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Company Registration No. 03770985 (England and Wales)

NEWLYN PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

NEWLYN PLC

COMPANY INFORMATION

Directors	K C McCarthy D R Smith L Sargent M Coyne M Fenner T M Durant C Vickers
Secretary	I J Whittingham
Company number	03770985
Registered office	Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE
Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE

NEWLYN PLC

CONTENTS

The directors present the strategic report for the period ended 31 December 2016.

Fair review of the business
The company continues to focus on its core activity, being bailiff services.

The company extended it's year end from 31 July 2016 to 31 December 2016 making the profit and loss figures in the accounts a 17 month period. This was done for commercial reasons.

As reported in the company's profit and loss account on page 7, turnover has increased by 15% from £18,904,560 (prorating £13,344,395 to 17 months) to £21,721,300. Profit after tax has increased from £3,388,853 to £5,449,722 for the 17 months.

Principal risks and uncertainties
Management continually monitor the key risks facing the company, together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows:

Economic downturn - the company acknowledges the importance of maintaining close relationships with its key customers in order to be able to identify the early signs of potential financial difficulties. Sales trends in its major markets are constantly reviewed to enable early action to be taken in the event of sales declining.

Competitor pressure - the market in which the company operates is considered to be relatively competitive, and therefore competitor pressure could result in losing sales to key competitors. The company manages this risk by providing quality services and maintaining strong relationships with its key customers.

Loss of key personnel - this would present significant operational difficulties for the company. Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised.

Key Performance indicators
Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the company are set out below:

Turnover
Turnover has increased by 15% compared to the previous year after prorating the 2015 figures to 17 months.

Gross profit margin
The company's gross profit margin decreased in the period under review from 49.8% to 47%.

Financial position at the reporting date
The balance sheet shows that the company's net assets at the period end have increased from £1,327,237 to £1,608,739.

The company generated cash from operations of £ 6,660,520 and invested £348,273 in assets.

Future developments
The directors consider that the forthcoming financial year will be another good year.

On behalf of the board

K C McCarthy

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K C McCarthy
Director

19 June 2017

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the period ended 31 December 2016.

Principal activities
The principal activity of the company is that of providing bailiff services.

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

K C McCarthy
D R Smith
L Sargent
M Coyne
M Fenner
T M Durant
C Vickers

Results and dividends
The results for the period are set out on page 7.

Ordinary dividends were paid amounting to £5,168,220. The directors do not recommend payment of a final dividend.

Financial instruments

Credit risk
The company's principal financial assets are bank balances and cash, trade and other receivables..

The company's primary credit risk is attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where the directors feel the debt balance is irrecoverable, this is usually based on experience.

The credit risk on liquid funds are limited because the counterparties are banks with high credit ratings assigned by international credit agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Auditor
The auditor, Mercer & Hole, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 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.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

K C McCarthy
Director
19 June 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEWLYN PLC

We have audited the financial statements of Newlyn Plc for the period ended 31 December 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Alexander Bell FCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

19 June 2017

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

NEWLYN PLC

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	Period ended 31 December 2016 £	Year ended 31 July 2015 £
Turnover	3	21,721,300	13,344,395
Cost of sales		(11,512,905)	(6,696,536)
Gross profit		10,208,395	6,647,859
Administrative expenses		(3,539,334)	(2,462,459)
Other operating income		156,463	93,750
Operating profit	4	6,825,524	4,279,150
Interest receivable and similar income	7	7,477	8,619
Interest payable and similar charges	8	-	(678)
Profit before taxation		6,833,001	4,287,091
Taxation	9	(1,383,279)	(898,238)
Profit for the financial period		5,449,722	3,388,853

The profit and loss account has been prepared on the basis that all operations are continuing operations.

NEWLYN PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Period ended 31 December 2016 £	Year ended 31 July 2015 £
Profit for the period	5,449,722	3,388,853
Other comprehensive income	-	-
Total comprehensive income for the period	5,449,722	3,388,853

NEWLYN PLC

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	**11**		512,751		492,351
Current assets					
Debtors	**13**	2,134,086		3,174,136	
Cash at bank and in hand		2,160,454		2,182,611	
		4,294,540		5,356,747	
Creditors: amounts falling due within one year	**14**	(3,163,502)		(4,492,191)	
Net current assets			1,131,038		864,556
Total assets less current liabilities			1,643,789		1,356,907
Provisions for liabilities	**15**		(35,050)		(29,670)
Net assets			1,608,739		1,327,237
Capital and reserves					
Called up share capital	**18**		51,000		51,000
Profit and loss reserves			1,557,739		1,276,237
Total equity			1,608,739		1,327,237

