

Umbrella-Company Limited

Registered number: 06969639

Directors' report and financial statements

For the year ended 31 December 2016

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UMBRELLA-COMPANY LIMITED

COMPANY INFORMATION

Directors	M Grady BA Econ (Hons) ACA S Grady N Holmes BSc (Hons) S Holmes A Kilmartin S Kilmartin J Biddle BSc (Hons) P Langham S Pearson BSc (Hons) D Dyer N Armitage
Registered number	06969639
Registered office	Bollin House Bollin Walk Wilmslow Cheshire SK9 1DP
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St Peter's Square Manchester M2 3DE

UMBRELLA-COMPANY LIMITED

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UMBRELLA-COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

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

Business review

The Company continued its principal activities throughout the current year.

The directors are satisfied that the Company has generated trading profits in line with expectation.

Principal risks and uncertainties

The principal risks to the business are changes in tax legislation. The Company stays abreast of any such changes and is dynamic in its response to facilitate any necessary changes.

The Company actively makes representation at trade associations and is a member of the leading trade and compliance bodies.

Financial key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	31 December 2016	31 December 2015
Turnover	£53,820,966	£62,610,115
Gross Margin	5.4%	5.2%
Average number of contractors	1,473	1,796

Results and performance

Despite a drop in turnover, of which legislation changes in the allowance of Travel and Subsistence expenses for contractors are a significant part, the Company has managed to improve margins to counter this reduction in revenue.

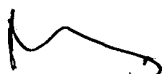
Umbrella's net asset position remained consistent at £263k compared to the prior year. The net current liabilities increased marginally to £890k from £876k in the previous period.

Strategy and future developments

The Company is committed to increasing business from existing customers and winning new customers.

The Company continues to diversify by developing new products to improve its clients service.

This report was approved by the board on 19 September 2017 and signed on its behalf.



M. Grady BA Econ (Hons) ACA
Director

UMBRELLA-COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

The principal activity of the Company continues to be the provision of accountancy services to freelance contractors working through its umbrella company.

Directors

The Directors who served during the year were:

M Grady BA Econ (Hons) ACA
S Grady
N Holmes BSc (Hons)
S Holmes
A Kilmartin
S Kilmartin
J Biddle BSc (Hons)
P Langham
S Pearson BSc (Hons)
D Dyer
N Armitage

UMBRELLA-COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Employee involvement

Employees are kept informed about the progress and position of the Company by means of regular departmental meetings.

Disabled employees

The Company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the Company. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 September 2017

and signed on its behalf.



M Grady BA Econ (Hons) ACA
Director

UMBRELLA-COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UMBRELLA-COMPANY LIMITED

We have audited the financial statements of Umbrella-Company Limited for the year ended 31 December 2016 which comprise 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".

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

UMBRELLA-COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UMBRELLA-COMPANY LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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



Neil Barton (Senior Statutory Auditor)

for and on behalf of
Mazars LLP

Chartered Accountants
Statutory Auditor

One St Peter's Square
Manchester
M2 3DE

Date: 20 September 2017

UMBRELLA-COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover	4	53,820,966	62,610,115
Cost of sales		(50,895,581)	(59,335,525)
Gross profit		<u>2,925,385</u>	<u>3,274,590</u>
Administrative expenses		(2,514,747)	(2,852,125)
Amortisation	12	(396,318)	(388,052)
Operating profit	5	<u>14,320</u>	<u>34,413</u>
Interest receivable and similar income	9	4,769	6,325
Interest payable and expenses	10	(12,054)	(14,480)
Profit before tax		<u>7,035</u>	<u>26,258</u>
Tax on profit	11	(6,975)	(12,559)
Profit for the year		<u><u>60</u></u>	<u><u>13,699</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 10 to 25 form part of these financial statements.

