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# Financial Statements

## I-Sm@rt Group Limited and its subsidiary undertakings

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For the year ended 31 March 2015



Registered number: 05302247

## Company Information

<b>Directors</b>	D A Pritchett D P Fitzjohn
<b>Company secretary</b>	D A Haycock
<b>Registered number</b>	05302247
<b>Registered office</b>	Regus House 400 Pavilion Drive Brackmills Northampton NN4 7PA
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW

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# Group Strategic Report

For the year ended 31 March 2015

## Introduction

The group has continued its principal activities for the year of reclaiming compensation for customers who have been mis-sold financial products.

## Business review

The business carried out its plan of streamlining the PPI process by improving processes from start to finish, reducing costs and concentrating solely on PPI during the financial year. For the current year the business has invested in increasing its customer base and enhancing the customer journey at all stages of the PPI lifecycle with satisfying results. Again due to the nature of the lifecycle of claims the business expects to see the benefits of this in the coming years.

## Financial risk management objectives

The group uses various financial instruments, these include cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities, but currently the group are not using these.

### Credit risk

The group's principal financial assets are mainly cash with very limited trade debtors. The credit risk associated with cash is limited, the principal credit risk arises therefore from its trade debtors. However, very few customers are given credit accounts and these are reviewed regularly and collections are kept up to date.

## Group Strategic Report (continued)

For the year ended 31 March 2015

### Financial key performance indicators

1 Turnover is a key measure of the group's performance. Sales for the year were £5,171,409 (2014 - £9,966,772).

2 Overall profitability is a key indicator of the group's performance. The profit for the financial year was £1,651,637 (2014 - £2,541,525).

3 Working capital management is seen as an important target for the business. At the year end, the net current asset level was £407,959 (2014 - £24,631).

4 Net worth is seen as an important target for the business. At the year end, the level of shareholders' surplus was £534,652 (2014 - £232,124).

This report was approved by the board on 17 DECEMBER 2015 and signed on its behalf.



D P Fitzjohn  
Director

# Directors' Report

For the year ended 31 March 2015

The directors present their report and the audited financial statements for the year ended 31 March 2015.

## Results

The profit for the year, after taxation, amounted to £1,651,637 (2014 - £2,541,476).

## Directors

The directors who served during the year were:

R S Horne (resigned 30 April 2015)  
D A Pritchett  
D P Fitzjohn

## Directors' responsibilities statement

The directors are responsible for preparing the Group 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 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 the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## 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 that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that 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 and the group's auditor is aware of that information.

I-Sm@rt Group Limited

## Directors' Report

For the year ended 31 March 2015

### **Auditor**

The auditor, Grant Thornton UK LLP, will be deemed reappointed in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 DECEMBER 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'D P Fitzjohn', written over a horizontal line.

**D P Fitzjohn**  
Director

## Independent Auditor's Report to the Members of I-Sm@rt Group Limited

We have audited the financial statements of I-Sm@rt Group Limited for the year ended 31 March 2015, which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and Reconciliation of Net Cash Flow to Movement in Net Funds, the Consolidated Statement of Total Recognised Gains and Losses 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).

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**

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](http://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 group's and of the parent company's affairs as at 31 March 2015 and of the group's 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 matter prescribed by the Companies Act 2006**

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





## Independent Auditor's Report to the Members of I-Sm@rt Group Limited

### **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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Grant Thornton UK LLP

Jeremy Read (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Milton Keynes

Date:

18 December 2015

## Consolidated Profit and Loss Account

For the year ended 31 March 2015

	Note	2015 £	2014 £
<b>Turnover</b>	1,2	<b>5,171,409</b>	9,966,772
Cost of sales		<u>(1,945,891)</u>	<u>(2,966,290)</u>
<b>Gross profit</b>		<b>3,225,518</b>	7,000,482
Administrative expenses		<u>(1,146,170)</u>	<u>(3,692,485)</u>
<b>Operating profit</b>	3	<b>2,079,348</b>	3,307,997
Interest receivable and similar income		62	8
Interest payable and similar charges	6	<u>(888)</u>	<u>(1,216)</u>
<b>Profit on ordinary activities before taxation</b>		<b>2,078,522</b>	3,306,789
Tax on profit on ordinary activities	7	<u>(426,885)</u>	<u>(765,313)</u>
<b>Profit for the financial year</b>	15	<b><u>1,651,637</u></b>	<b><u>2,541,476</u></b>

