Roberts Jackson Limited

Annual report and financial statements
Registered number 06895109
31 July 2016

Contents

Strategic report

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

Principal activity

The principal activity of Roberts Jackson Limited ('the Company') is the conduct and litigation of claims, specialising in industrial disease, on a no win no fee basis, for claimants that have developed diseases as a result of their employer's negligence.

The Company's objective is to provide access to justice for our customers, providing a personable and expert service throughout the life of the case, and ensuring our client's best interests are served.

Business review

The Company operates in the industrial disease litigation space, specialising in claims for 'Noise Induced Hearing Loss' and has experienced significant growth since inception in 2009. On 6 August 2014 Northedge Capital Limited invested £15.1m into the Roberts Jackson Holdings group.

The previous year trend towards litigation in the industrial disease environment continued, with turnover now being predominantly generated from litigated cases. The Company was well placed to deal with this, and is focussed on the continual development of staff through training and review to ensure adaptability to any future changes.

Turnover for the year of £11m represents a strong year for the business during which the operating environment continued to change significantly. The Company is well placed, and expects to experience growth in the coming year.

Risks

Like all companies, Roberts Jackson Limited is exposed to several risks and uncertainties which could have an impact on its long term performance. The board has identified those which it regards as being the principal risks as follows.

Regulatory and reputational risks

The Company is regulated by the Solicitors Regulatory Authority. As a data controller the Company is also subject to risks relating to data processing and security. Breaches of the relevant rules could lead to financial and/or reputational impacts. The board maintains and reviews its policies and processes regularly to mitigate these risks, and is Lexcel accredited.

The Company's ability to operate may be affected by regulatory changes to the legal sector. The board monitors the likelihood and assesses the potential impacts of possible regulatory change, and takes action accordingly.

Market risk

Market conditions, including macro-economic conditions, affect the performance of the Company. The board's strategy is to grow the Company's market share by developing its reputation as an excellent provider of legal services in the niche area of industrial disease.

Personnel risks

The success of the Company depends upon its ability to recruit and retain high calibre individuals throughout the business. The board seeks to mitigate this risk by continuing to invest in its award winning staff training programme and competitive remuneration arrangements.

Strategic report *(continued)*

Key performance indicators

The Company monitors its performance using a number of performance indicators including;

- Number of settlements
- Average value of settlements
- Settlements per fee earner
- Settlement value per fee earner
- New case generation
- Operational case progression reports
- Operating profit %

By order of the board

Karen Jackson
Director
Sandfield House
Water Lane
Wilmslow
Cheshire
SK9 5AR

28 Feb 2017

Directors' report

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

Proposed dividend

The directors do not recommend the payment of a dividend (2015: £1.5m).

Directors

The directors who held office during the year were as follows:

O R Jackson
K R Jackson
G Swaim-Rutter
L McGlone

Employees

The Company's policy is to give all applications for employment from disabled persons full consideration in relation to the vacancy concerned and in the event of existing staff becoming disabled, every effort is made to enable them to maintain their present position or to employ them in suitable work in another department. As far as possible the Company provides the same level of training, regardless of physical disabilities, and is an equal opportunity employer. The Company recognises the importance of achieving effective communication and consultation with its staff and maintains this through close contact.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report on page 1.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Karen Jackson
Director

28 Feb 2017

Sandfield House
Water Lane
Wilmslow
Cheshire
SK9 5AR

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Roberts Jackson Limited

We have audited the financial statements of Roberts Jackson Limited for the year ended 31 July 2016 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). 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.

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 July 2016 and of its result for the year then ended;
- have been properly prepared in accordance with UK 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 year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Roberts Jackson Limited *(continued)*

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.

Nicola Quayle

Nicola Quayle
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date: 7 March 2017

Profit and loss account
for the year ended 31 July 2016

	Note	2016 £000	2015 £000
Turnover	2	**10,951**	11,207
Cost of sales		**(63)**	(50)
Gross profit		**10,888**	11,157
Administrative expenses	3	**(9,358)**	(10,393)
Operating profit analysed as:			
Before exceptional items		**2,049**	1,072
Exceptional administrative expenses	3	**(519)**	(308)
		1,530	764
Operating profit		**1,530**	764
Other interest receivable and similar income	5	**1**	8
Interest payable and similar charges	6	**(406)**	(363)
Profit on ordinary activities before taxation		**1,125**	409
Tax on profit on ordinary activities	7	**(67)**	(123)
Profit for the financial year		**1,058**	286

The notes of pages 10 to 24 form an integral part of these financial statements.

