00 per £1 ordinary share (2016: £85.00 per £1 ordinary share)	3,000,000	4,250,000
The dividends were fully paid in the year.		

### 6 Purchased loan portfolios

	2017 £	2016 £
Amounts falling due within one year		
Purchased loan portfolios	4,497,049	6,365,796
	4,497,049	6,365,796

The movement in purchased loan portfolios were as follows:

	2017 £	2016 £
As at 1 August	6,365,796	7,616,891
Purchased loan portfolios acquired in the year	1,392,255	1,816,552
Portfolios cash collections in the year	(5,532,713)	(6,189,814)
Income from purchased loan portfolios	2,271,711	3,122,167
As at 31 July	4,497,049	6,365,796

### 7 Debtors

	2017 £	2016 £
Amounts falling due within one year		
Trade debtors	2,850,336	3,462,654
Prepayments and accrued income	133,537	241,084
	2,983,873	3,703,738

Trade debtors are stated after provision for impairment of £92,392 (2016: £90,563). The impairment expense charged was £1,829 (2016:£48).

# Moorcroft Debt Recovery Limited

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## Notes to the financial statements for the year ended 31 July 2017 (continued)

### 8 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	5,182,944	4,817,495
Amounts owed to parent undertaking	2,610,933	2,599,826
Amounts owed to group undertakings	169,415	169,415
Corporation tax	330,126	312,828
Deferred tax	64,488	61,095
Other taxation and social security	22,256	40,181
Accruals and deferred income	130,216	139,650
	<b>8,510,378</b>	<b>8,140,490</b>

Amounts owed to parent undertaking and amounts owed to group undertakings are unsecured, interest free and repayable on demand.

### 9 Provisions for liabilities

	2017 £	2016 £
Deferred tax	415,215	488,762
	<b>415,215</b>	<b>488,762</b>

### 10 Deferred taxation liability

	2017 £	2016 £
Short term timing differences	479,703	549,857
	<b>479,703</b>	<b>549,857</b>

There was no un-provided deferred tax at 31 July 2017 ( 2016 : £nil)

	2017 £	2016 £
Deferred taxation liability at start of year	549,857	678,836
Deferred Taxation credit to profit and loss account	(70,154)	(128,979)
<b>Provision at end of year</b>	<b>479,703</b>	<b>549,857</b>

# Moorcroft Debt Recovery Limited

Registered Number 1703704

## Notes to the financial statements for the year ended 31 July 2017 (continued)

### 11 Called up share capital

	2017 £	2016 £
<b>Authorised</b>		
1,000,000 (2016: 1,000,000) ordinary shares of £1 each	1,000,000	1,000,000
<b>Allotted, and fully paid</b>		
50,000 (2016: 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 2017. 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.