All amounts relate to continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

## Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 March 2015

	2015 £	2014 £
<b>Profit for the financial year</b>	<b>1,651,637</b>	<b>2,541,476</b>
Deficit on revaluation of tangible fixed assets	-	(30,500)
Realised deficit on revaluation of tangible fixed assets	<u>(12,267)</u>	<u>-</u>
<b>Total recognised gains and losses relating to the year</b>	<b><u>1,639,370</u></b>	<b><u>2,510,976</u></b>

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.


The notes on pages 12 to 23 form part of these financial statements.

## Consolidated Balance Sheet

As at 31 March 2015

	Note	£	2015 £	2014 £
<b>Fixed assets</b>				
Tangible assets	8		198,436	207,493
<b>Current assets</b>				
Debtors	10	811,222	1,598,153	
Cash at bank and in hand		651,149	488,059	
		<u>1,462,371</u>	<u>2,086,212</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,054,412)</u>	<u>(2,061,581)</u>	
<b>Net current assets</b>			<u>407,959</u>	<u>24,631</u>
<b>Total assets less current liabilities</b>			<u>606,395</u>	<u>232,124</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(71,743)</u>		
<b>Net assets</b>			<u><u>534,652</u></u>	<u><u>232,124</u></u>
<b>Capital and reserves</b>				
Called up share capital	14		225	225
Revaluation reserve	15		-	12,267
Profit and loss account	15		534,427	219,632
<b>Shareholders' funds</b>	16		<u><u>534,652</u></u>	<u><u>232,124</u></u>

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

 17 DECEMBER 2015

**D P Fitzjohn**  
Director

The notes on pages 12 to 23 form part of these financial statements.

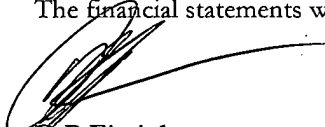
## Company Balance Sheet

As at 31 March 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	8		162,430		61,695
Investments	9		403		403
			<u>162,833</u>		<u>62,098</u>
<b>Current assets</b>					
Debtors	10	32,672		1,078,773	
Cash at bank and in hand		344,319		253,407	
		<u>376,991</u>		<u>1,332,180</u>	
<b>Creditors: amounts falling due within one year</b>	11	(419,788)		(1,027,829)	
<b>Net current (liabilities)/assets</b>			<u>(42,797)</u>		<u>304,351</u>
<b>Total assets less current liabilities</b>			<u>120,036</u>		<u>366,449</u>
<b>Creditors: amounts falling due after more than one year</b>	12		(71,743)		-
<b>Net assets</b>			<u>48,293</u>		<u>366,449</u>
<b>Capital and reserves</b>					
Called up share capital	14		225		225
Profit and loss account	15		48,068		366,224
<b>Shareholders' funds</b>	16		<u>48,293</u>		<u>366,449</u>

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

17 DECEMBER 2015

  
D P Fitzjohn  
Director

The notes on pages 12 to 23 form part of these financial statements.

## Consolidated Cash Flow Statement

For the year ended 31 March 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	18	2,316,079	3,177,379
Returns on investments and servicing of finance	19	(826)	(1,208)
Taxation		(818,079)	(553,311)
Capital expenditure and financial investment	19	14,847	25,339
Equity dividends paid		(1,336,842)	(2,651,800)
<b>Cash inflow/(outflow) before financing</b>		<b>175,179</b>	<b>(3,601)</b>
Financing	19	(12,089)	-
<b>Increase/(Decrease) in cash in the year</b>		<b>163,090</b>	<b>(3,601)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 March 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	163,090	(3,601)
Cash outflow from decrease in debt and lease financing	12,089	-
<b>Change in net debt resulting from cash flows</b>	<b>175,179</b>	<b>(3,601)</b>
New finance leases	(120,084)	-
<b>Movement in net debt in the year</b>	<b>55,095</b>	<b>(3,601)</b>
Net funds at 1 April 2014	488,059	491,660
<b>Net funds at 31 March 2015</b>	<b>543,154</b>	<b>488,059</b>

The notes on pages 12 to 23 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 March 2015

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### 1.2 Basis of consolidation

The financial statements consolidate the accounts of I-Sm@rt Group Limited and its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The results of subsidiaries sold are included up to the effective date of disposal.

### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of services provided during the year, exclusive of Value Added Tax and discounts.

Claim revenue is recognised when the certainty of receipt and claim value has been confirmed by the relevant institution.

### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	term of lease
Plant and machinery	-	3 - 5 years straight line
Motor vehicles	-	4 years straight line
Fixtures and fittings	-	3 - 5 years straight line
Office equipment	-	3 years straight line

### 1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

### 1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

# Notes to the Financial Statements

For the year ended 31 March 2015

## 1. Accounting Policies (continued)

### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

## 2. Turnover

All turnover arose within the United Kingdom.

## 3. Operating profit

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the group	97,422	119,984
Auditor's remuneration	17,500	22,500
Auditor's remuneration - non-audit	31,500	48,250
Operating lease rentals:		
- other operating leases	6,681	126,667
	<u>6,681</u>	<u>126,667</u>
The audit fee for the company was £5,000 (2014 - £6,500)		



## Notes to the Financial Statements

For the year ended 31 March 2015

**4. Staff costs**

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

	2015	2014
	£	£
Wages and salaries	957,175	2,199,449
Social security costs	101,950	164,745
Other pension costs	83,920	250,000
	<u>1,143,045</u>	<u>2,614,194</u>

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

2015	2014
No.	No.
<u>39</u>	<u>117</u>

**5. Directors' remuneration**

	2015	2014
	£	£
Remuneration	<u>194,274</u>	<u>285,512</u>
Company pension contributions to personal pension schemes	<u>80,000</u>	<u>250,000</u>

During the year retirement benefits were accruing to 2 directors (2014 - 3) in respect of personal pension schemes.

The highest paid director received remuneration of £85,833 (2014 - £99,029).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2014 - £100,000).

**6. Interest payable**

	2015	2014
	£	£
On finance leases and hire purchase contracts	888	-
On loans from group undertakings	-	1,216
	<u>888</u>	<u>1,216</u>

## Notes to the Financial Statements

For the year ended 31 March 2015

**7. Taxation**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	398,727	721,563
Adjustments in respect of prior periods	25,181	11,975
<b>Total current tax</b>	<b>423,908</b>	<b>733,538</b>
<b>Deferred tax</b> (see note 13)		
Origination and reversal of timing differences	2,977	31,775
<b>Tax on profit on ordinary activities</b>	<b>426,885</b>	<b>765,313</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	2,078,522	3,306,789
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	436,490	760,561
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	-	8,656
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,070	14,152
Capital allowances for year in excess of depreciation	(11,911)	(3,675)
Other fixed asset differences	3,356	-
Adjustments to tax charge in respect of prior periods	25,181	(5,313)
Short term timing difference leading to a (decrease) in taxation	(14,315)	-
Chargeable gains	1,050	-
Unrelieved tax losses carried forward	-	(19,889)
Other differences leading to a (decrease) in the tax charge	(20,885)	(20,060)
Marginal relief	-	(991)
Other movements	(3,128)	97
<b>Current tax charge for the year</b> (see note above)	<b>423,908</b>	<b>733,538</b>

## Notes to the Financial Statements

For the year ended 31 March 2015

**8. Tangible fixed assets**

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>						
At 1 April 2014	114,500	-	-	58,418	260,497	433,415
Additions	-	29,835	152,502	-	20,528	202,865
Disposals	(114,500)	-	-	(12,657)	(146,291)	(273,448)
At 31 March 2015	-	29,835	152,502	45,761	134,734	362,832
<b>Depreciation</b>						
At 1 April 2014	-	-	-	37,390	188,532	225,922
Charge for the year	-	2,486	14,503	11,570	68,863	97,422
On disposals	-	-	-	(12,657)	(146,291)	(158,948)
At 31 March 2015	-	2,486	14,503	36,303	111,104	164,396
<b>Net book value</b>						
At 31 March 2015	-	27,349	137,999	9,458	23,630	198,436
At 31 March 2014	114,500	-	-	21,028	71,965	207,493