Balance sheet
at 31 July 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Tangible assets	*8*		**205**		243
			205		243
Current assets					
Work in Progress		**81**		150	
Debtors	*9*	**11,149**		9,704	
Cash at bank and in hand	*10*	**97**		132	
		11,327		9,986	
Creditors: amounts falling due within one year	*11*	**(9,359)**		(8,964)	
Net current assets			**1,968**		1,022
Total assets less current liabilities			**2,173**		1,265
Creditors: amounts falling due after more than one year	*12*	**(48)**		(209)	
Provisions for liabilities					
Deferred tax liability	*15*	**(12)**		(1)	
			(60)		(210)
Net assets			**2,113**		1,055
Capital and reserves					
Called up share capital	*17*		**1**		1
Profit and loss account			**2,112**		1,054
Shareholders' funds			**2,113**		1,055

The notes on pages 10 to 24 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 28 Feb 2017 and were signed on its behalf by:

Karen Jackson
Director

Company registered number: 06895109

Statement of changes in equity

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
Balance at 1 August 2015	1	1,054	1,055
Total comprehensive income for the period			
Profit	-	1,058	1,058
Total comprehensive income for the period	-	1,058	1,058
Balance at 31 July 2016	**1**	**2,112**	**2,113**

The notes on pages 10 to 24 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Roberts Jackson Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

On the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Lease arrangements – in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at 1 August 2014 rather than commencement date of the arrangement.
- Lease incentives – for leases commenced before 1 August 2014 the Company continued to account for lease incentives under previous UK GAAP.
- Borrowing costs – the Company has elected to capitalise borrowing costs only from the date of transition.

The Company's ultimate parent undertaking, Roberts Jackson Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Roberts Jackson Holdings Limited are available to the public and may be obtained from Sandfield House, Water Lane, Wilmslow, Cheshire, SK9 5AR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of Roberts Jackson Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;* and
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for de-recognition of financial assets and liabilities before the date of transition, accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

Roberts Jackson Limited is part of a group of which Roberts Jackson Holdings Limited is the ultimate parent Company. The Company and Group's forecasts and projections, taking into account of reasonably possible changes in trading performance, show that the Company and Group should be able to operate successfully, meeting all repayments and other creditor repayments as they fall due.

As a result of the above the directors continue to adopt a going concern basis of accounting in the preparation of the annual financial statements.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Cash held on behalf of clients is shown separately within cash balances held by the firm. A creditor for amounts due to clients is also recognised within creditors under 1 year.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.19 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Computers 3 years
- Motor Vehicles 3 years
- Fixtures, fittings and equipment 4 years
- Purchased Cases 2 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.15 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15 Impairment excluding stocks, and deferred tax assets (continued)

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.17 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.18 Turnover

The total turnover for the Company for the year has been derived from its principal activity which is wholly undertaken in the United Kingdom.

Fee income represents revenue earned under contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. Revenue is therefore recognised on settlement of a claim.

Fee income is measured at the fair value of the right to consideration which represents amounts chargeable to clients, excluding expenses, disbursements and value added tax. Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

Commission income is recognised when the firm obtains the right to the consideration as entitled under historic contracts.

Notes *(continued)*

1 Accounting policies *(continued)*

1.19 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.20 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

	2016	2015
	£000	£000
Fee income	**10,840**	10,524
Marketing fee income	**-**	405
Commission income	**111**	244
Consultancy and other income	**-**	34
Total turnover	**10,951**	11,207

3 Expenses and auditor's remuneration

Included in profit are the following:

	2016	2015
	£000	£000
Restructuring costs – included in administrative expenses	**519**	308

Included in the above are costs relating to an onerous lease provision relating to a vacated wing of the offices in which the business operates; this amounted to £264k (2015: £nil). Restructuring of the senior management team took place during 2015, with £16k (2015: £232k) related to this included in the current year. Various project work relating to improvements of process, and the clearing of historical volumes of administrative work have been undertaken during 2015 and 2016, and the associated costs included above are £190k (2015: £76k). Costs associated with the bank refinancing which took place in October 2016 amounted to £39k and during the year the Company incurred £10k in relation to the implementation of an auto-enrolment pension scheme for its employees.

