Bristow & Sutor

Annual report and financial statements

Registered number 01431688

For the year ended 31 March 2018

Contents

Strategic report

The directors present their strategic report for the year ended 31 March 2018.

On 14 June 2017 the Company was acquired by Copper Bidco 1 Limited, a company registered in Jersey.

The principal activity of the Company in the year under review was that of Enforcement Agents recovering on behalf of Local Authorities: Council Tax, Business Rates, Penalty Charge Notice and Commercial Rent. Other activities included collecting Sundry Debt, the executing of Warrants of Arrest, Tracing of Absconders and Process Serving. In addition, the Company also provided Commercial Rent recovery and Property Repossessions on behalf of commercial landlords.

Review of business

The Board considers its key performance indicator to be that of profit before tax and is pleased to report a pre-tax profit of £7,014,819 *(2017: £8,407,552)*.

The majority of the Company's business remains within the local authority market in the collection of: council tax, business rates, penalty charge notices, commercial rent and sundry debts. During the year the Company has continued to win new contracts, whilst at the same time seeing a healthy renewal and retention of contracts with existing and key clients, resulting in an increased caseload.

The Company prides itself on its reputation for integrity and ethical, professional behaviour – this is paramount to the retention and acquisition of clients. Central to this is the direct employment of all Enforcement Agents which the Board believes differentiates the Company from its competitors, and allows it to deliver superior collection performance.

The Company continues to benefit from changes to procedures and fee structure which were introduced through the Tribunals Court and Enforcement Regulations. A 12 month review of those Regulations has been completed by central government and no further changes have been highlighted. Continued investment in technology, including ongoing development of bespoke IT systems, and staff resources has been maintained throughout the year. The Company retains its position as one of the major providers of enforcement services to the public sector and will continue to invest in its resources to ensure this position and further strategic growth is maintained.

Principal risks and uncertainties

The principal risk to the business remains that of any negative legislative changes which may be imposed by future governments in respect of the enforcement of local taxation and parking debt. However, following the most recent review of civil enforcement, the directors remain confident that the current enforcement regime will remain in place for the foreseeable future. The other uncertainty the business faces is that of the potential of reduced market opportunities through the partnering of individual councils or the creation of national framework agreements. It is important that the Company is alive to any such initiatives and ensures its inclusion in any framework(s).

Going concern

The directors have reviewed the company's cash flow forecasts and profit projections for twelve months from the date of approval of these financial statements. The forecasts demonstrate that the company expects to meet its liabilities as they fall due for the foreseeable future. The directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

By order of the board

AM Rose
Director

18 July 2018

Directors' report

The directors present their report with the financial statements of the company for the year ended 31 March 2018. Bristow & Sutor is a private unlimited company.

Dividends

A dividend of £9,410,206 was proposed and paid in the year *(2017: £5,040,274)*.

Directors

The directors shown below have held office to the date of this report:

SJ Sutor (resigned 14 June 2017)
JA Sutor (resigned 14 June 2017)
AM Rose
RJ Sutor
CP Sutor (resigned 14 June 2017)

Financial risk management objectives and policies

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations.

During the year the company has been exposed to credit risk, liquidity risk and cash flow risk.

Employment of disabled persons

The company is an equal opportunity employer and makes every effort to ensure disabled persons are not discriminated against on the grounds of their disability. In the event of staff becoming disabled every effort is made to ensure their employment continues and appropriate training is arranged. To endorse this the company holds a 'Positive About Disabled' certificate.

Employees' involvement

Employees are kept informed of significant company news and issues through its Intranet.

Environmental policy

Impact on the environment is a major consideration and policies and procedures have been and continue to be drawn up to minimise our impact on the environment and the company has achieved certification in accordance with IS014001.

Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustments to these financial statements.

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.

Directors' report *(continued)*

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

AM Rose
Director

Bartleet Road
Washford
Redditch
Worcestershire
B98 0FL

18 July 2018

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 and 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 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 judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Bristow & Sutor

Opinion

We have audited the financial statements of Bristow & Sutor ("the company") for the year ended 31 March 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The directors are responsible for the Strategic report and Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Bristow & Sutor *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Stuart Smith (Senior Statutory Auditor) 18 July 2018
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	2	23,974,219	22,649,096
Administrative expenses		(16,959,871)	(14,250,067)
Operating profit		7,014,348	8,399,029
Interest receivable and similar income	6	471	8,523
Profit on ordinary activities before taxation		7,014,819	8,407,552
Tax on profit on ordinary activities	7	(1,319,854)	(1,703,729)
Profit for the financial year being total comprehensive income		5,694,965	6,703,823

All results relate to continuing activities.

The notes on pages 10 to 20 form an integral part of these financial statements.