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2015 £	2014 £
Motor vehicles	111,905	-

## Notes to the Financial Statements

For the year ended 31 March 2015

Company	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2014	-	31,681	155,262	186,943
Additions	152,502	-	14,899	167,401
Disposals	-	(519)	(81,381)	(81,900)
At 31 March 2015	152,502	31,162	88,780	272,444
<b>Depreciation</b>				
At 1 April 2014	-	19,021	106,227	125,248
Charge for the year	14,503	7,633	44,530	66,666
On disposals	-	(519)	(81,381)	(81,900)
At 31 March 2015	14,503	26,135	69,376	110,014
<b>Net book value</b>				
At 31 March 2015	137,999	5,027	19,404	162,430
At 31 March 2014	-	12,660	49,035	61,695

**9. Fixed asset investments****Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Recruitmentconsultant.com Limited	Ordinary	100%
i-Sm@rt Consumer Services Limited	Ordinary	100%
i-Sm@rt Property Limited	Ordinary	100%
i-Sm@rt Business Services Limited	Ordinary	100%
*iSmart Money Limited	Ordinary	100%
*Direct Debt Recovery Limited	Ordinary	100%
iSmart Claims Management Limited	Ordinary	100%
iSmart Legal Services Limited	Ordinary	100%
Vengo Limited	Ordinary	100%

## Notes to the Financial Statements

For the year ended 31 March 2015

**9. Fixed asset investments (continued)**

\* held by subsidiary undertakings

At the date of signing, Recruitmentconsultant.com Limited, i-Sm@rt Property Limited and Vengo Limited were in the process of being struck off.

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2014 and 31 March 2015	403
Net book value	
At 31 March 2015	403
At 31 March 2014	403

**10. Debtors**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	697,442	573,324	-	2,206
Amounts owed by group undertakings	-	787,541	-	955,180
Directors' loan account	-	42,201	-	-
Other debtors	11,876	109,437	11,699	107,010
Prepayments and accrued income	75,332	63,815	17,132	2,766
Tax recoverable	7,714	-	-	-
Deferred tax asset (see note 13)	18,858	21,835	3,841	11,611
	811,222	1,598,153	32,672	1,078,773

## Notes to the Financial Statements

For the year ended 31 March 2015

**11. Creditors:****Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	36,252	-	36,252	-
Trade creditors	67,337	48,391	20,211	12,910
Amounts owed to group undertakings	-	-	212,768	462,695
Corporation tax	238,324	632,495	106,110	206,935
Other taxation and social security	390,711	490,969	12,019	130,054
Other creditors	12,051	18,978	6,341	1,772
Accruals and deferred income	309,737	870,748	26,087	213,463
	<u>1,054,412</u>	<u>2,061,581</u>	<u>419,788</u>	<u>1,027,829</u>

**12. Creditors:****Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	<u>71,743</u>	<u>-</u>	<u>71,743</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Between one and five years	<u>71,743</u>	<u>-</u>	<u>71,743</u>	<u>-</u>

**13. Deferred tax asset**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	21,835	21,835	11,611	-
(Charge for)/released during the year (P&L)	(2,977)	-	(7,770)	11,611
At end of year	<u>18,858</u>	<u>21,835</u>	<u>3,841</u>	<u>11,611</u>

## Notes to the Financial Statements

For the year ended 31 March 2015

**13. Deferred tax asset (continued)**

The deferred tax asset is made up as follows:

	<b>Group</b>		<b>Company</b>	
	2015	2014	2015	2014
	£	£	£	£
Fixed asset and other timing differences	18,858	(21,835)	3,841	(11,611)

**14. Share capital**

	2015	2014
	£	£
Allotted, called up and fully paid		
225 Ordinary shares of £1 each	225	225