UMBRELLA-COMPANY LIMITED
REGISTERED NUMBER: 06969639

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	12	1,147,371	1,487,439
Tangible assets	13	84,528	118,985
		<u>1,231,899</u>	<u>1,606,424</u>
Current assets			
Debtors: amounts falling due within one year	14	1,683,837	1,531,144
Cash at bank and in hand	15	1,079,377	1,334,075
		<u>2,763,214</u>	<u>2,865,219</u>
Creditors: amounts falling due within one year	16	(3,653,382)	(3,741,265)
Net current liabilities		<u>(890,168)</u>	<u>(876,046)</u>
Total assets less current liabilities		<u>341,731</u>	<u>730,378</u>
Creditors: amounts falling due after more than one year	17	(63,406)	(453,192)
Provisions for liabilities			
Deferred tax	20	(15,300)	(14,221)
		<u>(15,300)</u>	<u>(14,221)</u>
Net assets		<u>263,025</u>	<u>262,965</u>
Capital and reserves			
Called up share capital	21	6	6
Profit and loss account	22	263,019	262,959
		<u>263,025</u>	<u>262,965</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2017



M Grady BA Econ (Hons) ACA
 Director

The notes on pages 10 to 25 form part of these financial statements.

UMBRELLA-COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	7	249,260	249,267
Comprehensive income for the year			
Profit for the year	-	13,699	13,699
Total comprehensive income for the year	-	13,699	13,699
Shares cancelled during the year	(1)	-	(1)
Total transactions with owners	(1)	-	(1)
At 1 January 2016	6	262,959	262,965
Comprehensive income for the year			
Profit for the year	-	60	60
Total comprehensive income for the year	-	60	60
At 31 December 2016	6	263,019	263,025

The notes on pages 10 to 25 form part of these financial statements.

UMBRELLA-COMPANY LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	60	13,699
Adjustments for:		
Amortisation of intangible assets	396,318	388,052
Depreciation of tangible assets	26,812	29,298
Loss on disposal of tangible assets	15,886	13,697
Interest paid	12,054	14,480
Interest received	(4,769)	(6,325)
Taxation	6,975	12,559
(Increase)/decrease in debtors	(152,693)	221,934
Decrease in creditors	(47,566)	(369,937)
Corporation tax	(9,604)	(40,043)
Net cash generated from operating activities	<u>243,473</u>	<u>277,414</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(56,250)	(1,237)
Sale of intangible assets	-	11,560
Purchase of tangible fixed assets	(8,241)	(66,936)
Interest received	4,769	6,325
Net cash from investing activities	<u>(59,722)</u>	<u>(50,288)</u>
Cash flows from financing activities		
Cancellation of ordinary shares	-	(1)
New secured loans	-	150,000
Repayment of bank loans	(35,034)	(14,325)
Repayment of other loans	(391,361)	(308,712)
Interest paid	(12,054)	(14,480)
Net cash used in financing activities	<u>(438,449)</u>	<u>(187,518)</u>
Cash and cash equivalents at beginning of year	1,334,075	1,294,467
Cash and cash equivalents at the end of year	<u>1,079,377</u>	<u>1,334,075</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>1,079,377</u>	<u>1,334,075</u>

The notes on pages 10 to 25 form part of these financial statements.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Umbrella-Company Limited ('the Company') is a private limited company, limited by shares, incorporated in and registered England and Wales (registered number 06969639). The address of the registered office and principal place of business is

Bollin House
Bollin Walk
Wilmslow
Cheshire
SK9 1DP

The principal activity of the Company is the provision of accountancy services to freelance contractors working through its umbrella Company.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company's business activities, its performance and position are set out in the Strategic Report on page 1.

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)**2.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	-	25 % Reducing balance
Domain names	-	25 % Reducing balance
Goodwill	-	13 % Straight line

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)**2.5 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures & fittings	- 25% reducing balance
Office equipment	- 25% reducing balance
Computer equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)**2.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The directors believe that the critical accounting policies where judgements or estimates are necessarily applied are intangible asset recognition, amortisation and the useful lives of fixed assets.

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, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Provision of accountancy services to freelance contractors working through an umbrella company	53,186,438	62,281,661
Management charges	634,528	328,454
	<u>53,820,966</u>	<u>62,610,115</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	26,812	28,677
Amortisation of intangible assets, including goodwill	396,318	390,526
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,300	11,000
Other operating lease rentals	119,040	76,299
	<u>553,470</u>	<u>506,502</u>

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	11,300	11,000
Fees payable to the Company's auditor and its associates in respect of:		
All other services	1,850	3,700

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,074,674	1,224,690
Social security costs	101,459	113,021
	<u>1,176,133</u>	<u>1,337,711</u>

Staff costs included are for internal staff only.