The financial statements were approved by the board of directors and authorised for issue on 19 June 2017
and are signed on its behalf by:

K C McCarthy
Director

Company Registration No. 03770985

NEWLYN PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 August 2014		51,000	1,270,024	1,321,024
Period ended 31 July 2015:				
Profit and total comprehensive income for the period		-	3,388,853	3,388,853
Dividends	10	-	(3,382,640)	(3,382,640)
Balance at 31 July 2015		51,000	1,276,237	1,327,237
Period ended 31 December 2016:				
Profit and total comprehensive income for the period		-	5,449,722	5,449,722
Dividends	10	-	(5,168,220)	(5,168,220)
Balance at 31 December 2016		51,000	1,557,739	1,608,739

NEWLYN PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash generated from operations	**22**		6,660,520		5,327,074
Interest paid			-		(678)
Income taxes paid			(1,211,388)		(874,048)
Net cash inflow from operating activities			5,449,132		4,452,348
Investing activities					
Purchase of tangible fixed assets		(348,273)		(282,037)	
Proceeds on disposal of tangible fixed assets		37,727		24,827	
Interest received		7,477		8,619	
Net cash used in investing activities			(303,069)		(248,591)
Financing activities					
Dividends paid		(5,168,220)		(3,382,640)	
Net cash used in financing activities			(5,168,220)		(3,382,640)
Net (decrease)/increase in cash and cash equivalents			(22,157)		821,117
Cash and cash equivalents at beginning of period			2,182,611		1,361,494
Cash and cash equivalents at end of period			2,160,454		2,182,611

1 Accounting policies

Company information

Newlyn Plc is a private company limited by shares incorporated in England and Wales. The registered office is Batchworth House, Batchworth Place, Church Street, Rickmansworth, Hertfordshire, WD3 1JE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the period ended 31 December 2016 are the first financial statements of Newlyn Plc prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 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 existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents revenue earned (excluding value added tax) under contracts to provide professional services from bailiff and related activities.

Bailiff service income is recognised on payment of fees by the clients' debtors, as it is only at this point that the economic benefits are guaranteed to flow to the company.

Rent receivable is recognised on the accruals basis. Rent received in advance is carried forward as deferred income and released to the income statement in the period to which it relates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33% on reducing balance
Fixtures, fittings & equipment	15% on reducing balance
Motor vehicles	33% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies (Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

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

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax movement.

1 Accounting policies **(Continued)**

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to the scheme are charged to the profit and loss account in the period to which they relate. The contributions are invested separately from the company's assets.

1.12 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial year other than in respect of bad and doubtful trade debtor balances recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of receivables

When needed management will establish a provision for receivables which are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables and past experience of recoverability.

Determining residual values and useful economic life of tangible fixed assets

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programs.

Judgment is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover		
Debt collection	21,721,300	13,344,395

3 Turnover and other revenue (Continued)

Other significant revenue

Interest income	7,477	8,619
Rent received	104,643	93,750

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	21,721,300	13,344,395

4 Operating profit

Operating profit for the period is stated after charging/(crediting):	2016 £	2015 £
Fees payable to the company's auditor for the audit of the company's financial statements	24,193	18,000
Depreciation of owned tangible fixed assets	305,109	154,452
(Profit)/loss on disposal of tangible fixed assets	(14,963)	8,100
Operating lease charges	276,750	171,000

5 Employees

The average monthly number of persons (including directors) employed or engaged by the company during the period was:

	2016 Number	2015 Number
Certified bailiffs	125	129
Managerial and supervisory	19	20
Contact centre and administration	45	75
	189	224

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	8,490,459	6,457,005
Social security costs	363,426	284,934
Pension costs	19,254	14,686
	8,873,139	6,756,625

6 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	972,447	796,568

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2015 - 7).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2016	2015
	£	£
Remuneration for qualifying services	197,851	140,134

7 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	7,130	8,619
Other interest income	347	-
Total income	7,477	8,619