**15. Reserves**

<b>Group</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	£	£
At 1 April 2014	12,267	219,632
Profit for the financial year		1,651,637
Dividends: Equity capital		(1,336,842)
(Deficit) on revaluation of freehold property	(12,267)	
At 31 March 2015	-	534,427

<b>Company</b>	<b>Profit and loss account</b>
	£
At 1 April 2014	366,224
Profit for the financial year	1,018,686
Dividends: Equity capital	(1,336,842)
At 31 March 2015	48,068

## Notes to the Financial Statements

For the year ended 31 March 2015

**16. Reconciliation of movement in shareholders' funds**

	2015	2014
Group	£	£
Opening shareholders' funds/(deficit)	232,124	(481,966)
Profit for the financial year	1,651,637	2,541,476
Dividends (note 17)	(1,336,842)	(1,796,886)
Other recognised gains and losses during the year	(12,267)	(30,500)
Closing shareholders' funds	<u>534,652</u>	<u>232,124</u>

Company	2015	2014
	£	£
Opening shareholders' funds	366,449	1,977,330
Profit for the financial year	1,018,686	1,040,919
Dividends (note 17)	(1,336,842)	(2,651,800)
Closing shareholders' funds	<u>48,293</u>	<u>366,449</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £1,018,686 (2014 - £1,040,919).

**17. Dividends**

	2015	2014
	£	£
Dividends paid on equity capital	<u>1,336,842</u>	<u>1,796,886</u>

**18. Net cash flow from operating activities**

	2015	2014
	£	£
Operating profit	2,079,348	3,307,997
Depreciation of tangible fixed assets	97,422	119,984
Loss/(profit) on disposal of tangible fixed assets	4,605	(964)
Decrease in debtors	783,950	1,074,314
Decrease in creditors	(649,246)	(1,323,952)
Net cash inflow from operating activities	<u>2,316,079</u>	<u>3,177,379</u>



## Notes to the Financial Statements

For the year ended 31 March 2015

**19. Analysis of cash flows for headings netted in cash flow statement**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	62	8
Interest paid	-	(1,216)
Hire purchase interest	(888)	-
	<u>          </u>	<u>          </u>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(826)</b>	<b>(1,208)</b>
	<u>          </u>	<u>          </u>
	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(82,781)	(4,909)
Sale of tangible fixed assets	97,628	30,248
	<u>          </u>	<u>          </u>
<b>Net cash inflow from capital expenditure</b>	<b>14,847</b>	<b>25,339</b>
	<u>          </u>	<u>          </u>
	2015 £	2014 £
<b>Financing</b>		
Repayment of finance leases	(12,089)	-
	<u>          </u>	<u>          </u>

**20. Analysis of changes in net funds**

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	488,059	163,090	-	651,149
<b>Debt:</b>				
Debts due within one year	-	12,089	(48,341)	(36,252)
Debts falling due after more than one year	-	-	(71,743)	(71,743)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net funds</b>	<b>488,059</b>	<b>175,179</b>	<b>(120,084)</b>	<b>543,154</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# Notes to the Financial Statements

For the year ended 31 March 2015

## 21. Operating lease commitments

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2015	Other 2014
	2015	2014		
Group and company	£	£	£	£
Expiry date:				
Within 1 year	-	-	-	6,795
Between 1 and 2 years	98,808	90,574	-	-

## 22. Related party transactions

In 2014 loans were made by the company to Mr D A Pritchett and Mr D A Haycock with the respective values of £10,168 and £32,033. The balance of these accounts was £nil at the year end.

In the 2014 period the company made fixed asset sales to directors; Mr R S Horne paid £23,495. There were no such transactions in 2015.

Messrs D A Haycock, R S Horne and D A Pritchett acquired iSmart Finance Limited on 12 December 2013 for consideration of £102.

## 23. Controlling party

The directors consider that the parent undertaking of this company and its controlling related party by virtue of its 100% ownership of the share capital is DS John Holdings Limited.

The majority shareholder of DS John Holdings Limited is Mr D P Fitzjohn. Messrs D P Fitzjohn, D A Haycock, R S Horne and D A Pritchett were the controlling parties of the group at the balance sheet date by virtue of their directorships, shareholdings and influence in the operating activities of the group.