The average monthly number of employees, including the Directors, during the year was as follows:

	2016 No.	2015 No.
Contractors	1,473.00	1,796
Internal Staff	36.00	47
	<u>1,509.00</u>	<u>1,843</u>

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	255,600	253,902
	<u>255,600</u>	<u>253,902</u>

The highest paid Director received remuneration of £125,000 (2015 - £91,623).

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. Interest receivable

	2016	2015
	£	£
Other interest	4,769	6,325
	<u>4,769</u>	<u>6,325</u>

10. Interest payable and similar charges

	2016	2015
	£	£
Bank interest	2,167	1,739
Other loan interest	9,887	12,741
	<u>12,054</u>	<u>14,480</u>

11. Taxation

	2016	2015
	£	£
Corporation tax		
Current tax on profits for the year	5,896	5,604
Total current tax	<u>5,896</u>	<u>5,604</u>
Deferred tax		
Origination and reversal of timing differences	1,079	6,955
Total deferred tax	<u>1,079</u>	<u>6,955</u>
Taxation on profit on ordinary activities	<u>6,975</u>	<u>12,559</u>

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	7,035	26,258
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	1,407	5,252
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,516	8,638
Capital allowances for year in excess of depreciation	(4,017)	(4,286)
Adjustments to tax charge in respect of prior periods	1,990	-
Short term timing difference leading to an increase (decrease) in taxation	1,079	6,955
Other timing differences leading to an increase (decrease) in taxation	-	(4,000)
Total tax charge for the year	6,975	12,559

Factors that may affect future tax charges

A reduction in the UK Corporation tax rate from 20% to 19% takes effect from 1 April 2017. A further reduction from 19% to 17% was substantively enacted in October 2015 and takes effect from 1 April 2020.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Intangible assets

	Software £	Domain name £	Goodwill £	Total £
Cost				
At 1 January 2016	-	2,870	3,100,000	3,102,870
Additions	56,250	-	-	56,250
At 31 December 2016	56,250	2,870	3,100,000	3,159,120
Amortisation				
At 1 January 2016	-	848	1,614,583	1,615,431
Charge for the year	8,312	506	387,500	396,318
At 31 December 2016	8,312	1,354	2,002,083	2,011,749
Net book value				
At 31 December 2016	47,938	1,516	1,097,917	1,147,371
At 31 December 2015	-	2,022	1,485,417	1,487,439

The goodwill relates to the acquisition of the trade and assets of Paymatters LLP during 2011 and is being amortised over what the directors assess as the useful life of 10 years. Three years amortisation remains, and the charge is separately disclosed as an administration expense.

All additions during the year were acquired externally.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2016	54,382	120,904	44,804	220,090
Additions	-	8,241	-	8,241
Disposals	-	(19,898)	(33,964)	(53,862)
At 31 December 2016	54,382	109,247	10,840	174,469
Depreciation				
At 1 January 2016	6,377	65,299	29,429	101,105
Charge for the year on owned assets	11,815	13,490	1,507	26,812
Disposals	-	(13,362)	(24,614)	(37,976)
At 31 December 2016	18,192	65,427	6,322	89,941
Net book value				
At 31 December 2016	36,190	43,820	4,518	84,528
At 31 December 2015	48,005	55,605	15,375	118,985

14. Debtors

	2016 £	2015 £
Trade debtors	324,572	982,792
Amounts owed by related undertakings	141,390	72,128
Other debtors	1,217,875	476,224
	<u>1,683,837</u>	<u>1,531,144</u>

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,079,377	1,334,075
	<u>1,079,377</u>	<u>1,334,075</u>

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	37,235	34,701
Other loans	369,073	408,216
Trade creditors	94,875	106,596
Corporation tax	3,906	7,614
Taxation and social security	1,678,574	1,712,781
Other creditors	1,469,719	1,471,357
	<u>3,653,382</u>	<u>3,741,265</u>

17. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	63,406	100,974
Other loans	-	352,218
	<u>63,406</u>	<u>453,192</u>