Auditor's remuneration:

	2016	2015
	£000	£000
Audit of these financial statements	**27**	25

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Roberts Jackson Holdings Limited.

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2016	2015
Employees	**190**	217
	190	217

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	**4,825**	5,356
Social security costs	**454**	480
Pension costs	**21**	-
	5,300	5,836

Directors' emoluments

Directors' emoluments are borne by the parent company, Roberts Jackson Group Limited and not Roberts Jackson Limited; these costs cannot be allocated with accuracy across the companies within the Group. The total amount received by directors for their services during the year is disclosed below.

	2016 £000	2015 £000
Directors' remuneration	**282**	416
Company contributions to money purchase pension plans	**1**	-

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £188,839 *(2015: £187,226)*, and company pension contributions of £276 *(2016: £Nil)* were made to a money purchase scheme on their behalf.

	Number of directors 2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**2**	-

Notes *(continued)*

5 Other interest receivable and similar income

	2016	2015
	£000	£000
Interest receivable on financial assets at amortised cost	**1**	8
Total interest receivable and similar income	**1**	8

6 Interest payable and similar charges

	2016	2015
	£000	£000
Interest payable on financial liabilities at amortised cost	**406**	363
Total other interest payable and similar charges	**406**	363

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016		2015	
	£000	**£000**	£000	£000
Current tax				
Current tax on income for the period	**185**		188	
Adjustments in respect of prior periods	**(129)**		(69)	
Total current tax		**56**		119
Deferred tax (see note 15)				
Origination and reversal of timing differences	**11**		(3)	
Adjustment in respect prior periods	**-**		7	
Total deferred tax		**11**		4
Total tax		**67**		123

		2016			2015	
	£000	**£000**	**£000**	£000	£000	£000
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	**56**	**11**	**67**	119	4	123
Total tax	**56**	**11**	**67**	119	4	123

Notes *(continued)*

7 Taxation (continued)

Reconciliation of effective tax rate

	2016	2015
	£000	£000
Profit for the year	**1,058**	286
Total tax expense	**67**	123
Profit excluding taxation	**1,125**	409
Tax using the UK corporation tax rate of 20 % (2015: 20.67%)	**225**	85
Non-deductible expenses	**8**	11
Recognition of previously unrecognised tax losses	**-**	75
Group relief (claimed)/surrendered	**(35)**	13
Depreciation in excess of capital allowances	**-**	-
Adjustments to previous periods	**-**	(62)
Other permanent timing differences	**(1)**	1
Adjust closing deferred tax to average rate of 20%	**(1)**	-
Over provided in prior years	**(129)**	-
Total tax expense included in profit or loss	**67**	123

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes *(continued)*

8 Tangible fixed assets

	Computers £000	Motor Vehicles £000	Fixtures, Fittings & Equipment £000	Purchased Cases £000	Total £000
Cost					
Balance at 1 August 2015	409	28	376	-	813
Additions	107	-	53	34	194
Balance at 31 July 2016	516	28	429	34	1,007
Depreciation and impairment					
Balance at 1 August 2015	293	1	276	-	570
Depreciation charge for the year	127	10	79	16	232
Balance at 31 July 2016	420	11	355	16	802
Net book value					
At 1 August 2015	116	27	100	-	243
At 31 July 2016	**96**	**17**	**74**	**18**	**205**

Leased plant and machinery

At 31 July 2016 the net carrying amount of fixtures, fittings and equipment leased under finance lease was £29,073 *(2015: £103,206)*, and the net carrying amount of computers leased under finance lease was £35,455*(2015: £93,505)*.