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	7,130	8,619

8 Interest payable and similar charges

	2016	2015
	£	£
Other finance costs:		
Other interest	-	678
	-	678

9 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	1,377,899	866,480

9 Taxation (Continued)

Deferred tax		
Other adjustments	5,380	31,758
Total tax charge	1,383,279	898,238

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	6,833,001	4,287,091
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.67%)	1,366,600	886,142
Tax effect of expenses that are not deductible in determining taxable profit	18,523	14,732
Permanent capital allowances in excess of depreciation	(7,224)	(34,394)
Deferred tax adjustments	5,380	31,758
Taxation for the period	1,383,279	898,238

10 Dividends

	2016 £	2015 £
Interim paid	5,168,220	3,382,640

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2015	845,752	118,696	331,496	1,295,944
Additions	225,657	13,897	108,719	348,273
Disposals	(116,397)	-	(89,091)	(205,488)
At 31 December 2016	955,012	132,593	351,124	1,438,729
Depreciation and impairment				
At 1 August 2015	487,384	72,123	244,086	803,593
Depreciation charged in the period	223,696	11,343	70,070	305,109
Eliminated in respect of disposals	(99,653)	-	(83,071)	(182,724)
At 31 December 2016	611,427	83,466	231,085	925,978
Carrying amount				
At 31 December 2016	343,585	49,127	120,039	512,751
At 31 July 2015	358,368	46,573	87,410	492,351

12 Financial instruments

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,993,159	3,124,482
Carrying amount of financial liabilities		
Measured at amortised cost	2,345,151	3,765,189

13 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	1,977,592	3,083,577
Other debtors	15,567	40,905
Prepayments and accrued income	140,927	49,654
	2,134,086	3,174,136

Included within trade debtors is an amount of £1,439,569 (2015 - £2,514,883) designated client money (note 14).
The bank holds a £100,000 bond against the client money balance by way of security.

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,814,780	2,792,515
Corporation tax	425,355	258,844
Other taxation and social security	392,996	468,158
Other creditors	3,754	269,874
Accruals and deferred income	526,617	702,800
	3,163,502	4,492,191

Included within trade creditors is an amount of £1,439,569 (2015 - £2,514,883) designated client money (note 13).
The bank holds a £100,000 bond against the client money balance by way of security.

15 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	16	35,050	29,670
		35,050	29,670

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2016 £	Liabilities 2015 £
Accelerated capital allowances	35,050	29,670

Movements in the period:	2016 £
Liability at 1 August 2015	29,670
Charge to profit or loss	5,380
Liability at 31 December 2016	35,050

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature.

17 Retirement benefit schemes

Defined contribution schemes	2016 £	2015 £
Charge to profit or loss in respect of defined contribution schemes	19,254	14,686

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
51,000 Ordinary shares of £1 each	51,000	51,000

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	240,000	171,000
Between two and five years	480,000	531,000
In over five years	1,010,000	1,130,000
	1,730,000	1,832,000

20 Related party transactions

The total remuneration for key management personnel for the period and prior year is disclosed in Note 6 of the accounts.

The following related party transactions took place in the period, excluding vat charged:-

Services purchased from NCS Partnership	£480,000	(2015 - £491,138)
Rent paid to NCS Partnership	£276,750	(2015 - £171,000)
Services provided by Newlyn Debt Collection Limited	£11,011	(2015 - £250,842)
Services provided by Newlyn Contact Centre Services Limited	£2,500,789	(2015 - £nil)

Included in creditors are the following balances owed to related parties;

D R Smith - director	£2,614	(2015 - £nil)
NCS Partnership	£nil	(2015 - £258,860)

The above balances are interest free and payable on demand.

No guarantees have been given or received.

NCS Partnership, Newlyn Debt Collection Limited and Newlyn Contact Centre Services Limited (formerly Newlyn Group Holdings Limited) are related by the virtue of having directors or partners in common.

21 Controlling party

There was no overall controlling party in the current period or previous year.

22 Cash generated from operations

	2016 £	2015 £
Profit for the period after tax	5,449,722	3,388,853
Adjustments for:		
Taxation charged	1,383,279	898,238
Finance costs	-	678
Investment income	(7,477)	(8,619)
(Gain)/loss on disposal of tangible fixed assets	(14,963)	8,100
Depreciation and impairment of tangible fixed assets	305,109	154,452
Movements in working capital:		
Decrease/(increase) in debtors	1,040,050	(904,623)
(Decrease)/increase in creditors	(1,495,200)	1,789,995
Cash generated from operations	6,660,520	5,327,074