Balance Sheet
at 31 March 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	*9*		204,012		253,568
Tangible assets	*10*		1,092,052		1,152,818
			1,296,064		1,406,386
Current assets					
Debtors	*11*	4,744,127		1,146,603	
Cash at bank and in hand	*12*	3,953,810		12,560,140	
		8,697,937		13,706,743	
Creditors: amounts falling due within one year	*13*	(3,631,265)		(4,977,947)	
Net current assets			5,066,672		8,728,796
Total assets less current liabilities			6,362,736		10,135,182
Provisions for liabilities	*14*		-		(57,205)
Net assets			6,362,736		10,077,977
Capital and reserves					
Called up share capital	*15*		100,500		100,500
Profit and loss account			6,262,236		9,977,477
Shareholders' funds			6,362,736		10,077,977

These financial statements were approved by the board of directors on 18 July 2018 and were signed on its behalf by:

ML Byng
Secretary

Company registered number: 1431688

Statement of changes in equity
for the year ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2016	100,500	8,313,928	8,414,428
Total comprehensive income for the period			
Profit for the year	-	6,703,823	6,703,823
Total comprehensive income for the period	-	6,703,823	6,703,823
Transactions with owners, recorded directly in equity			
Distribution of dividend	-	(5,040,274)	(5,040,274)
Total contributions by and distributions to owners	-	(5,040,274)	(5,040,274)
Balance at 31 March 2017	100,500	9,977,477	10,077,977
Balance at 1 April 2017	100,500	9,977,477	10,077,977
Total comprehensive income for the period			
Profit for the year	-	5,694,965	5,694,965
Total comprehensive income for the period	-	5,694,965	5,694,965
Transactions with owners, recorded directly in equity			
Distribution of dividend	-	(9,410,206)	(9,410,206)
Total contributions by and distributions to owners	-	(9,410,206)	(9,410,206)
Balance at 31 March 2018	**100,500**	**6,262,236**	**6,362,736**

Notes
(forming part of the financial statements)

1 Accounting Policies

Bristow & Sutor (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 01431688 and the registered address is Bartleet Road, Washford, Redditch, Worcestershire, B98 0FL.

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*"). The amendments to FRS 102 issued in March 2018 have been early adopted by the Company. The amendments to FRS 102 issued in July 2015 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.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The company's ultimate parent undertaking, Copper Topco 1 Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Copper Topco 1 Limited are available by written request from Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.

- Key management personnel compensation.

- Disclosures in respect of transactions with wholly-owned subsidiaries

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As the consolidated financial statements of Copper Topco 1 Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

Certain 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.

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 17.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements are prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors have reviewed the company's cash flow forecasts and profit projections for twelve months from the date of approval of these financial statements. The forecasts demonstrate that the company expects to meet its liabilities as they fall due for the foreseeable future. The directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 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.

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.

1.5 Tangible fixed assets

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

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.

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 reducing balance 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. Land is not depreciated. The estimated useful lives are as follows:

- fixtures, fittings and equipment — 25% reducing balance
- motor vehicles — 25% reducing balance

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Tangible fixed assets (continued)

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.

1.6 Intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. These also include costs directly attributable to the development of software used by the Company in its operations, comprising primarily of employee costs.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software 4 years

1.7 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.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than, stocks, 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").

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 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Turnover

Turnover represents the total invoice value, excluding value added tax, of services provided during the year.

1.10 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.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable.

Other interest receivable and similar income include interest receivable.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

1.11 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. 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.

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 or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for 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. Deferred tax balances are not discounted.

Notes *(continued)*

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2018 £	2017 £
Depreciation – owned assets	364,016	384,274
Amortisation of intangible assets	142,772	129,682
Loss on disposal of tangible fixed assets	33,095	30,020
Auditor's remuneration:		
Audit of these financial statements	43,000	14,000
Tax compliance services	18,200	4,750

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 2018	2017
Enforcement Officers and general	140	284
Administration and accounts	9	18
Management	7	16
	156	318

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	4,178,782	8,630,712
Social security costs	386,502	830,829
Contributions to defined contribution plans	74,033	133,109
	4,639,317	9,594,650

Notes *(continued)*

5 Directors' remuneration

	2018 £	2017 £
Directors' remuneration	25,668	1,019,419
Company contributions to money purchase pension plans	-	33,000

The number of directors to whom retirement benefits were accruing was as follows:

	Number of directors 2018	2017
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	-

Information regarding the highest paid director is as follows:

	£	£
Director remuneration	10,984	822,603
Pension contributions to money purchase schemes	-	9,000

6 Other interest receivable and similar income

	2018 £	2017 £
Deposit account interest	471	8,523
	471	8,523

7 Taxation

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

	2018 £	2017 £00
UK corporation tax		
Current tax	1,384,133	1,755,347
Deferred tax		
Origination and reversal of timing differences	(55,237)	(35,295)
Adjustment in respect of prior periods	(9,042)	-
Change in tax rate	-	(16,323)
Total tax	1,319,854	1,703,729