9 Debtors

	2016 £000	2015 £000
Trade debtors	**6,459**	5,004
Other debtors	**50**	2
Corporation tax	**255**	442
Prepayments and accrued income	**4,385**	4,256
	11,149	9,704

Notes *(continued)*

10 Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	**3**	-
Amounts held on behalf of clients	**94**	132
Cash and cash equivalents per cash flow statement	**97**	132

11 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Other loans (see note 13)	**2,119**	1,384
Bank loans and overdrafts	**632**	303
Obligations under finance leases (see note 13)	**47**	200
Unbilled unpaid disbursements	**364**	716
Trade creditors	**346**	332
Amounts owed to group undertakings	**3,648**	3,716
Amounts held on behalf of clients	**94**	132
Taxation and social security	**525**	536
Other creditors	**184**	240
Accruals and deferred income	**1,215**	1,405
Corporation tax	**185**	-
	9,359	8,964

12 Creditors: amounts falling after more than one year

	2016 £000	2015 £000
Other loans (see note 13)	**-**	61
Bank loans and overdrafts (see note 13)	**-**	97
Obligations under finance leases (see note 13)	**48**	51
	48	209

Notes *(continued)*

13 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2016 £000	2015 £000
Creditors falling due more than one year		
Secured bank loans	-	97
Other loans	-	61
Finance lease liabilities	48	51
	48	209
Creditors falling due within less than one year		
Secured bank loans	109	139
Debenture loans	2,119	1,384
Finance lease liabilities	47	200
	2,275	1,723

14 Other interest-bearing loans and borrowings

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease payments 2016 £000	Minimum lease payments 2015 £000
Less than one year	48	200
Between one and five years	47	51
More than five years	-	-
	95	251

Notes *(continued)*

15 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	**2016**	2015	**2016**	2015
	£000	£000	**£000**	£000	**£000**	£000
Accelerated capital allowances	-	-	**(12)**	(1)	**(12)**	(1)
Tax (assets) / liabilities	-	-	**(12)**	(1)	**(12)**	(1)
Net of tax liabilities/(assets)						
Net tax (assets) / liabilities	-	-	**(12)**	(1)	**(12)**	(1)

16 Provisions

	Onerous lease provision £000
Balance at 1 August 2015	-
Provisions made during the year	247
Provisions used during the year	(16)
Balance at 31 July 2016	**231**

An onerous lease provision is held due to the vacation of the business from one of the wings of the property it operates from. The provision equals contracted costs payable until the first available break in the rental. Payments will be made regularly during the remaining period of the lease, reducing the provision accordingly over the remaining term.

Notes *(continued)*

17 Capital and reserves

Share capital

	Ordinary shares 2016
On issue at 1 August 2015	**1,000**
On issue at 31 July 2016 – fully paid	**1,000**

	2016 £	2015 £
Allotted, called up and fully paid		
1000 ordinary shares of £1 each	**1**	1
Shares classified in shareholders' funds	**1**	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

18 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 £000	2015 £000
Less than one year	**1**	19
Between one and five years	**243**	9
More than five years	**-**	311
	244	339

Notes *(continued)*

19 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Roberts Jackson Group Limited. The ultimate controlling party is Roberts Jackson Holdings Limited.

The largest group in which the results of the Company are consolidated is that headed by Roberts Jackson Holdings Limited, incorporated in England. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public, and may be obtained from Sandfield House, Water Lane, Wilmslow, Cheshire, SK9 5AR.

20 Subsequent event

Subsequent to the balance sheet date, in October 2016, the Company has entered in to a relationship with Natwest Bank Plc to provide a £5.0m committed revolving credit facility. This facility replaces all bank and other loans in existence at 31 July 2016. Natwest have shown a strong understanding of the sector and commitment to support the Company's growth plans.

21 Accounting estimates and judgements

Critical accounting judgements in applying the Company's accounting policies

Revenue recognition

Fee income represents revenue earned under contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. Revenue is therefore recognised on settlement of a claim.

Fee income is measured at the fair value of the right to consideration which represents amounts chargeable to clients, excluding expenses, disbursements and value added tax. Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

Fee income revenue recognised at settlement is based upon a best estimate of profit costs that will be billed. This is recognised based upon the chargeable time that has been recorded, net of a provision taking account of historic recoverability. The quantum of actual profit costs receivable is subject to a negotiation period post the point that the contingent event (settlement) has taken place. Recoverability reviews are undertaken on a regular basis to ensure estimated revenue is as accurate as possible.