Secured loans

The bank loan is secured by way of a debenture over all the assets of the Company.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	37,235	34,701
Other loans	369,073	408,216
	<u>406,308</u>	<u>442,917</u>
Amounts falling due 1-2 years		
Bank loans	39,511	37,196
Other loans	-	352,218
	<u>39,511</u>	<u>389,414</u>
Amounts falling due 2-5 years		
Bank loans	23,895	63,778
	<u>469,714</u>	<u>896,109</u>

19. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,545,339	2,388,995
	<u>1,545,339</u>	<u>2,388,995</u>
Financial liabilities		
Financial liabilities measured at amortised cost	564,589	1,002,705
	<u>564,589</u>	<u>1,002,705</u>

Financial assets measured at amortised cost comprise of cash at bank, trade debtors and amounts owed by related undertakings.

Financial liabilities measured at amortised cost comprise of the bank loan, other loans and trade creditors.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

20. Deferred taxation

	2016 £	2015 £
At beginning of year	(14,221)	(7,266)
Charged to profit or loss	(1,079)	(6,955)
At end of year	(15,300)	(14,221)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	(15,300)	(14,221)
	(15,300)	(14,221)

21. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
300 Ordinary A shares of £0.01 each	3	3
300 Ordinary B shares of £0.01 each	3	3
	6	6

Dividends shall be at the discretion of the Directors who shall be entitled to declare different dividends on shares of different classes. The Directors may declare a dividend on one class of share only and the payment of a dividend to a holder of a share of one class shall not entitle a holder of a share of another class to any dividend.

As regards capital, the proceeds or assets remaining shall be applied to the holders of A and B shares.

As regards to voting in general meetings, all classes hold the same rights.

22. Reserves**Profit & loss account**

This reserve represents the cumulative profit and losses.

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

23. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	143,438	119,040
Later than 1 year and not later than 5 years	705,400	707,758
Later than 5 years	505,537	646,617
	<u>1,354,375</u>	<u>1,473,415</u>

24. Transactions with directors

The company borrowed the sum of £3,100,000 from the directors to purchase the trade and assets of PayMatters LLP in October 2011. At the year end, the director's loan account balance of £365,024 (2015: £760,434) is included within directors' loans. Interest of 0.5% above base rate has been charged on these balances, with a total of £5,048 (2015: £8,766) being charged for the period.

During the year the company repaid M Grady £70,541 (2015: £54,139) in the year, and charged interest of £575 (2015: £1,268) for the same period. At the year end the company owed M Grady £30,427 (2015: £100,393).

During the year the company repaid N Holmes £69,700 (2015: £54,693) in the year, and charged interest of £559 (2015: £1,251) for the same period. At the year end the company owed N Holmes £29,213 (2015: £98,354).

During the year the company repaid A Kilmartin £67,168 (2015: £53,296) in the year, and charged interest of £531 (2015: £1,183) for the same period. At the year end the company owed A Kilmartin £25,629 (2015: £92,266).

During the year the company repaid S Grady £63,000 (2015: £51,910) in the year, and charged interest of £1,105 (2015: £1,791) for the same period. At the year end the company owed S Grady £92,121 (2015: £154,016).

During the year the company repaid S Holmes £63,000 (2015: £51,910) in the year, and charged interest of £1,113 (2015: £1,799) for the same period. At the year end the company owed S Holmes £92,980 (2015: £154,867).

During the year the company repaid S Kilmartin £63,000 (2015: £51,910) in the year, and charged interest of £1,164 (2015: £1,856) for the same period. At the year end the company owed S Kilmartin £98,702 (2015: £160,538).

UMBRELLA-COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

25. Related party transactions

Umbrella Accountants LLP is a related party due to its members being directors of Umbrella-Company Limited. Umbrella-Company Limited invoiced Umbrella Accountants LLP £634,528 (2015: £457,301) during the year and this is included within turnover. The company also paid expenses on behalf of Umbrella Accountants LLP amounting to £79,300 (2015: £188,860). Umbrella Accountants LLP repaid the company £788,508 (2015: £618,365) in the year. The balance outstanding at the year end is £141,390 (2015: £72,128) and is included within debtors.

There has been no key management personnel disclosures in these financial statements as the directors believe that they are the only ones who meet the definition of key management personnel as prescribed by FRS 102. Directors remuneration has been disclosed in note 8.