Notes *(continued)*

7 Taxation *(continued)*

Reconciliation of effective tax rate

	2018 £	2017 £
Profit for the year	5,694,965	6,703,823
Total tax expense	1,319,854	1,703,729
Profit excluding taxation	7,014,819	8,407,552
Tax using the UK corporation tax rate of 19% (2017: 20%)	1,332,816	1,681,510
Non-deductible expenses	13,530	32,150
Capital allowances less than/(in excess) of depreciation	412	163
Deferred taxation movement	9,233	(10,094)
Group relief claimed	(36,137)	-
Total tax charge	1,319,854	1,703,729

8 Dividends

	2018 £	2017 £
Interim dividend		
Ordinary A shares of £1 each	9,410,206	-
Ordinary B shares of £1 each	-	4,142,066
Ordinary C shares of £1 each	-	898,208
	9,410,206	5,040,274

Dividends of £9,410,206 were paid to during the year *(2017: £5,040,274)*.

Notes *(continued)*

9 Intangible fixed assets

	Software £
Cost	
At beginning of year	1,072,120
Additions	93,216
Disposals	-
At end of year	1,165,336
Amortisation	
At beginning of year	818,553
Charge for the year	142,772
At end of year	961,325
Net book value	
At 31 March 2018	**204,012**
At 31 March 2017	253,568

10 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At beginning of year	549,087	1,954,576	2,503,663
Additions	46,784	371,030	417,814
Disposals	(38,095)	(371,858)	(409,953)
At end of year	557,777	1,953,748	2,511,525
Depreciation			
At beginning of year	396,187	954,658	1,350,845
Charge for the year	49,178	314,838	364,016
Disposals	(35,126)	(260,262)	(295,388)
At end of year	410,240	1,009,234	1,419,473
Net book value			
At 31 March 2018	**147,537**	**944,515**	**1,092,052**
At 31 March 2017	152,900	999,918	1,152,818

Notes *(continued)*

11 Debtors

	2018 £	2017 £
Trade debtors	**651,173**	1,012,850
Amounts owed by group undertakings	**3,388,284**	-
Other debtors	**496,000**	14,230
Deferred tax assets (see note 14)	**7,074**	-
Prepayments	**201,596**	119,523
	4,744,127	1,146,603

All amounts owed by group undertakings are repayable on demand.

12 Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**3,953,810**	12,560,140

The cash at bank and in hand as at 31 March 2018 includes £1,656,579 *(2017: £2,339,421)* of client monies held by the company.

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Client accounts	**1,656,789**	2,339,421
Trade creditors	**23,542**	-
Corporation tax	**683,678**	866,834
Taxation and social security	**1,069,400**	1,652,010
Accruals and deferred income	**197,856**	119,682
	3,631,265	4,977,947

Notes *(continued)*

14 Provisions

	Deferred taxation £
At beginning of year	57,205
Provided during the year	(64,279)
At end of year (see note 11)	**(7,074)**

A deferred tax provision has arisen as a result of accelerated capital allowances.

15 Capital and reserves

	2018 £	2017 £
Allotted, called up and fully paid		
85,425 ordinary A shares of £1 each	85,425	85,425
10,050 ordinary B shares of £1 each	10,050	10,050
5,025 ordinary C shares of £1 each	5,025	5,025
	100,500	100,500

The holders of 'A' ordinary shares have equal voting rights and the right to a share in a distribution.

The holders of 'B' and 'C' shares have full voting rights and are entitled to receive dividends as declared from time to time.

16 Related parties

Arrow Auctions is a partnership in which SJ Sutor, JA Sutor and RJ Sutor are partners.

During the year, the company was charged rental costs of £34,188 *(2017: £164,100)* and other expenses of £67,191 *(2017: £182,143)* from Arrow Auctions.

During the year, £53,875 (2017: £81,305) was recharged to Arrow Auctions in respect of rates and other costs incurred by Bristow & Sutor.

During the period, the company was charged rental costs of £156,789 by RJ Sutor and others. Amounts of £nil remained outstanding at the year end.

At the balance sheet date, trade debtors includes £nil (2017: £26,009) due from Arrow Auctions, and trade creditors includes £nil *(2016: £nil)* due to the partnership.

17 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ to those estimates.

The Directors consider that there are no significant accounting estimates or judgements required in the preparation of these financial statements.

Notes *(continued)*

18 Ultimate parent company and parent company of larger group

The immediate parent undertaking is Copper Bidco 1 Limited, a company registered in Jersey. The ultimate parent company is Copper Topco 1 Limited, a company registered in Jersey. The ultimate controlling party is Sovereign Capital IV Limited Partnership.

19 Subsequent events

There have been no material post balance sheet events which require disclosure or adjustments to these financial statements.